

Union Calendar No. 358

103D CONGRESS
2D SESSION

H. R. 3967

[Report No. 103-661]

A BILL

To amend the Helium Act to prohibit the Bureau of Mines from refining helium and selling refined helium, to dispose of the United States helium reserve, and for other purposes.

AUGUST 3, 1994

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 1994

Mr. LEHMAN (for himself, Mrs. VUCANOVICH, and Mr. MILLER of California) introduced the following bill; which was referred to the Committee on Natural Resources

AUGUST 3, 1994

Additional sponsors: Mr. MURPHY, Mr. LIPINSKI, Mr. DEFAZIO, Ms. DANNER, Mr. DICKEY, Mr. HANSEN, Mr. THOMAS of Wyoming, Mr. HOLDEN, Mr. BARLOW, Mr. JOHNSON of South Dakota, Mr. DOOLITTLE, Mr. HEFLEY, Mr. KLEIN, Mr. ALLARD, Mr. HUGHES, Mr. DUNCAN, Mr. SKEEN, Mr. WYNN, Mr. BARRETT of Wisconsin, Mrs. JOHNSON of Connecticut, Mr. ROBERTS, Mr. BLUTE, Mr. FRANKS of Connecticut, Mr. ZELIFF, Mr. FRANKS of New Jersey, Mr. BERMAN, Mr. POMBO, Mr. GALLEGLY, Mr. CALVERT, Mr. MCINNIS, Mr. COPPERSMITH, Mr. MCHALE, and Mr. SAXTON

AUGUST 3, 1994

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on March 8, 1994]

A BILL

To amend the Helium Act to prohibit the Bureau of Mines from refining helium and selling refined helium, to dispose of the United States helium reserve, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Helium Act of 1994”.*

5 **SEC. 2. AMENDMENT OF HELIUM ACT.**

6 *Except as otherwise expressly provided, whenever in*
7 *this Act an amendment or repeal is expressed in terms of*
8 *an amendment to, or repeal of, a section or other provision,*
9 *the reference shall be considered to be made to a section or*
10 *other provision of the Helium Act (50 U.S.C. 167 to 167n).*

11 **SEC. 3. AUTHORITY OF SECRETARY.**

12 *Sections 3, 4, and 5 are amended to read as follows:*

13 **“SEC. 3. AUTHORITY OF SECRETARY.**

14 *“(a) EXTRACTION AND DISPOSAL OF HELIUM ON FED-*
15 *ERAL LANDS.—(1) The Secretary may enter into agree-*
16 *ments with private parties for the recovery and disposal*
17 *of helium on Federal lands upon such terms and conditions*
18 *as he deems fair, reasonable and necessary. The Secretary*
19 *may grant leasehold rights to any such helium. The Sec-*
20 *retary may not enter into any agreement by which the Sec-*
21 *retary sells such helium other than to a private party with*

1 *whom the Secretary has an agreement for recovery and dis-*
2 *posal of helium. Such agreements may be subject to such*
3 *rules and regulations as may be prescribed by the Secretary.*

4 “(2) *Any agreement under this subsection shall be sub-*
5 *ject to the existing rights of any affected Federal oil and*
6 *gas lessee. Each such agreement (and any extension or re-*
7 *newal thereof) shall contain such terms and conditions as*
8 *deemed appropriate by the Secretary.*

9 “(3) *This subsection shall not in any manner affect*
10 *or diminish the rights and obligations of the Secretary and*
11 *private parties under agreements to dispose of helium pro-*
12 *duced from Federal lands in existence at the enactment of*
13 *the Helium Act of 1994 except to the extent that such agree-*
14 *ments are renewed or extended after such date.*

15 “(b) *STORAGE, TRANSPORTATION AND SALE.—The*
16 *Secretary is authorized to store, transport, and sell helium*
17 *only in accordance with this Act.*

18 “(c) *MONITORING AND REPORTING.—The Secretary is*
19 *authorized to monitor helium production and helium re-*
20 *serves in the United States and to periodically prepare re-*
21 *ports regarding the amounts of helium produced and the*
22 *quantity of crude helium in storage in the United States.*

1 **“SEC. 4. STORAGE AND TRANSPORTATION OF CRUDE**
2 **HELIUM.**

3 “(a) *STORAGE AND TRANSPORTATION.*—*The Secretary*
4 *is authorized to store and transport crude helium and to*
5 *maintain and operate existing crude helium storage at the*
6 *Bureau of Mines Cliffside Field, together with related he-*
7 *lium transportation and withdrawal facilities.*

8 “(b) *CESSATION OF PRODUCTION, REFINING, AND*
9 *MARKETING.*—*Effective one year after the date of enact-*
10 *ment of the Helium Act of 1994, the Secretary shall cease*
11 *producing, refining and marketing refined helium and shall*
12 *cease carrying out all other activities relating to helium*
13 *which the Secretary was authorized to carry out under this*
14 *Act before the date of enactment of the Helium Act of 1994,*
15 *except those activities described in subsection (a).*

16 “(c) *DISPOSAL OF FACILITIES.*—(1) *Within one year*
17 *after the date of enactment of the Helium Act of 1994, the*
18 *Secretary shall dispose of all facilities, equipment, and*
19 *other real and personal property, together with all interests*
20 *therein, held by the United States for the purpose of produc-*
21 *ing, refining and marketing refined helium. The disposal*
22 *of such property shall be in accordance with the provisions*
23 *of law governing the disposal of excess or surplus properties*
24 *of the United States.*

25 “(2) *All proceeds accruing to the United States by rea-*
26 *son of the sale or other disposal of such property shall be*

1 *treated as moneys received under this chapter for purposes*
2 *of section 6(f). All costs associated with such sale and dis-*
3 *posal (including costs associated with termination of per-*
4 *sonnel) and with the cessation of activities under subsection*
5 *(b) shall be paid from amounts available in the helium pro-*
6 *duction fund established under section 6(f).*

7 “(3) Paragraph (1) shall not apply to any facilities,
8 equipment, or other real or personal property, or any inter-
9 est therein, necessary for the storage and transportation of
10 crude helium.

