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SENATE

{ REPORT  
113-83

### HELIUM STEWARDSHIP

JULY 29, 2013.—Ordered to be printed

Mr. WYDEN, from the Committee on Energy and Natural Resources, submitted the following

### R E P O R T

[To accompany S. 783]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 783) to amend the Helium Act to improve helium stewardship, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

#### SECTION 1. SHORT TITLE.

This Act may be cited as the “Helium Stewardship Act of 2013”.

#### SEC. 2. DEFINITIONS.

Section 2 of the Helium Act (50 U.S.C. 167) is amended to read as follows:

#### “SEC. 2. DEFINITIONS.

“In this Act:

“(1) CLIFFSIDE FIELD.—The term ‘Cliffside Field’ means the helium storage reservoir in which the Federal Helium Reserve is stored.

“(2) FEDERAL HELIUM PIPELINE.—The term ‘Federal Helium Pipeline’ means the federally owned pipeline system through which the Federal Helium Reserve may be transported.

“(3) FEDERAL HELIUM RESERVE.—The term ‘Federal Helium Reserve’ means helium reserves owned by the United States.

“(4) FEDERAL HELIUM SYSTEM.—The term ‘Federal Helium System’ means—

“(A) the Federal Helium Reserve;

“(B) the Cliffside Field;

“(C) the Federal Helium Pipeline; and

“(D) all other infrastructure owned, leased, or managed under contract by the Secretary for the storage, transportation, withdrawal, enrichment, purification, or management of helium.

“(5) FEDERAL USER.—The term ‘Federal user’ means a Federal agency or extramural holder of one or more Federal research grants using helium.

“(6) LOW-BTU GAS.—The term ‘low-Btu gas’ means a fuel gas with a heating value of less than 250 Btu per standard cubic foot measured as the higher heating value resulting from the inclusion of noncombustible gases, including nitrogen, helium, argon, and carbon dioxide.

“(7) PERSON.—The term ‘person’ means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, or State or political subdivision.

“(8) PRIORITY PIPELINE ACCESS.—The term ‘priority pipeline access’ means the first priority of delivery of crude helium under which the Secretary schedules and ensures the delivery of crude helium to a helium refinery through the Federal Helium System.

“(9) QUALIFIED BIDDER.—

“(A) IN GENERAL.—The term ‘qualified bidder’ means a person the Secretary determines is seeking to purchase helium for their own use, refining, or redelivery to users.

“(B) EXCLUSION.—The term ‘qualified bidder’ does not include a person who was previously determined to be a qualified bidder if the Secretary determines that the person did not meet the requirements of a qualified bidder under this Act.

“(10) QUALIFYING DOMESTIC HELIUM TRANSACTION.—The term ‘qualifying domestic helium transaction’ means any agreement entered into or renegotiated agreement during the preceding 1-year period in the United States for the purchase or sale of at least 20,000,000 standard cubic feet of crude or pure helium to which any holder of a contract with the Secretary for the acceptance, storage, delivery, or redelivery of crude helium from the Federal Helium System is a party.

“(11) REFINER.—The term ‘refiner’ means a person with the ability to take delivery of crude helium from the Federal Helium Pipeline and refine the crude helium into pure helium.

“(12) SECRETARY.—The term ‘Secretary’ means the Secretary of the Interior.”.

#### SEC. 3. AUTHORITY OF SECRETARY.

Section 3 of the Helium Act (50 U.S.C. 167a) is amended by adding at the end the following:

“(c) EXTRACTION OF HELIUM FROM DEPOSITS ON FEDERAL LAND.—All amounts received by the Secretary from the sale or disposition of helium on Federal land shall be credited to the Helium Production Fund established under section 6(e).”.

#### SEC. 4. STORAGE, WITHDRAWAL AND TRANSPORTATION.

Section 5 of the Helium Act (50 U.S.C. 167c) is amended to read as follows:

##### “SEC. 5. STORAGE, WITHDRAWAL AND TRANSPORTATION.

“(a) IN GENERAL.—If the Secretary provides helium storage, withdrawal, or transportation services to any person, the Secretary shall impose a fee on the person that accurately reflects the economic value of those services.

“(b) MINIMUM FEES.—The fees charged under subsection (a) shall be not less than the amount required to reimburse the Secretary for the full costs of providing storage, withdrawal, or transportation services, including capital investments in upgrades and maintenance at the Federal Helium System.

“(c) SCHEDULE OF FEES.—Prior to sale or auction under subsection (a), (b), or (c) of section 6, the Secretary shall annually publish a standardized schedule of fees that the Secretary will charge under this section.

“(d) TREATMENT.—All fees received by the Secretary under this section shall be credited to the Helium Production Fund established under section 6(e).

“(e) STORAGE AND DELIVERY.—In accordance with this section, the Secretary shall—

“(1) allow any person or qualified bidder to which crude helium is sold or auctioned under section 6 to store helium in the Federal Helium Reserve; and

“(2) establish a schedule for the transportation and delivery of helium using the Federal Helium System that—

“(A) ensures timely delivery of helium auctioned pursuant to section 6(b)(2);

“(B) ensures timely delivery of helium acquired from the Secretary from the Federal Helium Reserve by means other than an auction under section 6(b)(2) after the date of enactment of the Helium Stewardship Act of 2013, including nonallocated sales; and

“(C) provides priority access to the Federal Helium Pipeline for in-kind sales for Federal users.

“(f) NEW REFINING CAPACITY.—The Secretary shall consider any applications for access to the Federal Helium Pipeline in a manner consistent with the schedule for phasing out commercial sales and disposition of assets pursuant to section 6.”

**SEC. 5. SALE OF CRUDE HELIUM.**

Section 6 of the Helium Act (50 U.S.C. 167d) is amended to read as follows:

**“SEC. 6. SALE OF CRUDE HELIUM.**

**“(a) PHASE A: ALLOCATION TRANSITION.—**

“(1) IN GENERAL.—The Secretary shall offer crude helium for sale in such quantities, at such times, at not less than the minimum price established under subsection (b)(7), and under such terms and conditions as the Secretary determines necessary to carry out this subsection with minimum market disruption.

“(2) FEDERAL PURCHASES.—Federal users may purchase refined helium with priority pipeline access under this subsection from persons who have entered into enforceable contracts to purchase an equivalent quantity of crude helium at the in-kind price from the Secretary.

“(3) DURATION.—This subsection applies during—

“(A) the period beginning on the date of enactment of the Helium Stewardship Act of 2013 and ending on September 30, 2014; and

“(B) any period during which the sale of helium under subsection (b) is delayed or suspended.

**“(b) PHASE B: AUCTION IMPLEMENTATION.—**

“(1) IN GENERAL.—The Secretary shall offer crude helium for sale in quantities not subject to auction under paragraph (2), after completion of each auction, at not less than the minimum price established under paragraph (7), and under such terms and conditions as the Secretary determines necessary—

“(A) to maximize total recovery of helium from the Federal Helium Reserve over the long term;

“(B) to maximize the total financial return to the taxpayer;

“(C) to manage crude helium sales according to the ability of the Secretary to extract and produce helium from the Federal Helium Reserve;

“(D) to give priority to meeting the helium demand of Federal users in the event of any disruption to the Federal Helium Reserve; and

“(E) to carry out this subsection with minimum market disruption.

“(2) AUCTION QUANTITIES.—For the period described in paragraph (4) and consistent with the conditions described in paragraph (8), the Secretary shall annually auction to any qualified bidder a quantity of crude helium in the Federal Helium Reserve equal to—

“(A) for fiscal year 2015, 10 percent of the total volume of crude helium made available for that fiscal year; and

“(B) for each subsequent fiscal year, a percentage of the total volume of crude helium that is 10 percentage points greater than the percentage available for the previous fiscal year, but not to exceed 100 percent.

“(3) FEDERAL PURCHASES.—Federal users may purchase refined helium with priority pipeline access under this subsection from persons who have entered into enforceable contracts to purchase an equivalent quantity of crude helium at the in-kind price from the Secretary.

“(4) DURATION.—This subsection applies during the period—

“(A) beginning on October 1, 2014; and

“(B) ending on the date on which the volume of recoverable crude helium at the Federal Helium Reserve (other than privately owned quantities of crude helium stored temporarily at the Federal Helium Reserve under section 5 and this section) is 3,000,000,000 standard cubic feet.

