

**AMENDMENT TO H.R. 2454**  
**OFFERED BY MR. BURGESS OF TEXAS**

At the end of section 724 of the Clean Air Act, as proposed to be added by section 311 of the bill, insert the following:

1       “(e) PROHIBITION ON TRANSFER OR RECEIPT OF  
2 CARBON CREDIT DERIVATIVE.—

3               “(1) IN GENERAL.—Notwithstanding any other  
4 provision of law, it shall be unlawful for a person in  
5 the United States, or a United States person in any  
6 place, in or affecting commerce, to transfer or re-  
7 ceive a regulated allowance derivative.

8               “(2) DEFINITIONS.—In this subsection:

9                       “(A) REGULATED ALLOWANCE DERIVA-  
10 TIVE.—The term ‘regulated allowance deriva-  
11 tive’ means an instrument that is or includes an  
12 instrument—

13                               “(i) which—

14                                       “(I) is of the character of, or is  
15 commonly known to the trade as, a  
16 ‘put option’, ‘call option’, ‘privilege’,  
17 ‘indemnity’, ‘advance guaranty’, ‘de-

1 cline guaranty', or 'swap agreement';

2 or

3 "(II) is a contract of sale for fu-  
4 ture delivery; and

5 "(ii) the value of which, in whole or in  
6 part, is expressly linked to the price of a  
7 regulated allowance (as defined in section  
8 761(a)(2)) or another regulated allowance  
9 derivative.

10 "(B) CONTRACT OF SALE.—The term 'con-  
11 tract of sale' includes sales, agreements of sale,  
12 and agreements to sell.

13 "(C) UNITED STATES PERSON.—The term  
14 'United States person' means a person who is  
15 a citizen, national, or permanent resident of the  
16 United States, or who does business in the  
17 United States."

On page 857, line 15, through page 858, line 10,  
strike paragraphs (6) and (7).

On page 858, line 24 to 25, strike "allowance deriv-  
ative" and insert "allowances".

On page 870, line 20, strike "allowance derivatives"  
each place it appears and insert "allowances".

In section 401(h)(1) of the Federal Power Act, as proposed to be added by section 341 of the bill, strike “, in conjunction with the Federal agency with jurisdiction over regulated allowance derivatives pursuant to subsection (c)(1),”.

In section 401(h) of the Federal Power Act, as proposed to be added by section 341 of the bill, strike “, in conjunction with the Federal agency,” each place it appears.

In section 401(h)(1)(C) of the Federal Power Act, as proposed to be added by section 341 of the bill, strike “and allowance derivatives”.

In section 401 of the Federal Power Act, as proposed to be added by section 341 of the bill, strike subsections (e) through (e) and redesignate subsections (f) through (h) as subsections (e) through (e), respectively.

