

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3967

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.

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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

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## 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  
8 of an amendment to, or repeal of, a section or other provi-

1 sion, the reference shall be considered to be made to a  
2 section or other provision of the Helium Act (50 U.S.C.  
3 167 to 167n).

4 **SEC. 3. AUTHORITY OF SECRETARY.**

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

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

7 “(a) EXTRACTION AND DISPOSAL OF HELIUM ON  
8 FEDERAL LANDS.—(1) The Secretary may enter into  
9 agreements with private parties for the recovery and dis-  
10 posal of helium on Federal lands upon such terms and  
11 conditions as he deems fair, reasonable and necessary. The  
12 Secretary may grant leasehold rights to any such helium.  
13 The Secretary may not enter into any agreement by which  
14 the Secretary sells such helium other than to a private  
15 party with whom the Secretary has an agreement for re-  
16 covery and disposal of helium. Such agreements may be  
17 subject to such rules and regulations as may be prescribed  
18 by the Secretary.

19 “(2) Any agreement under this subsection shall be  
20 subject to the existing rights of any affected Federal oil  
21 and gas lessee. Each such agreement (and any extension  
22 or renewal thereof) shall contain such terms and condi-  
23 tions as deemed appropriate by the Secretary.

24 “(3) This subsection shall not in any manner affect  
25 or diminish the rights and obligations of the Secretary and

1 private parties under agreements to dispose of helium pro-  
2 duced from Federal lands in existence at the enactment  
3 of the Helium Act of 1994 except to the extent that such  
4 agreements are renewed or extended after such date.

5 “(b) STORAGE, TRANSPORTATION AND SALE.—The  
6 Secretary is authorized to store, transport, and sell helium  
7 only in accordance with this Act.

8 “(c) MONITORING AND REPORTING.—The Secretary  
9 is authorized to monitor helium production and helium re-  
10 serves in the United States and to periodically prepare re-  
11 ports regarding the amounts of helium produced and the  
12 quantity of crude helium in storage in the United States.

13 **“SEC. 4. STORAGE AND TRANSPORTATION OF CRUDE**  
14 **HELIUM.**

15 “(a) STORAGE AND TRANSPORTATION.—The Sec-  
16 retary is authorized to store and transport crude helium  
17 and to maintain and operate existing crude helium storage  
18 at the Bureau of Mines Cliffside Field, together with relat-  
19 ed helium transportation and withdrawal facilities.

20 “(b) CESSATION OF PRODUCTION, REFINING, AND  
21 MARKETING.—Effective one year after the date of enact-  
22 ment of the Helium Act of 1994, the Secretary shall cease  
23 producing, refining and marketing refined helium and  
24 shall cease carrying out all other activities relating to he-  
25 lium which the Secretary was authorized to carry out

1 under this Act before the date of enactment of the Helium  
2 Act of 1994, except those activities described in subsection  
3 (a).

4 “(c) DISPOSAL OF FACILITIES.—(1) Within one year  
5 after the date of enactment of the Helium Act of 1994,  
6 the Secretary shall dispose of all facilities, equipment, and  
7 other real and personal property, together with all inter-  
8 ests therein, held by the United States for the purpose  
9 of producing, refining and marketing refined helium. The  
10 disposal of such property shall be in accordance with the  
11 provisions of law governing the disposal of excess or sur-  
12 plus properties of the United States.

13 “(2) All proceeds accruing to the United States by  
14 reason of the sale or other disposal of such property shall  
15 be treated as moneys received under this chapter for pur-  
16 poses of section 6(f). All costs associated with such sale  
17 and disposal (including costs associated with termination  
18 of personnel) and with the cessation of activities under  
19 subsection (b) shall be paid from amounts available in the  
20 helium production fund established under section 6(f).

21 “(3) Paragraph (1) shall not apply to any facilities,  
22 equipment, or other real or personal property, or any in-  
23 terest therein, necessary for the storage and transpor-  
24 tation of crude helium.

1 “(d) EXISTING CONTRACTS.—All contracts which  
2 were entered into by any person with the Secretary for  
3 the purchase by such person from the Secretary of refined  
4 helium and which are in effect on the date of the enact-  
5 ment of the Helium Act of 1994 shall remain in force and  
6 effect until the date on which the facilities referred to in  
7 subsection (c) are disposed of. Any costs associated with  
8 the termination of such contracts shall be paid from the  
9 helium production fund established under section 6(f).

10 **“SEC. 5. FEES FOR STORAGE, TRANSPORTATION AND WITH-**  
11 **DRAWAL.**

12 “Whenever the Secretary provides helium storage,  
13 withdrawal, or transportation services to any person, the  
14 Secretary is authorized and directed to impose fees on  
15 such person to reimburse the Secretary for the full costs  
16 of providing such storage, transportation, and withdrawal.  
17 All such fees received by the Secretary shall be treated  
18 as moneys received under this Act for purposes of section  
19 6(f).”.

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

21 Section 6 is amended as follows:

22 (1) Subsection (a) is amended by striking out  
23 “from the Secretary” and inserting “from persons  
24 who have entered into enforceable contracts to pur-

1 chase an equivalent amount of crude helium from  
2 the Secretary”.