“(5) SAFETY VALVE.—The Secretary may adjust the quantities specified in paragraph (2)—

“(A) downward, if the Secretary determines the adjustment necessary—

“(i) to minimize market disruptions that pose a threat to the economic well-being of the United States; and

“(ii) only after submitting a written justification of the adjustment to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives; or

“(B) upward, if the Secretary determines the adjustment necessary to increase participation in crude helium auctions or returns to the taxpayer.

“(6) AUCTION FORMAT.—The Secretary shall conduct each auction using a method that maximizes revenue to the Federal Government.

“(7) PRICES.—The Secretary shall annually establish, as applicable, sale and minimum auction prices under subsection (a)(1) and paragraphs (1) and (2) using, if applicable and in the following order of priority:

“(A) The sale price of crude helium in auctions held by the Secretary under paragraph (2).

“(B) Price recommendations and disaggregated data from a qualified, independent third party who has no conflict of interest, who shall conduct a confidential survey of qualifying domestic helium transactions.

“(C) The volume-weighted average price of all crude helium and pure helium purchased, sold, or processed by persons in all qualifying domestic helium transactions.

“(D) The volume-weighted average cost of converting gaseous crude helium into pure helium.

“(8) TERMS AND CONDITIONS.—

“(A) IN GENERAL.—The Secretary shall require all persons that are parties to a contract with the Secretary for the withdrawal, acceptance, storage, transportation, delivery, or redelivery of crude helium to disclose, on a strictly confidential basis—

“(i) the volumes and associated prices in dollars per thousand cubic feet of all crude and pure helium purchased, sold, or processed by persons in qualifying domestic helium transactions;

“(ii) the volumes and associated costs in dollars per thousand cubic feet of converting crude helium into pure helium; and

“(iii) refinery capacity and future capacity estimates.

“(B) CONDITION.—As a condition of sale or auction to a refiner under subsection (a)(1) and paragraphs (1) and (2), effective beginning 90 days after the date of enactment of the Helium Stewardship Act of 2013, the refiner shall make excess refining capacity of helium available at commercially reasonable rates to—

“(i) any person prevailing in auctions under paragraph (2); and

“(ii) any person that has acquired crude helium from the Secretary from the Federal Helium Reserve by means other than an auction under paragraph (2) after the date of enactment of the Helium Stewardship Act of 2013, including nonallocated sales.

“(9) USE OF INFORMATION.—The Secretary may use the information collected under this Act—

“(A) to approximate crude helium prices; and

“(B) to ensure the recovery of fair value for the taxpayers of the United States from sales of crude helium.

“(10) PROTECTION OF CONFIDENTIALITY.—The Secretary shall adopt such administrative policies and procedures as the Secretary considers necessary and reasonable to ensure the confidentiality of information submitted pursuant to this Act.

“(c) PHASE C: CONTINUED ACCESS FOR FEDERAL USERS.—

“(1) IN GENERAL.—The Secretary shall offer crude helium for sale to Federal users in such quantities, at such times, at such prices required to reimburse the Secretary for the full costs of the sales, and under such terms and conditions as the Secretary determines necessary to carry out this subsection.

“(2) FEDERAL PURCHASES.—Federal users may purchase refined helium with priority pipeline access under this subsection from persons who have entered into enforceable contracts to purchase an equivalent quantity of crude helium at the in-kind price from the Secretary.

“(3) EFFECTIVE DATE.—This subsection applies beginning on the day after the date described in subsection (b)(4)(B).

“(d) PHASE D: DISPOSAL OF ASSETS.—

“(1) IN GENERAL.—Not earlier than 2 years after the date of commencement of Phase C described in subsection (c) and not later than January 1, 2023, the Secretary shall designate as excess property and dispose of all facilities, equipment, and other real and personal property, and all interests in the same, held by the United States in the Federal Helium System.

“(2) APPLICABLE LAW.—The disposal of the property described in paragraph (1) shall be in accordance with subtitle I of title 40, United States Code.

“(3) PROCEEDS.—All proceeds accruing to the United States by reason of the sale or other disposal of the property described in paragraph (1) shall be treated as funds received under this Act for purposes of subsection (e).

“(4) COSTS.—All costs associated with the sale and disposal (including costs associated with termination of personnel) and with the cessation of activities under this subsection shall be paid from amounts available in the Helium Production Fund established under subsection (e).

“(e) HELIUM PRODUCTION FUND.—

“(1) IN GENERAL.—All amounts received under this Act, including amounts from the sale or auction of crude helium, shall be credited to the Helium Pro-

duction Fund, which shall be available without fiscal year limitation for purposes determined to be necessary and cost effective by the Secretary to carry out this Act (other than sections 16, 17, and 18), including capital investments in upgrades and maintenance at the Federal Helium System, including—

- “(A) well head maintenance at the Cliffside Field;
- “(B) capital investments in maintenance and upgrades of facilities that pressurize the Cliffside Field;
- “(C) capital investments in maintenance and upgrades of equipment related to the storage, withdrawal, transportation, purification, and sale of crude helium from the Federal Helium Reserve;
- “(D) entering into purchase, lease, or other agreements to drill new or uncap existing wells to maximize the recovery of crude helium from the Federal Helium System; and
- “(E) any other scheduled or unscheduled maintenance of the Federal Helium System.

“(2) EXCESS FUNDS.—Amounts in the Helium Production Fund in excess of amounts the Secretary determines to be necessary to carry out paragraph (1) shall be paid to the general fund of the Treasury and used to reduce the annual Federal budget deficit.

“(3) RETIREMENT OF PUBLIC DEBT.—Out of amounts paid to the general fund of the Treasury under paragraph (2), the Secretary of the Treasury shall use \$51,000,000 to retire public debt.

“(f) MINIMUM QUANTITY.—The Secretary shall offer for sale or auction during each fiscal year under subsections (a), (b), and (c) a quantity of crude helium that is the lesser of —

- “(1) the quantity of crude helium offered for sale by the Secretary during fiscal year 2012; or
- “(2) the maximum total production capacity of the Federal Helium System.”.

#### **SEC. 6. INFORMATION, ASSESSMENT, RESEARCH, AND STRATEGY.**

The Helium Act (50 U.S.C. 167 et seq.) is amended—

- (1) by repealing section 15 (50 U.S.C. 167m);
- (2) by redesignating section 17 (50 U.S.C. 167 note) as section 20; and
- (3) by inserting after section 14 (50 U.S.C. 167l) the following:

#### **“SEC. 15. INFORMATION.**

“(a) TRANSPARENCY.—The Secretary, acting through the Bureau of Land Management, shall make available on the Internet information relating to the Federal Helium System that includes—

- “(1) continued publication of an open market and in-kind price;
- “(2) aggregated projections of excess refining capacity;
- “(3) ownership of helium held in the Federal Helium Reserve;
- “(4) the volume of helium delivered to persons through the Federal Helium Pipeline;
- “(5) pressure constraints of the Federal Helium Pipeline;
- “(6) an estimate of the projected date when 3,000,000,000 standard cubic feet of crude helium will remain in the Federal Helium Reserve and the final phase described in section 6(c) will begin;
- “(7) the amount of the fees charged under section 5;
- “(8) the scheduling of crude helium deliveries through the Federal Helium Pipeline; and
- “(9) other factors that will increase transparency.

“(b) REPORTING.—Not later than 90 days after the date of enactment of the Helium Stewardship Act of 2013, to provide the market with appropriate and timely information affecting the helium resource, the Director of the Bureau of Land Management shall establish a timely and public reporting process to provide data that affects the helium industry, including—

- “(1) annual maintenance schedules and quarterly updates, that shall include—
  - “(A) the date and duration of planned shutdowns of the Federal Helium Pipeline;
  - “(B) the nature of work to be undertaken on the Federal Helium System, whether routine, extended, or extraordinary;
  - “(C) the anticipated impact of the work on the helium supply;
  - “(D) the efforts being made to minimize any impact on the supply chain; and
  - “(E) any concerns regarding maintenance of the Federal Helium Pipeline, including the pressure of the pipeline or deviation from normal operation of the pipeline;
- “(2) for each unplanned outage, a description of—

- “(A) the beginning of the outage;
- “(B) the expected duration of the outage;
- “(C) the nature of the problem;
- “(D) the estimated impact on helium supply;
- “(E) a plan to correct problems, including an estimate of the potential timeframe for correction and the likelihood of plan success within the timeframe;
- “(F) efforts to minimize negative impacts on the helium supply chain; and
- “(G) updates on repair status and the anticipated online date;
- “(3) monthly summaries of meetings and communications between the Bureau of Land Management and the Cliffside Refiners Limited Partnership, including a list of participants and an indication of any actions taken as a result of the meetings or communications; and
- “(4) current predictions of the lifespan of the Federal Helium System, including how much longer the crude helium supply will be available based on current and forecasted demand and the projected maximum production capacity of the Federal Helium System for the following fiscal year.

