

Calendar No. 477

104TH CONGRESS
2^D SESSION

H. R. 3008

[Report No. 104-302]

AN ACT

To amend the Helium Act to authorize the Secretary to enter into agreements with private parties for the recovery and disposal of helium on Federal lands, and for other purposes.

JUNE 27, 1996

Reported with an amendment

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IN THE SENATE OF THE UNITED STATES

MAY 1, 1996

Received; read twice and referred to the Committee on Energy and Natural
Resources

JUNE 27, 1996

Reported by Mr. MURKOWSKI, with an amendment

[Insert the part printed in *italic*]

AN ACT

To amend the Helium Act to authorize the Secretary to enter into agreements with private parties for the recovery and disposal of helium on Federal lands, 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 Privatization
5 Act of 1996”.

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

2 Except as otherwise expressly provided, whenever in
3 this Act an amendment or repeal is expressed in terms
4 of an amendment to, or repeal of, a section or other provi-
5 sion, the reference shall be considered to be made to a
6 section or other provision of the Helium Act (50 U.S.C.
7 167 to 167n).

8 **SEC. 3. AUTHORITY OF SECRETARY.**

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

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

11 “(a) **EXTRACTION AND DISPOSAL OF HELIUM ON**
12 **FEDERAL LANDS.—**

13 “(1) **IN GENERAL.—**The Secretary may enter
14 into agreements with private parties for the recovery
15 and disposal of helium on Federal lands upon such
16 terms and conditions as the Secretary deems fair,
17 reasonable, and necessary.

18 “(2) **LEASEHOLD RIGHTS.—**The Secretary may
19 grant leasehold rights to any such helium.

20 “(3) **LIMITATION.—**The Secretary may not
21 enter into any agreement by which the Secretary
22 sells such helium other than to a private party with
23 whom the Secretary has an agreement for recovery
24 and disposal of helium.

1 “(4) REGULATIONS.—Agreements under para-
2 graph (1) may be subject to such regulations as may
3 be prescribed by the Secretary.

4 “(5) EXISTING RIGHTS.—An agreement under
5 paragraph (1) shall be subject to any rights of any
6 affected Federal oil and gas lessee that may be in
7 existence prior to the date of the agreement.

8 “(6) TERMS AND CONDITIONS.—An agreement
9 under paragraph (1) (and any extension or renewal
10 of an agreement) shall contain such terms and con-
11 ditions as the Secretary may consider appropriate.

12 “(7) PRIOR AGREEMENTS.—This subsection
13 shall not in any manner affect or diminish the rights
14 and obligations of the Secretary and private parties
15 under agreements to dispose of helium produced
16 from Federal lands in existence on the date of enact-
17 ment of the Helium Privatization Act of 1996 except
18 to the extent that such agreements are renewed or
19 extended after that date.

20 “(b) STORAGE, TRANSPORTATION, AND SALE.—The
21 Secretary may store, transport, and sell helium only in ac-
22 cordance with this Act.

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

3 “(a) STORAGE, TRANSPORTATION, AND WITH-
4 DRAWAL.—The Secretary may store, transport, and with-
5 draw crude helium and maintain and operate crude helium
6 storage facilities, in existence on the date of enactment
7 of the Helium Privatization Act of 1996 at the Bureau
8 of Mines Cliffside Field, and related helium transportation
9 and withdrawal facilities.

10 “(b) CESSATION OF PRODUCTION, REFINING, AND
11 MARKETING.—Not later than 18 months after the date
12 of enactment of the Helium Privatization Act of 1996, the
13 Secretary shall cease producing, refining, and marketing
14 refined helium and shall cease carrying out all other activi-
15 ties relating to helium which the Secretary was authorized
16 to carry out under this Act before the date of enactment
17 of the Helium Privatization Act of 1996, except activities
18 described in subsection (a).

19 “(c) DISPOSAL OF FACILITIES.—

20 “(1) IN GENERAL.—Subject to paragraph (5),
21 not later than 24 months after the cessation of ac-
22 tivities referred to in subsection (b) of this section,
23 the Secretary shall designate as excess property and
24 dispose of all facilities, equipment, and other real
25 and personal property, and all interests therein, held

1 by the United States for the purpose of producing,
2 refining and marketing refined helium.

3 “(2) APPLICABLE LAW.—The disposal of such
4 property shall be in accordance with the Federal
5 Property and Administrative Services Act of 1949.

6 “(3) PROCEEDS.—All proceeds accruing to the
7 United States by reason of the sale or other disposal
8 of such property shall be treated as moneys received
9 under this chapter for purposes of section 6(f).

10 “(4) COSTS.—All costs associated with such
11 sale and disposal (including costs associated with
12 termination of personnel) and with the cessation of
13 activities under subsection (b) shall be paid from
14 amounts available in the helium production fund es-
15 tablished under section 6(f).

