



For Immediate Release: December 7, 2005

Rep. Barrow's Natural Gas Reform Proposals Win Passage in House Agriculture Committee

Bipartisan measures will bring some much-needed transparency to the natural gas market; crack down on natural gas market manipulation and deliberately inflated prices

Washington, DC – At a full meeting of the House Agriculture Committee, Georgia Congressman John Barrow (12th District) today secured a big win for consumers of natural gas when his energy market reform amendment passed the Committee unanimously. Barrow's proposals will bring some transparency to the natural gas market and help crack down on individuals or corporations that deliberately gouge consumers by inflating natural gas prices for personal profit.

"Erratic spikes in the price of natural gas have been burning holes in bottom lines and budgets all across Georgia and all across the country," Barrow said. "Whether you're heating your home in the winter, running a family farm year-round, or simply operating a business, today's vote represents an important first step by Congress to help get the cost of natural gas under control."

These bipartisan natural gas reform measures were originally introduced by Barrow and Congressman Sam Graves, a Republican from Missouri, earlier this year. The natural gas amendment that passed the Committee today focused on increasing both transparency and criminal penalties for market manipulation. Some of the key provisions include:

- In the event of a "significant and highly unusual change" in natural gas futures prices, the Commodity Futures Trading Commission (CFTC) must review the factors that caused the price movement to determine if manipulation or attempted manipulation has occurred.
- The CFTC will set rules to require traders to maintain records of their contracts, agreements, and transactions for 5 years. These records can be requested at any time, or the CFTC can require regular reporting if they deem it necessary. This provides paper trails to follow in the event of an investigation into manipulation.
- Increase the civil and criminal monetary fine for manipulation or attempted manipulation from a maximum of \$500,000 to \$1,000,000. Criminal incarceration would increase from a maximum of 5 years to 10.

These measures will now be included in the House version of the CFTC reauthorization bill, which could be voted on by the full House of Representatives as early as next week.

In March of this year, Barrow invited Screven County farmer Ben Boyd to testify before Congress about the effect of skyrocketing natural gas prices on the cost of fertilizer for family farmers and agricultural producers ([Read more](#)). Natural gas is the key building block of nitrogen-based fertilizer.

Shortly after Mr. Boyd's testimony before the Small Business Subcommittee on Rural Enterprises, Agriculture, and Technology, where Barrow serves as the Ranking Member, Congressmen Barrow and Graves teamed up to introduce bipartisan legislation that would push for needed common sense reforms to the natural gas market.

"The extraordinarily high cost of natural gas is an issue I've been working on for over 9 months now," Barrow said. "More importantly, it's an issue that affects folks back home. This proves that when members of Congress take the time to listen to the people they represent, we can work together for the best interests of our constituents. I'm excited that the Committee was able to do what's right for the nation's natural gas consumers."

###

Contact: Harper Lawson, (202) 225-2823