**“SEC. 16. HELIUM GAS RESOURCE ASSESSMENT.**

“(a) **IN GENERAL.**—Not later than 2 years after the date of enactment of the Helium Stewardship Act of 2013, the Secretary, acting through the Director of the United States Geological Survey, shall—

“(1) in coordination with appropriate heads of State geological surveys—

“(A) complete a national helium gas assessment that identifies and quantifies the quantity of helium, including the isotope helium-3, in each reservoir, including assessments of the constituent gases found in each helium resource, such as carbon dioxide, nitrogen, and natural gas; and

“(B) make available the modern seismic and geophysical log data for characterization of the Bush Dome Reservoir;

“(2) in coordination with appropriate international agencies and the global geology community, complete a global helium gas assessment that identifies and quantifies the quantity of the helium, including the isotope helium-3, in each reservoir;

“(3) in coordination with the Secretary of Energy, acting through the Administrator of the Energy Information Administration, complete—

“(A) an assessment of trends in global demand for helium, including the isotope helium-3;

“(B) a 10-year forecast of domestic demand for helium across all sectors, including scientific and medical research, commercial, manufacturing, space technologies, cryogenics, and national defense; and

“(C) an inventory of medical, scientific, industrial, commercial, and other uses of helium in the United States, including Federal uses, that identifies the nature of the helium use, the amounts required, the technical and commercial viability of helium recapture and recycling in that use, and the availability of material substitutes wherever possible; and

“(4) submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report describing the results of the assessments required under this paragraph.

“(b) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$1,000,000.

**“SEC. 17. LOW-BTU GAS SEPARATION AND HELIUM CONSERVATION.**

“(a) **AUTHORIZATION.**—The Secretary of Energy shall support programs of research, development, commercial application, and conservation (including the programs described in subsection (b))—

“(1) to expand the domestic production of low-Btu gas and helium resources;

“(2) to separate and capture helium from natural gas streams; and

“(3) to reduce the venting of helium and helium-bearing low-Btu gas during natural gas exploration and production.

“(b) **PROGRAMS.**—

“(1) **MEMBRANE TECHNOLOGY RESEARCH.**—The Secretary of Energy, in consultation with other appropriate agencies, shall support a civilian research program to develop advanced membrane technology that is used in the separation of low-Btu gases, including technologies that remove helium and other constituent gases that lower the Btu content of natural gas.

“(2) **HELIUM SEPARATION TECHNOLOGY.**—The Secretary of Energy shall support a research program to develop technologies for separating, gathering, and processing helium in low concentrations that occur naturally in geological reservoirs or formations, including—

“(A) low-Btu gas production streams; and

“(B) technologies that minimize the atmospheric venting of helium gas during natural gas production.

“(3) INDUSTRIAL HELIUM PROGRAM.—The Secretary of Energy, working through the Advanced Manufacturing Office of the Department of Energy, shall carry out a research program—

“(A) to develop low-cost technologies and technology systems for recycling, reprocessing, and reusing helium for all medical, scientific, industrial, commercial, aerospace, and other uses of helium in the United States, including Federal uses; and

“(B) to develop industrial gathering technologies to capture helium from other chemical processing, including ammonia processing.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$3,000,000.

**“SEC. 18. HELIUM-3 SEPARATION.**

“(a) INTERAGENCY COOPERATION.—The Secretary shall cooperate with the Secretary of Energy, or a designee, on any assessment or research relating to the extraction and refining of the isotope helium-3 from crude helium and other potential sources, including—

“(1) gas analysis; and

“(2) infrastructure studies.

“(b) FEASIBILITY STUDY.—The Secretary, in consultation with the Secretary of Energy, or a designee, may carry out a study to assess the feasibility of—

“(1) establishing a facility to separate the isotope helium-3 from crude helium; and

“(2) exploring other potential sources of the isotope helium-3.

“(c) REPORT.—Not later than 1 year after the date of enactment of the Helium Stewardship Act of 2013, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report that contains a description of the results of the assessments conducted under this section.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$1,000,000.

**“SEC. 19. FEDERAL AGENCY HELIUM ACQUISITION STRATEGY.**

“In anticipation of the implementation of Phase D described in section 6(d), and not later than 2 years after the date of enactment of the Helium Stewardship Act of 2013, the Secretary (in consultation with the Secretary of Energy, the Secretary of Defense, the Director of the National Science Foundation, the Administrator of the National Aeronautics and Space Administration, and the Director of the National Institutes of Health) shall submit to Congress a report that provides for Federal users—

“(1) an assessment of the consumption of, and projected demand for, crude and refined helium;

“(2) a description of a 20-year Federal strategy for securing access to helium;

“(3) a determination of a date prior to January 1, 2023, for the implementation of Phase D as described in section 6(d) that minimizes any potential supply disruptions for Federal users;

“(4) an assessment of the effects of increases in the price of refined helium and methods and policies for mitigating any determined effects; and

“(5) a description of a process for prioritization of uses that accounts for diminished availability of helium supplies that may occur over time.”.

**SEC. 7. CONFORMING AMENDMENTS.**

(a) Section 4 of the Helium Act (50 U.S.C. 167b) is amended by striking “section 6(f)” each place it appears in subsections (c)(3), (c)(4), and (d)(2) and inserting “section 6(d)”.

(b) Section 8 of the Helium Act (50 U.S.C. 167f) is repealed.

**SEC. 8. EXISTING AGREEMENTS.**

This Act and the amendments made by this Act shall not affect or diminish the rights and obligations of the Secretary of the Interior and private parties under agreements in existence on the date of enactment of this Act, except to the extent that the agreements are renewed or extended after that date.

**SEC. 9. REGULATIONS.**

The Secretary of the Interior shall promulgate such regulations as are necessary to carry out this Act and the amendments made by this Act, including regulations necessary to prevent unfair acts and practices.

**SEC. 10. AMENDMENTS TO OTHER LAWS.**

- (a) SECURE RURAL SCHOOLS AND COMMUNITY SELF DETERMINATION PROGRAM.—
- (1) SECURE PAYMENTS FOR STATES AND COUNTIES CONTAINING FEDERAL LAND.—
- (A) AVAILABILITY OF PAYMENTS.—Section 101 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7111) is amended by striking “2012” each place it appears and inserting “2013”.
- (B) ELECTIONS.—Section 102(b) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112(b)) is amended—
- (i) in paragraph (1)(A), by striking “2012” and inserting “2013”; and
- (ii) in paragraph (2)(B), by striking “2012” each place it appears and inserting “2013”.
- (C) DISTRIBUTION OF PAYMENTS TO ELIGIBLE COUNTIES IN CALIFORNIA.—Section 103(d)(2) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7113(d)(2)) is amended by striking “and 2012” and inserting “through 2013”.
- (2) CONTINUATION OF AUTHORITY TO CONDUCT SPECIAL PROJECTS ON FEDERAL LAND.—Title II of the Secure Rural Schools and Community Self-Determination Act of 2000 is amended—
- (A) in section 203(a)(1) (16 U.S.C. 7123(a)(1)), by striking “2012” and inserting “2013”;
- (B) in section 204(e)(3)(B)(iii) (16 U.S.C. 7124(e)(3)(B)(iii)), by striking “2012” and inserting “2013”;
- (C) in section 205(a)(4) (16 U.S.C. 7125(a)(4)), by striking “2011” each place it appears and inserting “2012”;
- (D) in section 207(a) (16 U.S.C. 7127(a)), by striking “2012” and inserting “2013”; and
- (E) in section 208 (16 U.S.C. 7128)—
- (i) in subsection (a), by striking “2012” and inserting “2013”; and
- (ii) in subsection (b), by striking “2013” and inserting “2014”.
- (3) CONTINUATION OF AUTHORITY TO RESERVE AND USE COUNTY FUNDS.—Section 304 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7144) is amended—
- (A) in subsection (a), by striking “2012” and inserting “2013”; and
- (B) in subsection (b), by striking “2013” and inserting “2014”.
- (4) AUTHORIZATION OF APPROPRIATIONS.—Section 402 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7152) is amended by striking “2012” and inserting “2013”.
- (b) ABANDONED WELL REMEDIATION.—Section 349 of the Energy Policy Act of 2005 (42 U.S.C. 15907) is amended by adding at the end the following:
- “(i) FEDERALLY DRILLED WELLS.—Out of any amounts in the Treasury not otherwise appropriated, \$50,000,000 shall be made available to the Secretary, without further appropriation and to remain available until expended, to remediate, reclaim, and close abandoned oil and gas wells on current or former National Petroleum Reserve land.”
- (c) NATIONAL PARKS MAINTENANCE BACKLOG.—Section 814(g) of the Omnibus Parks and Public Lands Management Act of 1996 (16 U.S.C. 1f) is amended by adding at the end the following:
- “(4) AVAILABLE FUNDS.—Out of any amounts in the Treasury not otherwise appropriated, \$50,000,000 shall be made available to the Secretary of the Interior, without further appropriation and to remain available until expended, to pay the Federal funding share of challenge cost-share agreements for deferred maintenance projects and to correct deficiencies in National Park Service infrastructure.
- “(5) COST-SHARE REQUIREMENT.—Not less than 50 percent of the total cost of project for funds made available under paragraph (4) to pay the Federal funding share shall be derived from non-Federal sources, including in-kind contribution of goods and services fairly valued.”
- (d) ABANDONED MINE RECLAMATION FUND.—Section 411(h) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1240a(h)) is amended by adding at the end the following:
- “(6) SUPPLEMENTAL FUNDING.—
- “(A) WAIVER OF LIMITATION.—Notwithstanding paragraph (5), the limitation on the total annual payments to a certified State or Indian tribe under this subsection shall not apply for fiscal year 2014.
- “(B) LIMITATION ON WAIVER.—Notwithstanding subparagraph (A), the total annual payment to a certified State or Indian tribe under this subsection for fiscal year 2014 shall not be more than \$75,000,000.