11 “(d) *EXISTING CONTRACTS.*—All contracts which were
12 entered into by any person with the Secretary for the pur-
13 chase by such person from the Secretary of refined helium
14 and which are in effect on the date of the enactment of the
15 Helium Act of 1994 shall remain in force and effect until
16 the date on which the facilities referred to in subsection (c)
17 are disposed of. Any costs associated with the termination
18 of such contracts shall be paid from the helium production
19 fund established under section 6(f).

20 **“SEC. 5. FEES FOR STORAGE, TRANSPORTATION AND WITH-**
21 **DRAWAL.**

22 “Whenever the Secretary provides helium storage,
23 withdrawal, or transportation services to any person, the
24 Secretary is authorized and directed to impose fees on such
25 person to reimburse the Secretary for the full costs of pro-

1 *viding such storage, transportation, and withdrawal. All*
2 *such fees received by the Secretary shall be treated as mon-*
3 *neys received under this Act for purposes of section 6(f).”.*

4 **SEC. 4. SALE OF CRUDE HELIUM.**

5 *Section 6 is amended as follows:*

6 *(1) Subsection (a) is amended by striking out*
7 *“from the Secretary” and inserting “from persons*
8 *who have entered into enforceable contracts to pur-*
9 *chase an equivalent amount of crude helium from the*
10 *Secretary”.*

11 *(2) Subsection (b) is amended by inserting*
12 *“crude” before “helium” and by adding the following*
13 *at the end thereof: “Except as may be required by*
14 *reason of subsection (a), sales of crude helium under*
15 *this section shall be in amounts as the Secretary de-*
16 *termines, in consultation with the helium industry,*
17 *necessary to carry out this subsection with minimum*
18 *market disruption.*

19 *(3) Subsection (c) is amended by inserting*
20 *“crude” before “helium” after the words “Sales of”*
21 *and by striking “together with interest as provided in*
22 *subsection” and all that follows down through the pe-*
23 *riod at the end of such subsection and inserting the*
24 *following:*

1 *“all funds required to be repaid to the United States as*
2 *of October 1, 1993 under this section (hereinafter referred*
3 *to as ‘repayable amounts’). The price at which crude helium*
4 *is sold by the Secretary shall not be less than the amount*
5 *determined by the Secretary as follows:*

6 *“(1) Divide the outstanding amount of such re-*
7 *payable amounts by the volume (in mcf) of crude he-*
8 *lium owned by the United States and stored in the*
9 *Bureau of Mines Cliffside Field at the time of the sale*
10 *concerned.*

11 *“(2) Adjust the amount determined under para-*
12 *graph (1) by the Consumer Price Index for years be-*
13 *ginning after December 31, 1993.”*

14 *(4) Subsection (d) is amended to read as follows:*

15 *“(d) EXTRACTION OF HELIUM FROM DEPOSITS ON*
16 *FEDERAL LANDS.—All moneys received by the Secretary*
17 *from the sale or disposition of helium on Federal lands shall*
18 *be paid to the Treasury and credited against the amounts*
19 *required to be repaid to the Treasury under subsection (c)*
20 *of this section.”*

21 *(5) Subsection (e) is repealed.*

22 *(6) Subsection (f) is amended by inserting “(1)”*
23 *after “(f)” and by adding the following at the end*
24 *thereof:*

1 “(2) Within 7 days after the commencement of each
2 fiscal year after the disposal of the facilities referred to in
3 section 4(c), all amounts in such fund in excess of
4 \$2,000,000 (or such lesser sum as the Secretary deems nec-
5 essary to carry out this Act during such fiscal year) shall
6 be paid to the Treasury and credited as provided in para-
7 graph (1). Upon repayment of all amounts referred to in
8 subsection (c), the fund established under this section shall
9 be terminated and all moneys received under this Act shall
10 be deposited in the Treasury as General Revenues.”.

11 **SEC. 5. ELIMINATION OF STOCKPILE.**

12 Section 8 is amended to read as follows:

13 **“SEC. 8. ELIMINATION OF STOCKPILE.**

14 “(a) *REVIEW OF RESERVES.*—The Secretary shall re-
15 view annually the known helium reserves in the United
16 States and make a determination as to the expected life of
17 the domestic helium reserves (other than federally owned he-
18 lium stored at the Cliffside Reservoir) at that time.

19 “(b) *STOCKPILE SALES.*—Not later than January 1,
20 2004, the Secretary shall commence making sales of crude
21 helium from helium reserves owned by the United States
22 in such amounts as may be necessary to dispose of all such
23 helium reserves in excess of 600 million cubic feet (mcf) by
24 January 1, 2014. The sales shall be at such times and in
25 such lots as the Secretary determines, in consultation with

1 *the helium industry, to be necessary to carry out this sub-*
2 *section with minimum market disruption. The price for all*
3 *such sales, as determined by the Secretary in consultation*
4 *with the helium industry, shall be such as will ensure re-*
5 *payment of the amounts required to be repaid to the Treas-*
6 *ury under section 6(c).*

7 “(c) *DISCOVERY OF ADDITIONAL RESERVES.—The dis-*
8 *covery of additional helium reserves shall not affect the duty*
9 *of the Secretary to make sales of helium as provided in sub-*
10 *section (b), as the case may be.*”

11 **SEC. 6. REPEAL OF AUTHORITY TO BORROW.**

12 *Sections 12 and 15 are repealed.*