16 “(5) EXCEPTION.—Paragraph (1) shall not
17 apply to any facilities, equipment, or other real or
18 personal property, or any interest therein, necessary
19 for the storage, transportation, and withdrawal of
20 crude helium or any equipment, facilities, or other
21 real or personal property, required to maintain the
22 purity, quality control, and quality assurance of
23 crude helium in the Bureau of Mines Cliffside Field.

24 “(d) EXISTING CONTRACTS.—

1 “(1) IN GENERAL.—All contracts that were en-
2 tered into by any person with the Secretary for the
3 purchase by the person from the Secretary of refined
4 helium and that are in effect on the date of the en-
5 actment of the Helium Privatization Act of 1996
6 shall remain in force and effect until the date on
7 which the refining operations cease, as described in
8 subsection (b).

9 “(2) COSTS.—Any costs associated with the ter-
10 mination of contracts described in paragraph (1)
11 shall be paid from the helium production fund estab-
12 lished under section 6(f).

13 **“SEC. 5. FEES FOR STORAGE, TRANSPORTATION AND WITH-**
14 **DRAWAL.**

15 “(a) IN GENERAL.—Whenever the Secretary provides
16 helium storage withdrawal or transportation services to
17 any person, the Secretary shall impose a fee on the person
18 to reimburse the Secretary for the full costs of providing
19 such storage, transportation, and withdrawal.

20 “(b) TREATMENT.—All fees received by the Secretary
21 under subsection (a) shall be treated as moneys received
22 under this Act for purposes of section 6(f).”.

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

24 (a) Subsection 6(a) is amended by striking “from the
25 Secretary” and inserting “from persons who have entered

1 into enforceable contracts to purchase an equivalent
2 amount of crude helium from the Secretary”.

3 (b) Subsection 6(b) is amended—

4 (1) by inserting “crude” before “helium”; and

5 (2) by adding the following at the end: “Except
6 as may be required by reason of subsection (a), sales
7 of crude helium under this section shall be in
8 amounts as the Secretary determines, in consulta-
9 tion with the helium industry, necessary to carry out
10 this subsection with minimum market disruption.”.

11 (c) Subsection 6(c) is amended—

12 (1) by inserting “crude” after “Sales of”; and

13 (2) by striking “together with interest as pro-
14 vided in this subsection” and all that follows
15 through the end of the subsection and inserting “all
16 funds required to be repaid to the United States as
17 of October 1, 1995 under this section (referred to in
18 this subsection as ‘repayable amounts’). The price at
19 which crude helium is sold by the Secretary shall not
20 be less than the amount determined by the Secretary
21 by—

22 “(1) dividing the outstanding amount of such
23 repayable amounts by the volume (in million cubic
24 feet) of crude helium owned by the United States

1 and stored in the Bureau of Mines Cliffside Field
2 at the time of the sale concerned, and

3 “(2) adjusting the amount determined under
4 paragraph (1) by the Consumer Price Index for
5 years beginning after December 31, 1995.”.

6 (d) Subsection 6(d) is amended to read as follows:

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

13 (e) Subsection 6(e) is repealed.

14 (f) Subsection 6(f) is amended—

15 (1) by striking “(f)” and inserting “(e)(1)”;
16 and

17 (2) by adding the following at the end:

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

1 “(B) On repayment of all amounts referred to in sub-
2 section (c), the fund established under this section shall
3 be terminated and all moneys received under this Act shall
4 be deposited in the general fund of the Treasury.”.

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

6 Section 8 is amended to read as follows:

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

8 “(a) STOCKPILE SALES.—

9 “(1) COMMENCEMENT.—Not later than Janu-
10 ary 1, 2005, the Secretary shall commence offering
11 for sale crude helium from helium reserves owned by
12 the United States in such amounts as would be nec-
13 essary to dispose of all such helium reserves in ex-
14 cess of 600,000,000 cubic feet on a straight-line
15 basis between such date and January 1, 2015.

16 “(2) TIMES OF SALE.—The sales shall be at
17 such times during each year and in such lots as the
18 Secretary determines, in consultation with the he-
19 lium industry, to be necessary to carry out this sub-
20 section with minimum market disruption.

21 “(3) PRICE.—The price for all sales under
22 paragraph (1), as determined by the Secretary in
23 consultation with the helium industry, shall be such
24 price as will ensure repayment of the amounts re-

1 quired to be repaid to the Treasury under section
2 6(c).

3 “(b) DISCOVERY OF ADDITIONAL RESERVES.—The
4 discovery of additional helium reserves shall not affect the
5 duty of the Secretary to make sales of helium under sub-
6 section (a).”.