“(C) INSUFFICIENT AMOUNTS.—If the total annual payment to a certified State or Indian tribe under paragraphs (1) and (2) is limited by subparagraph (B), the Secretary shall—

- “(i) give priority to making payments under paragraph (2); and
- “(ii) use any remaining funds to make payments under paragraph (1).”.

(e) SODA ASH ROYALTIES.—Notwithstanding section 24 of the Mineral Leasing Act (30 U.S.C. 262) and the terms of any lease under that Act, the royalty rate on the quantity of gross value of the output of sodium compounds and related products at the point of shipment to market from Federal land in the 2-year period beginning on the date of enactment of this Act shall be 4 percent.

(f) AUTHORIZATION OFFSET.—Section 207(c) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17022(c)) is amended by inserting before the period at the end the following: “, except that the amount authorized to be appropriated to carry out this section not appropriated as of the date of enactment of the Helium Stewardship Act of 2013 shall be reduced by \$5,000,000”.

#### PURPOSE OF THE MEASURE

The purpose of S. 783 is to amend the Helium Act to improve helium stewardship, and for other purposes.

#### BACKGROUND AND NEED

Helium is a naturally occurring resource that is typically extracted from natural gas and subsequently refined to higher purity grades for applications such as magnetic resonance imaging, semiconductor manufacturing, military aviation, research and development, pressurization and purging systems, leak detection, welding, and breathing mixtures.

The Federal Government has played a significant role in the production, refining, and storage of helium for nearly a century. Recognizing the military importance of helium for use in lighter-than-air airships during World War I, Congress reserved to the Federal Government the ownership and the right to extract helium from all natural gas produced from the public lands leased under the Mineral Leasing Act in 1920. 30 U.S.C. 181. In addition, in 1925, Congress authorized the Secretary of the Interior to acquire helium-bearing lands, explore for, procure, and conserve helium-bearing gas, and to construct and operate facilities for the production, storage, and purification of helium through the Department of the Interior’s Bureau of Mines. Act of March 3, 1935, chapter 426, 43 Stat. 1110. Pursuant to the Helium Act of 1925, the Bureau of Mines built the Cliffside Gasfield Facility near Amarillo, Texas, to produce helium from the Bush Dome Reservoir.

Following World War II, helium gained new strategic importance in rocket development, space exploration, and scientific research. In 1960, Congress amended the Helium Act of 1925 to encourage private natural gas producers to extract crude helium and sell it to the Federal Government for storage in the Bush Dome Reservoir. Public Law 8–77, 74 Stat 918. The 1960 amendments to the Helium Act also authorized the Bureau of Mines to borrow funds from the Treasury to buy helium for storage in the Federal Helium Reserve (Reserve), which the Bureau established in the Bush Dome Reservoir. The 1960 amendments also required the Bureau to repay the loan by 1985. That deadline was later extended to 1995.

The Bureau of Mines subsequently borrowed about \$252 million to buy helium for storage. In 1973, in the face of a large helium stockpile and flat-lined consumption, the United States Govern-

ment ceased acquiring additional crude helium. For the next 20 years, annual consumption was matched by volumes of helium placed into storage at the Reserve, and volumes therein remained largely unchanged. Sales of helium were not sufficient to repay the debt. By 1991, the program's debt had ballooned to \$1.3 billion, over \$1 billion of which consisted of interest on the \$252 million borrowed.

In 1996, Congress enacted the Helium Privatization Act, Public Law 104-273, to address outstanding issues with the Reserve. The Privatization Act required the Bureau of Land Management (BLM), which assumed responsibility for the program after the Bureau of Mines was abolished in 1996, to sell off the crude helium remaining in the Reserve in order to repay the U.S. Treasury the \$1.3 billion debt, and then close the Reserve to commercial sales. The debt will be repaid during fiscal year 2013 and, as a consequence, the helium program will terminate sales of helium on October, 7, 2013, absent Congressional action, according to testimony and correspondence from the Department of the Interior to the Committee.

The helium market has undergone several important changes since the Privatization Act was enacted. First, the majority of the Federal helium supply has been sold off. At current production rates, there is roughly five to six years of commercial supply remaining. Eventually, the helium supplies in the Reserve will become too depleted to be used, but for now it provides a critical source of supply during a global shortage. Second, while additional investments have been made in non-Federal supplies in the U.S. and overseas, current market conditions indicate that demand is outstripping supply and leading to a worldwide shortage of helium. Foreign demand for helium has virtually doubled since 1996, and as of 2007, consumption of helium outside the United States surpassed domestic consumption.

The Reserve continues to provide a ready supply of helium for defense, aerospace, and scientific research. The Reserve is connected by a Federal pipeline to private helium refiners spread throughout northern Texas, the Oklahoma panhandle, and southern Kansas. Today, the Reserve currently supplies 40 percent of the domestic and 30 percent of global helium demand.

If Congress does not extend operation of the Reserve, there will be significant disruption in many sectors of the economy, including everything from medical imaging equipment to semiconductor manufacturing. Additionally, and because BLM sales make up such a significant portion of global supplies, non-BLM sales are indexed to BLM prices. Therefore, significant volatility in BLM prices would be quickly passed through to the rest of the market.

#### LEGISLATIVE HISTORY

S. 783 was introduced on April 23, 2013, by Senator Wyden for himself and Senator Murkowski. Senators Blumenthal, Casey, Crapo, Flake, Gillibrand, Heinrich, King, Merkley, Risch, Schumer, and Whitehouse are cosponsors.

The Committee on Energy and Natural Resources held a hearing on S. 783 on May 7, 2013. At its business meeting on June 18, 2013, the Committee ordered S. 783 to be favorably reported with an amendment in the nature of a substitute.

Similar legislation (H.R. 527) was also introduced in the House of Representatives by Representative Hastings on February 6, 2013. The House Energy and Commerce Committee reported H.R. 527 on April 18, 2013 (H. Rept. 113–42), and the House of Representatives passed the bill on April 26, 2013.

Similar legislation (S. 2374) was also introduced by Senator Bingaman on April 26, 2012, during the 112th Congress. S. 2374 was cosponsored by 22 Senators. The Committee held a hearing on the bill on May 10, 2012. S. Hrg. 112–540.

#### COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in open business session on June 18, 2013, by voice vote of a quorum present, recommends that the Senate pass S. 783, if amended as described herein.

