

## GRAINNET

### **U.S. House Ag Committee Hears Testimony on Derivatives Markets Transparency February 4, 2009**

The House Agriculture Committee held Feb. 3 the first in a series of hearings to review legislation addressing the derivatives markets.

The Committee heard today from stakeholder groups about the Derivatives Markets Transparency and Accountability Act of 2009, draft language circulated last week by Chairman Collin C. Peterson of Minnesota.

The bill is designed to bring greater transparency to futures markets and to bring a sense of order to the over-the-counter market for swaps and other credit derivatives.

"The effort to strengthen oversight and improve transparency in derivative markets, whether regulated or unregulated, whether they are physically based commodities or financial commodities, has been a top priority of this Committee," said Chairman Peterson.

"As we did last year, this Committee will hear from all sides and spend a lot of time working through these issues in an open, public manner so we can build on last year's bipartisan bill that passed the House.

"It is my intent to move expeditiously this month with this series of hearings because every day we delay is another day where markets operate without the oversight and transparency they desperately need."

"No one can argue with the concept of transparency," said Committee Ranking Republican Frank Lucas of Oklahoma, "I support greater transparency and accountability with respect to over-the-counter transactions.

"However, I also believe any legislation to regulate financial markets has to strike a balance between protecting the economic workings of the country and creating opportunities for economic growth, business expansion, and risk management."

The Committee heard from two panels of industry stakeholders representing exchanges, farm groups, academics, energy users, and institutional traders.

The draft legislation represents a broadened version of a bipartisan bill which the House passed last September with more than 280 votes (H.R. 6604).

The Committee also held three hearings in late 2008 on the proliferation of over-the-counter credit derivatives, including credit default swaps.

Witness testimony for this hearing as well as the draft language and outline circulated by Chairman Peterson are available on the Committee website.

A full transcript of today's hearing will be posted on the Committee website at a later date.