



**AMENDMENT TO H.R. \_\_\_\_\_**  
**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 paragraph (1):

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) UNITED STATES PERSON.—The term

11 ‘United States person’ means a person who is

12 a citizen, national, or permanent resident of the

13 United States, or who does business in the

14 United States.”.

In section 761(a) of the Clean Air Act, as proposed to be added by section 311 of the bill, strike paragraphs (3) and (4).

In section 761 of the Clean Air Act, as proposed to be added by section 311 of the bill, strike subsections (c) through (e) and redesignate subsection (f) as subsection (c).

In section 761(f) of the Clean Air Act, as proposed to be added by section 311 of the bill, without regard to the preceding provision of this amendment, strike “in-

strument” each place it appears and insert “allowance”,  
and strike “instruments” and insert “allowances”.