#### COMMITTEE AMENDMENT

During its consideration of the bill, the Committee adopted an amendment in the nature of a substitute. The amendment: (1) clarifies that all fees imposed by the Secretary should, at minimum, reimburse the Secretary for the full cost of services provided, including any capital investments; (2) ensures timely delivery of helium acquired from the Secretary by persons in an auction or acquired by means other than an auction, and provides priority pipeline access for in-kind sales; (3) directs the Secretary to consider any new application for access to the Federal Helium Pipeline; (4) allows the extension of helium sales under Phase A (section 6(a)) if helium sales under Phase B (section 6(b)) are delayed or suspended; (5) requires that all capital investments be determined by the Secretary to be both necessary and cost effective; (6) requires that any amounts in the Helium Production Fund in excess of the amounts necessary to carry out the revised Federal Helium Program be returned to the Treasury with \$51,000,000 directed to debt reduction and any additional excess funds be used to reduce the Federal budget deficit; (7) adds a new Phase D (section 6(d)) that directs the Secretary to dispose of all Federal Helium Reserve assets by January 1, 2023 and at a time informed by the Federal Helium Strategy in section 19; (8) broadens the helium-3 study to include options beyond utilization of the Federal Helium Reserve; (9) adds the NASA Administrator to the Federal Helium Strategy in section 19; (10) adds authorization amounts to section 16, 17, and 18; (11) further defines the scope of protections for existing contracts and agreements by deleting the words “in any manner” from section 8; and (12) adds a new section 10, which: (a) provides a one-year extension of payments under the Secure Rural Schools and Community Determination Act at a 5 percent reduction from the level of payments made in 2013; (b) provides \$50,000,000 to remediate abandoned oil and gas wells on current or former National Petroleum Reserve lands; (c) adds \$50,000,000 in direct funding to address deferred National Parks Service maintenance with a dollar-for-dollar cost share with non-Federal sources; (d) provides \$60,000,000 to restore payments to states and Indian tribes certified under the Abandoned Mine Lands program

for fiscal year 2014; and (e) reduces to 4 percent, for two years, the royalty rate for soda ash production on Federal lands.

#### SECTION-BY-SECTION SUMMARY

*Section 1* provides a short title.

*Section 2* amends section 2 of the Helium Act to define the terms used in the Act as amended.

*Section 3* amends section 3 of the Helium Act to ensure that all amounts received by the Secretary from the sale or disposition of helium on Federal lands will be credited to the Helium Production Fund.

*Section 4* amends section 5 of the Helium Act to direct the Secretary to impose storage, withdrawal, and transportation fees that reflect the economic value of those services; annually publish a schedule of fees; allow any person or qualified bidder to store helium in the Federal Helium Reserve; set a schedule for the transportation and delivery of helium; and consider any new applications for access to the Federal Helium Pipeline. The purpose of requiring the BLM to establish a new schedule for use of the helium pipeline is to ensure that there is adequate access for helium sales conducted under the new procedures required by the amendments to the Helium Act. Nothing in the amendment is intended to in any way vitiate existing storage contracts or to strand private helium paid for and currently held in storage in the Federal Helium Reserve.

*Section 5* amends section 6 of the Helium Act to establish a four-phase system for sale and auction of crude helium from, and eventual closure of, the Reserve with minimum sales prices, maximum sales volumes, transparency requirements, information collection, priority pipeline access and in-kind prices for Federal users, protection of confidential information, and other relevant terms and conditions in all phases. The purpose of the four-phase program is to ensure the near-term stability of helium supplies and the establishment of market-based pricing, while phasing out the Federal Government's role in the helium supply chain.

Subsection (a) establishes Phase A. During Phase A, BLM would continue to operate the Federal Helium System with minimal changes for one year (through September 30, 2014) in order to give BLM time to put new rules in place for conducting auctions, setting prices, and ensuring continuity of supply.

Subsection (b) establishes Phase B. During Phase B, BLM is required to auction off increasing quantities in order to ensure that BLM helium prices reflect market value and that taxpayers receive a fair return. Beginning October 1, 2014, subsection (b) requires BLM to begin to auction off increasing amounts of helium—beginning at 10 percent a year—and to use price discovery associated with those auctions to help set the price for all BLM helium sales. The volume being auctioned increases steadily by an additional 10 percentage points annually. The bill provides a “safety valve” to allow for adjustment by the Secretary of the amounts auctioned or allocated if these proposed auction amounts are too high or too low to achieve the twin goals of stability of supply and fair return to taxpayers. Phase B ends when 3 billion standard cubic feet of helium remain in the Federal Helium Reserve.

Beginning in Phase A and continuing through Phase B, the bill also provides that the helium refiners connected to the Federal Helium Reserve make excess refining capacity available to others at commercially reasonable rates as a condition of their continued participation in helium allocations and auctions. The intent of this requirement is to maximize participation in helium sales in Phases A and B. Without a way to have helium refined, there would be less or no interest in purchasing helium by parties other than the existing refiners. By making capacity available that is in excess of refiners' operational needs and at rates that are commercially reasonable in exchange for continued direct access to the un-auctioned Federal helium volumes, interest in purchasing helium should increase and price discovery should improve. In 2010, the National Academy of Sciences reported that U.S. refining capacity connected to the BLM system was some 4 billion cubic feet of refined liquid helium with refining usage at 82 percent.

Subsection (c) establishes Phase C. In Phase C, only Federal users would have access to the remaining helium. Because remaining Federal helium supplies in the Reserve are nonetheless limited, Phase C is not a permanent solution for Federal supplies and the bill requires development of a long-term Federal helium procurement strategy in anticipation of an end to the In-Kind program and commencement of Phase D.

Subsection (d) establishes Phase D. In Phase D, the Federal Government ceases to supply helium and disposes of its helium supply assets no later than January 1, 2023.

Subsection (e)(1) requires that all amounts received under the Helium Act from the sale or auction of crude helium to be credited to the Helium Production Fund for purposes necessary and cost effective to carry out the Helium Act.

Subsection (e)(2) requires amounts in the Helium Production Fund in excess of amounts necessary to carry out the Helium Act to be paid to the general fund of the Treasury and used to reduce the annual Federal budget deficit.

Subsection (e)(3) requires the Secretary of the Treasury to use \$51 million of the amounts paid to the general fund under subsection (e)(2) to retire public debt.

Subsection (f) requires the Secretary of the Interior to offer for sale or auction during each fiscal year under subsections (a), (b), and (c) an amount of crude helium that is the lesser of the quantity of crude helium for sale during fiscal year 2012 or the maximum total production capacity of the Federal Helium System.

*Section 6* adds five new sections to the Helium Privatization Act of 1996 related to increasing the transparency of BLM's helium program and the helium market, as well as developing alternative supplies of helium within the U.S. and developing a long-term strategy for Federal procurement of helium.

New section 15 of the Helium Act would increase the transparency of the Federal Helium Reserve by requiring the Secretary to make available on the Internet information including open market and in-kind prices, aggregated projections of excess refining capacity, helium ownership, crude helium delivery volumes and schedule, pressure constraints, projected date of Phase C commencement, and associated fees.

New section 16 of the Helium Act would authorize the U.S. Geological Survey to complete a national helium gas assessment that quantifies crude helium resources and makes available seismic and geophysical log data for the Bush Dome Reservoir.

New section 17 of the Helium Act would authorize the Secretary of Energy to support research, development, commercial application, and conservation to expand domestic production of low-Btu gas and helium resources, investigate new separation and capture techniques, develop low-cost technologies for recycling, reprocessing, and reusing helium.

New section 18 of the Helium Act would require the Secretary of the Interior to cooperate with the Secretary of Energy to complete assessments or research relating to the extraction and refining of the isotope helium-3 from crude helium as well as study the feasibility of establishing a facility to separate helium-3 from crude helium and report to Congress on such activities.

New section 19 would require the Secretary, within 2 years of enactment, to evaluate the helium needs of Federal users and provide to Congress a report on the consumption of, and projected demand for, crude and refined helium, a description of a 20-year Federal strategy for securing access to helium, a determination of a date for the implementation of Phase D, an assessment of the effects of increases in price of refined helium and methods and policies for mitigating any determined effects, as well as a description of a process for prioritization of uses that accounts for diminished availability of helium supplies that may occur over time.

*Section 7* makes a series of technical amendments to section 4 of the Helium Act, and repeals section 8 of the Helium Act (relating to the elimination of the helium stockpile).

*Section 8* ensures the Helium Stewardship Act and the amendments made to the Helium Act by it will not affect or diminish the rights and obligations of existing agreements as of the date of enactment, except to the extent those agreements are renewed or extended after that date.

*Section 9* authorizes the Secretary of the Interior to promulgate regulations as necessary to carry out the Act.

*Section 10(a)* authorizes a one-year extension of the Secure Rural Schools and Community Self-Determination Act at a 5 percent reduction from the level of payments made in 2013.

Subsection (b) makes \$50,000,000 out of any amount in the Treasury not otherwise appropriated available to address deferred National Parks Service maintenance and requires that those Federal funds be matched dollar-for-dollar with non-Federal sources.