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

8 Sections 12 and 15 are repealed.

9 **SEC. 7. LAND CONVEYANCE IN POTTER COUNTY, TEXAS.**

10 (a) IN GENERAL.—The Secretary of the Interior shall
11 transfer all right, title, and interest of the United States
12 in and to the parcel of land described in subsection (b)
13 to the Texas Plains Girl Scout Council for consideration
14 of \$1, reserving to the United States such easements as
15 may be necessary for pipeline rights-of-way.

16 (b) LAND DESCRIPTION.—The parcel of land re-
17 ferred to in subsection (a) is all those certain lots, tracts
18 or parcels of land lying and being situated in the County
19 of Potter and State of Texas, and being the East Three
20 Hundred Thirty-One (E331) acres out of Section Seventy-
21 eight (78) in Block Nine (9), B.S. & F. Survey, (some
22 times known as the G.D. Landis pasture) Potter County,
23 Texas, located by certificate No. 1/39 and evidenced by
24 letters patents Nos. 411 and 412 issued by the State of
25 Texas under date of November 23, 1937, and of record

1 in Vol. 66A of the Patent Records of the State of Texas.
2 The metes and bounds description of such lands is as fol-
3 lows:

4 (1) FIRST TRACT.—One Hundred Seventy-one
5 (171) acres of land known as the North part of the
6 East part of said survey Seventy-eight (78) afore-
7 said, described by metes and bounds as follows:

8 Beginning at a stone 20 x 12 x 3 inches
9 marked X, set by W.D. Twichell in 1905, for
10 the Northeast corner of this survey and the
11 Northwest corner of Section 59;

12 Thence, South 0 degrees 12 minutes East
13 with the West line of said Section 59, 999.4
14 varas to the Northeast corner of the South 160
15 acres of East half of Section 78;

16 Thence, North 89 degrees 47 minutes
17 West with the North line of the South 150
18 acres of the East half, 956.8 varas to a point
19 in the East line of the West half Section 78;

20 Thence, North 0 degrees 10 minutes West
21 with the East line of the West half 999.4 varas
22 to a stone 18 x 14 x 3 inches in the middle of
23 the South line of Section 79;

24 Thence, South 89 degrees 47 minutes East
25 965 varas to the place of beginning.

1 (2) SECOND TRACT.—One Hundred Sixty (160)
2 acres of land known as the South part of the East
3 part of said survey No. Seventy-eight (78) described
4 by metes and bounds as follows:

5 Beginning at the Southwest corner of Sec-
6 tion 59, a stone marked X and a pile of stones;
7 Thence, North 89 degrees 47 minutes West
8 with the North line of Section 77, 966.5 varas
9 to the Southeast corner of the West half of Sec-
10 tion 78; Thence, North 0 degrees 10 minutes
11 West with the East line of the West half of Sec-
12 tion 78;

13 Thence, South 89 degrees 47 minutes East
14 965.8 varas to a point in the East line of Sec-
15 tion 78;

16 Thence, South 0 degrees 12 minutes East
17 934.6 varas to the place of beginning.

18 Containing an area of 331 acres, more or less.

19 **SEC. 8. REPORT ON HELIUM.**

20 *(a) Not later than three years before the date on which*
21 *the Secretary commences offering for sale crude helium*
22 *under section 8, the Secretary shall enter into appropriate*
23 *arrangements with the National Academy of Sciences to*
24 *study and report on whether such disposal of helium re-*
25 *serves will have a substantial adverse effect on United*

1 *States scientific, technical, biomedical, or national security*
2 *interests.*

3 *(b) Not later than 18 months before the date on which*
4 *the Secretary commences offering for sale crude helium*
5 *under section 8, the Secretary shall transmit to the Con-*
6 *gress—*

7 *(1) the report of the National Academy under sub-*
8 *section (a);*

9 *(2) the findings of the Secretary, after consider-*
10 *ation of the conclusions of the National Academy*
11 *under subsection (a) and after consultation with the*
12 *United States helium industry and with heads of af-*
13 *ected Federal agencies, as to whether the disposal of*
14 *the helium reserve under section 8 will have a sub-*
15 *stantial adverse effect on the United States helium in-*
16 *dustry, United States, helium market or United*
17 *States, scientific, technological, biomedical, or na-*
18 *tional security interests; and*

19 *(3) if the Secretary determines that selling the*
20 *crude helium reserves under the formula established*
21 *in section 8 will have a substantial adverse effect on*
22 *the United States helium industry, the United States*
23 *helium market or United States scientific, techno-*
24 *logical, biomedical, or national security interest, the*
25 *Secretary shall make recommendations, including rec-*

1 *ommendations for proposed legislation, as may be*
2 *necessary to avoid such adverse effects.*

Passed the House of Representatives April 30, 1996.

Attest: ROBIN H. CARLE,
Clerk.