3 (2) Subsection (b) is amended by inserting  
4 “crude” before “helium” and by adding the follow-  
5 ing at the end thereof: “Except as may be required  
6 by reason of subsection (a), the Secretary shall not  
7 make sales of crude helium under this section in  
8 such amounts as will disrupt the market price of  
9 crude helium.”.

10 (3) Subsection (c) is amended by inserting  
11 “crude” before “helium” after the words “Sales of”  
12 and by striking “together with interest as provided  
13 in this subsection” and all that follows down  
14 through the period at the end of such subsection and  
15 inserting the following:

16 “all funds required to be repaid to the United States as  
17 of October 1, 1993 under this section (hereinafter referred  
18 to as ‘repayable amounts’). The price at which crude he-  
19 lium is sold by the Secretary shall not be less than the  
20 amount determined by the Secretary as follows:

21 “(1) Divide the outstanding amount of such re-  
22 payable amounts by the volume (in mcf) of crude he-  
23 lium owned by the United States and stored in the  
24 Bureau of Mines Cliffside Field at the time of the  
25 sale concerned.

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

4           (4) Subsection (d) is amended to read as fol-  
5           lows:

6           “(d) EXTRACTION OF HELIUM FROM DEPOSITS ON  
7           FEDERAL LANDS.—All moneys received by the Secretary  
8           from the sale or disposition of helium on Federal lands  
9           shall be paid to the Treasury and credited against the  
10          amounts required to be repaid to the Treasury under sub-  
11          section (c) of this section.”.

12          (5) Subsection (e) is repealed.

13          (6) Subsection (f) is amended by inserting  
14          “(1)” after “(f)” and by adding the following at the  
15          end thereof:

16          “(2) Within 7 days after the commencement of each  
17          fiscal year after the disposal of the facilities referred to  
18          in section 4(c), all amounts in such fund in excess of  
19          \$2,000,000 (or such lesser sum as the Secretary deems  
20          necessary to carry out this Act during such fiscal year)  
21          shall be paid to the Treasury and credited as provided in  
22          paragraph (1). Upon repayment of all amounts referred  
23          to in subsection (c), the fund established under this sec-  
24          tion shall be terminated and all moneys received under this

1 Act shall be deposited in the Treasury as General Reve-  
2 nues.”.

3 **SEC. 5. ELIMINATION OF STOCKPILE.**

4 Section 8 is amended to read as follows:

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

6 “(a) REVIEW OF RESERVES.—Not later than Janu-  
7 ary 1, 2014 the Secretary shall review the known helium  
8 reserves in the United States and make a determination  
9 as to the expected life of the domestic helium reserves  
10 (other than federally owned helium stored at the Cliffside  
11 Reservoir) at that time.

12 “(b) RESERVES BELOW 1 BCF IN 2014.—Not later  
13 than January 1, 2014, if the Secretary determines that  
14 domestic helium reserves (other than federally owned he-  
15 lium stored at the Cliffside Reservoir) are less than 1 bil-  
16 lion cubic feet (bcf), the Secretary shall commence making  
17 sales of crude helium from helium reserves owned by the  
18 United States in such amounts as may be necessary to  
19 dispose of all such helium reserves in excess of 600 million  
20 cubic feet (mcf) by January 1, 2019. The sales shall be  
21 at such times and in such lots as the Secretary determines,  
22 in consultation with the helium industry, necessary to  
23 carry out this subsection. The price for all such sales, as  
24 determined by the Secretary in consultation with the he-  
25 lium industry, shall be such as will ensure repayment of



1 the amounts required to be repaid to the Treasury under  
2 section 6(c) by the year 2019 with minimum market dis-  
3 ruption. The date specified in this subsection for comple-  
4 tion of such sales and for repayment of debt may be ex-  
5 tended by the Secretary for a period of not to exceed 5  
6 additional years if necessary in order to assure repayment  
7 of such debt with minimum market disruption.

8       “(c) RESERVES ABOVE 1 BCF IN 2014.—Not later  
9 than January 1, 2014, if the Secretary determines that  
10 domestic helium reserves (other than federally owned he-  
11 lium stored at the Cliffside Reservoir) are more than 1  
12 billion cubic feet (bcf), the Secretary shall commence mak-  
13 ing sales of crude helium from helium reserves owned by  
14 the United States in such amounts as may be necessary  
15 to dispose of all such helium reserves in excess of 600 mil-  
16 lion cubic feet (mcf) by January 1, 2024. The sales shall  
17 be at such times and in such lots as the Secretary deter-  
18 mines, in consultation with the helium industry, necessary  
19 to carry out this subsection with minimum disruption of  
20 the market for crude helium.

21       “(d) DISCOVERY OF ADDITIONAL RESERVES.—The  
22 discovery of additional helium reserves after the year 2014  
23 shall not affect the duty of the Secretary to make sales  
24 of helium as provided in subsection (b) or (c), as the case  
25 may be.”.

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

2 Sections 12 and 15 are repealed.

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