Subsection (c) makes \$50,000,000 out of any amounts in the Treasury not otherwise appropriated available for the remediation of abandoned wells on Federal lands.

Subsection (d) restores \$60,000,000 in payments to states certified under the Abandoned Mine Lands program for fiscal year 2014.

Subsection (e) reduces the royalty rate for soda ash production on Federal lands to 4 percent the value of the soda ash for two years from the date of enactment of the Act.

Subsection (f) amends section 207(c) of the Energy Independence and Security Act of 2007 by reducing the authorization of appro-

priations for grants to encourage the production of advanced biofuels by \$5,000,000.

#### COST AND BUDGETARY CONSIDERATIONS

The following estimate of the costs of this measure has been provided by the Congressional Budget Office.

##### *S. 783—Helium Stewardship Act of 2013*

Summary: S. 783 would reauthorize, establish, or modify several programs related to the management of federal lands and natural resources and would increase certain payments to localities. Major provisions of the legislation would:

- Authorize the Bureau of Land Management (BLM) to retain proceeds from the sale of helium from the Federal Helium Reserve to pay for the costs of operating the reserve;
- Require BLM to sell federally owned assets, including rights to any remaining gases, at the Federal Helium Reserve by 2023;
- Provide funds to certain counties by reauthorizing Secure Rural Schools payments through 2014;
- Raise the cap on payments to states under the Abandoned Mine Lands program for 2014;
- Appropriate funds to remediate, reclaim, and close abandoned oil and gas wells in Alaska;
- Provide funds to the National Park Service (NPS) to improve infrastructure at parks; and
- Reduce the royalty rate on soda ash and related mineral products from 6 percent to 4 percent for two years following the enactment of the bill.

CBO estimates that enacting S. 783 would reduce net direct spending by \$51 million over the 2014–2023 period; therefore, pay-as-you-go procedures apply. Enacting S. 783 would not affect revenues.

The bill also would authorize appropriations to conduct assessments of helium supplies, establish research and development programs related to helium, and administer the Secure Rural Schools program. In addition, S. 783 would require BLM to comply with certain reporting requirements. Assuming appropriation of the authorized and necessary amounts, CBO estimates that conducting those activities would cost \$6 million over the 2014–2018 period. Finally, the bill would reduce the amount authorized to be appropriated for an existing Department of Energy (DOE) grant program by \$5 million. On net, CBO estimates that implementing those provisions would cost \$1 million over the 2014–2018 period.

S. 783 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal Government: The estimated budgetary impact of S. 783 is shown in the following table. The costs of this legislation fall within budget functions 270 (energy), 300 (natural resources and environment), and 800 (general government).

Basis of estimate: For this estimate, CBO assumes that S. 783 will be enacted near the end of 2013 and that the authorized and necessary amounts will be appropriated for each fiscal year.

*Direct spending*

CBO estimates that enacting S. 783 would reduce net direct spending by \$51 million over the 2014–2023 period. We estimate that the provisions regarding the Federal Helium Reserve would increase net offsetting receipts by \$495 million and that the costs to carry out the mandatory spending provisions in the bill would total \$444 million over that period.

	By fiscal year, in millions of dollars—										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014–2018 2014–2023
<b>CHANGES IN DIRECT SPENDING</b>											
Helium Sales and Reserve Operations:											
Estimated Budget Authority .....	–150	–105	–80	–55	–30	–5	25	20	20	5	–420
Estimated Outlays .....	–150	–105	–80	–55	–30	–5	25	20	20	5	–420
Helium Reserve Asset Sales:											
Estimated Budget Authority .....	0	0	0	0	0	0	0	0	0	–140	0
Estimated Outlays .....	0	0	0	0	0	0	0	0	0	–140	0
Secure Rural Schools:											
Estimated Budget Authority .....	270	0	0	0	0	0	0	0	0	0	270
Estimated Outlays .....	243	27	0	0	0	0	0	0	0	0	270
Abandoned Mine Lands Payments:											
Estimated Budget Authority .....	60	0	0	0	0	0	0	0	0	0	60
Estimated Outlays .....	24	18	12	6	0	0	0	0	0	0	60
Abandoned Oil and Gas Wells:											
Budget Authority .....	50	0	0	0	0	0	0	0	0	0	50
Estimated Outlays .....	10	15	15	10	0	0	0	0	0	0	50
National Park Service Infrastructure:											
Budget Authority .....	50	0	0	0	0	0	0	0	0	0	50
Estimated Outlays .....	11	13	12	8	6	0	0	0	0	0	50
Soda Ash Royalty Reduction:											
Estimated Budget Authority .....	7	7	0	0	0	0	0	0	0	0	14
Estimated Outlays .....	7	7	0	0	0	0	0	0	0	0	14
Total Changes, Direct Spending											
Estimated Budget Authority .....	287	–98	–80	–55	–30	–5	25	20	20	–135	–51
Estimated Outlays .....	145	–25	–41	–31	–24	–5	25	20	20	–135	–51

By fiscal year, in millions of dollars—												
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014–2018	2014–2023
CHANGES IN SPENDING SUBJECT TO APPROPRIATION												
Resource Assessments and Reports:												
Estimated Authorization Level .....	5	*	*	*	*	*	*	*	*	*	5	6
Estimated Outlays .....	5	*	*	*	*	*	*	*	*	*	5	6
Secure Rural Schools Program:												
Estimated Authorization Level .....	*	*	0	0	0	0	0	0	0	0	*	*
Estimated Outlays .....	*	*	0	0	0	0	0	0	0	0	*	*
Department of Energy Grant Program:												
Authorization Level .....	–5	0	0	0	0	0	0	0	0	0	–5	–5
Estimated Outlays .....	–2	–1	–1	–1	0	0	0	0	0	0	–5	–5
Total Changes, Discretionary Spending:												
Estimated Authorization Level .....	*	*	*	*	*	*	*	*	*	*	1	1
Estimated Outlays .....	3	–1	–1	–1	*	*	*	*	*	*	1	1

Note: Components may not sum to totals because of rounding; \* = less than \$500,000.

Helium Sales and Reserve Operations. S. 783 would authorize BLM to retain proceeds from the sale of helium from the Federal Helium Reserve to pay for the costs of operating the reserve. Under current law, CBO expects that the agency's authority to retain those proceeds will end in 2013. After 2013, any funds necessary to operate the Federal Helium Reserve (and to sell helium) would need to be appropriated by the Congress. Thus, under current law, any offsetting receipts from those sales would be contingent on the appropriation of such funds.

Because the bill would authorize BLM to retain proceeds from helium sales to cover the costs of operating the Federal Helium Reserve after 2013, CBO estimates that enacting the legislation would lead to additional helium sales, increasing net offsetting receipts by \$355 million over the 2014–2023 period.

Under the bill, BLM would be authorized to sell helium to private entities for commercial uses until the volume of recoverable helium at the Federal Helium Reserve is drawn down to a specified level. After that date, BLM would be authorized to sell helium only to other federal entities for medical and scientific uses. Based on information provided by BLM, CBO expects that, under the legislation, commercial sales would cease at the end of fiscal year 2019. Over the 2014–2019 period, we estimate that gross proceeds from the commercial sale of helium would total \$585 million and the costs to operate the Federal Helium Reserve would total \$160 million, resulting in a net increase in offsetting receipts totaling \$425 million.

Because CBO expects that BLM would no longer receive funds from the sale of helium to nonfederal sources after 2019, we expect that the agency would spend some of the proceeds remaining from earlier sales to fund the operation of the Federal Helium Reserve over the 2020–2023 period. Based on information provided by BLM, CBO estimates that the agency would spend about \$70 million over that period to operate the reserve.

Helium Reserve Asset Sales. S. 783 would require BLM to sell federally owned infrastructure at the Federal Helium Reserve as well as the pipeline system that connects several refineries to the reserve. The helium enrichment plant located at the reserve is privately owned and would not be sold under the bill. Based on information regarding the sale of similar gas storage facilities and pipelines, CBO estimates that enacting that provision would increase offsetting receipts from the sale of those assets by \$15 million in 2023.

CBO expects that the reserve would still contain significant quantities of helium and small amounts of natural gas early in 2023. Under the bill, the agency would be required to sell rights to those gases at that time. Based on information provided by BLM, CBO expects that the reserve would contain roughly 2 billion cubic feet of helium, which would probably be drawn from the reserve over a 10-year period, and nominal amounts of natural gas. CBO also expects that the average price of helium will be roughly \$120 per thousand cubic feet (in 2023 dollars) over the 2023–2032 period. The current price of crude helium, as set by BLM for commercial sales, is \$84 per thousand cubic feet. Taking into account the risks and high costs associated with operating a depleting reserve, CBO estimates that proceeds from the sale of helium and

natural gas rights would increase offsetting receipts by \$125 million in 2023. The amount paid for such rights could be significantly higher or lower than estimated depending on the costs to extract the helium with existing technologies and the market price for crude helium at the time those rights are sold.

**Secure Rural Schools.** S. 783 would reauthorize payments to certain counties in 2014 under the Secure Rural Schools program. Under current law, those counties would receive a portion of the receipts raised from logging and other activities on Forest Service and BLM lands. CBO estimates that payments to those counties under current law would total \$59 million in 2014. Under the bill, we estimate that payments to those counties would total \$329 million over the 2014–2015 period. Thus, CBO estimates that enacting this provision would cost \$270 million over that period.

**Abandoned Mine Lands Payments.** The bill would increase the cap on payments to states that have completed all of their high-priority coal mine reclamation projects. Under current law, payments to those states are capped at \$15 million a year. S. 783 would increase that cap to \$75 million for 2014. Because Wyoming is the only state that would receive a payment exceeding \$15 million under that program if payments were uncapped and because CBO expects that without the cap Wyoming would be eligible for a payment in excess of \$75 million, we estimate that enacting this provision would cost \$60 million over the 2014–2017 period.

**Abandoned Oil and Gas Wells.** The legislation would provide \$50 million for the Secretary of the Interior to remediate, reclaim, and close abandoned oil and gas wells within the National Petroleum Reserve. The reserve consists of 23 million acres of federal land in northern Alaska and is currently open for commercial oil and gas leasing. CBO estimates that enacting this provision would cost \$50 million over the 2014–2017 period.

**National Park Service Infrastructure.** S. 783 would provide \$50 million to NPS for maintenance and infrastructure projects within national parks. Under the bill, the agency would use those funds to pay a portion of the costs of projects carried out in coordination with nonfederal entities. CBO estimates that enacting this provision would cost \$50 million over the 2014–2018 period.

**Soda Ash Royalty Reduction.** The bill would require BLM to charge a 4 percent royalty on the value of soda ash and certain related minerals produced on federal lands for a two-year period following enactment of the legislation. That rate would be lower than the average rate expected under current law, which is about 6 percent over that period. That reduction in the rate would reduce offsetting receipts.

Because CBO expects that royalty rates charged for the production of soda ash and related minerals on state and private lands will be higher than 4 percent, we also expect that, under the bill, the amount of such minerals produced on federal lands would be higher over the next two years than it would be under current law. However, CBO expects that the increase in production on federal lands would only partially reduce the loss of receipts from lowering the royalty rate. As a result, CBO estimates that enacting this provision would reduce net offsetting receipts from soda ash royalties by \$14 million over the 2014–2015 period.

*Spending subject to appropriation*

S. 783 would authorize the appropriation of \$4 million for the Department of the Interior (DOI) to conduct assessments that would quantify the amount of helium resources in the United States and worldwide. The legislation also would authorize the appropriation of \$1 million for DOE to develop a research and development program aimed at expanding the production of helium and certain other gases in the United States and conserving helium by developing methods to recycle and reuse it. Assuming appropriation of the authorized amounts, CBO estimates that conducting those activities would cost \$5 million over the 2014–2018 period.

The bill also would require BLM to comply with various reporting requirements related to helium production on federal lands. Based on information regarding the cost of similar activities, CBO estimates that complying with those requirements would have no significant impact on the federal budget over the 2014–2018 period and would cost roughly \$1 million over the 2014–2023 period, assuming appropriation of the necessary amounts.

In addition, the bill would authorize such sums as necessary to be appropriated to administer the Secure Rural Schools program. Based on information provided by the Forest Service, CBO expects that carrying out the program would require one employee to act as an administrator. We estimate that the costs of employing that individual would total about \$300,000 over the 2014–2015 period.

Finally, the bill would reduce the amount authorized to be appropriated for a DOE grant program that funds efforts to develop biofuels that reduce greenhouse gas emissions. Based on the historical spending pattern for that program, CBO estimates that implementing that provision would reduce discretionary spending by \$5 million over the 2014–2017 period, assuming appropriation actions consistent with the bill.

**Pay-As-You-Go considerations:** The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR S. 783 AS ORDERED REPORTED BY THE SENATE  
COMMITTEE ON ENERGY AND NATURAL RESOURCES ON JUNE 18, 2013

	By fiscal year, in millions of dollars 2013—												
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013– 2018	2013– 2023
NET INCREASE OR DECREASE (–) IN THE DEFICIT													
Statutory Pay-As-You-Go													
Impact .....	0	145	–25	–41	–31	–24	–5	25	20	20	–135	24	–51

**Intergovernmental and private-sector impact:** S. 783 contains no intergovernmental or private-sector mandates as defined in UMRA. If enacted, state and local governments would receive about \$330 million over the five-year period for schools, mine reclamation, and other activities. The royalty reduction required by the bill would reduce federal payments to Arizona, California, Colorado, New Mexico, Utah, and Wyoming by about \$14 million over fiscal years 2014 and 2015.

Previous CBO estimates: On April 5, 2013, CBO transmitted a cost estimate for H.R. 527, the Responsible Helium Administration and Stewardship Act, as ordered reported by the House Committee on Natural Resources on March 20, 2013. CBO estimates that enacting H.R. 527 would increase net offsetting receipts by \$340 million over the 2014–2023 period and increase discretionary spending by \$11 million over that period.

On July 11, 2013, CBO transmitted a cost estimate for H.R. 957, the American Soda Ash Competitiveness Act, as ordered reported by the House Committee on Natural Resources on May 15, 2013. That bill would reduce the royalty rate on soda ash and related minerals to 2 percent over a five-year period.

Estimate prepared by: Federal costs: Jeff LaFave; Impact on state, local, and tribal governments: Melissa Merrell; Impact on the private sector: Amy Petz.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

#### REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out the Helium Stewardship Act of 2013.

The bill is not a regulatory measure in the sense of imposing Government established standards or significant economic responsibilities on private individuals and businesses, but rather providing financial support to private industry that may be voluntarily applied for.

No personal information would be collected in administering programs authorized under the bill. Therefore, there would be no impact on personal privacy.

#### CONGRESSIONALLY DIRECTED SPENDING

S. 783, as reported, does not contain any congressionally directed spending items, limited tax benefits, or limited tariff benefits as defined in rule XLIV of the Standing Rules of the Senate.

#### EXECUTIVE COMMUNICATIONS

The testimony provided by the Department of Interior on May 7, 2013, at the Committee's hearing on the bill, and a letter from Secretary Salazar to Chairman Wyden, dated March 1, 2013, relating to the Federal Helium Reserve and the helium debt, follow:

STATEMENT OF TIMOTHY R. SPISAK, DEPUTY ASSISTANT DIRECTOR, MINERALS AND REALTY MANAGEMENT, DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT

Mr. Chairman and members of the Committee, thank you for the opportunity to testify on S. 783, the Helium Stewardship Act, which would make various changes to the Helium Privatization Act of 1996, including establishing a phased approach to drawing down the Federal Helium Reserve. As indicated by a National Academy of Sciences (NAS) report published in early 2010, the market

for helium has proven more volatile than expected over the last 15 years and the current law's requirement that the Bureau of Land Management (BLM) offer for sale nearly all of the Reserve by 2015 could pose a threat to the availability of this resource for future U.S. research, scientific, technical, biomedical, and national security users of helium. The Department supports S. 783 and welcomes the opportunity to improve the management of this valuable commodity.

#### BACKGROUND

Helium is a critical, non-renewable natural resource that plays an important role in research, medical imaging, space exploration, military reconnaissance, fiber optics manufacturing, welding and commercial diving. According to the NAS, helium's best known property, being lighter than air, means "that every unit of helium that is produced and used today will eventually escape the Earth's atmosphere and become one less unit available for use tomorrow."

The most common and economical way of capturing helium is by stripping it from natural gas during gas production. Geologic conditions in Texas, Oklahoma, and Kansas make the natural gas in these areas some of the most helium-rich in the United States, ranging from 0.5 to 1.5 percent of the gas extracted during production. The BLM plays a key role in the careful management and stewardship of the only significant long-term storage facility for crude helium in the world, known as the Federal Helium Reserve (Reserve), which supplies approximately 42 percent of domestic demand and approximately 35 percent of global demand for crude helium.

#### THE FEDERAL HELIUM PROGRAM

Because of helium's potential to lift military reconnaissance devices high above battlefields, the Federal government's interest in the resource dates back to World War I. Recognizing this key military use for helium, the Mineral Leasing Act of 1920 reserved to the Federal government all helium produced on Federal lands—a reservation that remains in effect today. After World War I, recognition of the potential for helium recovery in the Texas Panhandle, Western Oklahoma, and Kansas area (collectively, the "Hugoton" field) led to the development of the Federal helium program focused in that area. In 1929, the Bureau of Mines built the Amarillo Helium Plant and Cliffside Gas-field Facility near Amarillo, Texas, to produce helium-bearing natural gas from a naturally occurring geologic field known as the Bush Dome Reservoir.

After World War II, Federal use of helium shifted toward applications related to space exploration, and in 1960 Congress passed the Helium Amendment Act. This Act changed the program's mandate from exclusive government production of helium to conservation of the resource. This was to be accomplished by executing contracts with

private natural gas producers to purchase extracted crude helium for the Federal government to store in the Bush Dome Reservoir. The Act granted the Bureau of Mines the authority to borrow funds from the U.S. Treasury to purchase the helium, with the expectation that the proceeds from future sales of helium would allow the BLM's predecessor agency in this area, the Bureau of Mines, to repay the debt. This borrowing authority, established by Congress in lieu of a direct appropriation, required the Bureau of Mines to repay the loan by 1985. Subsequent legislation extended the deadline to 1995.

Federal demands for helium rarely, if ever, met the expectations underlying the terms of the U.S. Treasury's loan to the Bureau of Mines. When the 1995 deadline to pay off the debt arrived, the \$252 million the Bureau had spent on privately-produced helium had increased to \$1.3 billion (principal and interest), and the Bureau of Mines appeared to have little prospect of repaying the debt. In his 1995 State of the Union address, President Bill Clinton stated that it was his Administration's goal to privatize the Federal helium program.

Congress subsequently passed the Helium Privatization Act of 1996 (HPA), which required the BLM (which assumed jurisdiction over the program after the termination of the Bureau of Mines) to make available for sale the vast majority of the stockpile of crude helium. The mandate directed the BLM to begin selling helium no later than 2005, in order to avoid market disruption. The BLM was to make a consistent amount of helium available every year at a price based on the amount of remaining helium debt and the amount of helium in storage. When Congress passed the HPA, there was approximately 30.5 billion standard cubic feet (scf) of helium in storage in the Bush Dome Reservoir. The HPA mandated the BLM to make available for sale all of the helium in excess of a 600 million scf permanent reserve.

Additionally, the HPA required the BLM to cease all helium production, refining, and marketing activities to effectively privatize the refined helium market in the United States. Finally, the Act provided for the NAS to review the impacts of the 1996 Act. The NAS published its first study in 2000, and released a follow-up report in 2010.

#### THE BLM'S HELIUM OPERATIONS

The BLM currently operates the Federal helium program with the primary goals of supplying helium to meet the Nation's needs of Federal helium users and paying off the "helium debt." To this end, the BLM has paid approximately \$1.33 billion to the U.S. Treasury since 1995. This constitutes substantial progress toward eliminating the helium debt, which the HPA froze at approximately \$1.37 billion. During FY 2012, the helium debt was reduced by an additional \$180 million from Reserve sales, resulting in an outstanding balance of approximately \$44 million at the end of the fiscal year.

According to the HPA, once the helium debt is retired, the Helium Production Fund (used to fund the BLM's helium program operational expenses) would be dissolved and all future receipts would be deposited directly into the general fund of the U.S. Treasury. The BLM has generated enough revenue during this fiscal year through currently authorized helium sales to pay off the debt at the beginning of FY 2014.

The BLM's current helium program, with a workforce of 51 full-time equivalents (FTE), operates not only the original storage and pipeline system, but also a crude helium enrichment unit, owned by private industry refiners, that facilitates transmission of helium to private helium operations on the BLM's helium pipeline. The BLM is responsible for administering helium extracted from Federal resources, including management of fees and royalty contracts. These operations are not limited to the Hugoton gas field, but also occur in fields in Colorado, Wyoming, Utah, and any other state where producers extract helium from the Federal mineral estate. Additionally, the BLM is responsible for administering the sell-off of crude helium to private refiners. These sales make the most significant contributions toward paying off the helium debt. The agency also conducts domestic helium resource evaluation and reserve tracking to determine the extent of available helium resources.

Another major part of the BLM's helium program is the "In-Kind" program, which supplies helium to Federal agencies (e.g., the Department of Energy and the National Aeronautics and Space Administration) for operations and/or research. Before the Helium Privatization Act, Congress required Federal agencies to purchase their refined helium supplies from the Bureau of Mines. Under the current In-Kind program, Federal agencies purchase all of their refined helium from private suppliers who, in turn, are required to purchase a commensurate amount of crude helium from the Reserve. In FY 2012, Federal agencies purchased \$10.3 million of helium through the In-Kind program.

#### THE NATIONAL ACADEMY OF SCIENCES REPORTS

In 2000, the NAS published its first analysis of the impacts of the HPA. Its general finding was that the Act would not have an impact on helium users. Additionally, the NAS report concluded that because the price-setting mechanism was based on the amount of the helium debt, and not the market for helium, the government's significantly higher price would mean the helium refining industry would buy crude helium from the BLM only as a last resort for fulfilling private contracts. However, private helium refiners would still be required to purchase crude helium from the BLM under the In-Kind program.

Over the course of the last decade, however, it has become apparent that assumptions underlying the 2000 NAS Report did not hold. First, the NAS's assumption that

“[t]he price of helium [would] probably remain stable through at least 2010” has proven faulty. The market for helium has seen significant fluctuations on both the demand side—which dropped significantly in 2008 after peaking the prior year—and on the supply side, which experienced a significant decline in private supplies between 2006 and 2008. In the face of this volatility, prices for helium rose steadily over the course of the decade. By 2008, the market price for helium began to hover near the BLM’s price, leading to greater withdrawals from the Reserve than the 2000 NAS Report anticipated.

Another market impact that the 2000 NAS Report did not address was international supply and demand for helium. According to the U.S. Department of Commerce, domestic consumption of helium decreased 2.7 percent per year from 2000–2007, while exports to the Pacific Rim grew 6.8 percent annually, exceeding the 5.1 percent growth rate in Europe. The international market also experienced supply issues because of refining capacity problems at plants in Qatar and Algeria, which would normally help supply both Europe and Asia.

In early 2010, the NAS released a follow-up report on the BLM’s management of the Reserve. The report, entitled “Selling the Nation’s Helium Reserve,” focused on “whether the interests of the United States have been well served by the [HPA] and, in particular, whether selling off the Reserve has had any adverse effect on U.S. scientific, technical, biomedical, and national security users of helium.”

The 2010 NAS report, which identified some shortcomings of the 2000 report, takes a markedly different tone than the 2000 report. This change in approach reflects the volatility of the helium market over the last decade. The NAS report analyzes the relationship between supply and demand for helium on a domestic and international basis, as well as the BLM’s management of the Reserve under the HPA. The report concludes that the HPA mandated sell-off is negatively impacting the needs of both current and future users of helium in the United States. This conclusion is the driving force behind a series of recommendations in the report directed at the BLM and the United States Congress.

#### S. 783, HELIUM STEWARDSHIP ACT

S. 783 addresses many of the concerns that the 2010 NAS report identified regarding the Federal government’s involvement in the helium market. Most importantly, the bill would create a set of phased authorities for the BLM’s management of the Reserve, establishing a “glide path” from the sales mandated under the HPA to a scenario where 3 billion scf of helium would be reserved solely for Federal users, grant holders, or contractors. This would accomplish the original goals of the HPA—the exit of the Federal government from the broader helium market and the paying off of the helium debt while protecting long-

term supply interests for the Federal government. The Department supports S. 783 and the approach to gradually scale back the Federal helium program. The Administration would like to continue working with the Committee and sponsors on details of a technical nature.

The bill stipulates three phases to the drawdown: “Phase A: Allocation Transition;” “Phase B: Auction Implementation;” and “Phase C: Continued Access for Federal Users.” Phase A would begin on the bill’s date of enactment and end on September 30, 2014. During Phase A, the BLM would be required to sell crude helium in a manner that would result in minimum market disruption. The Department believes that this time period is reasonable to prepare the market for broader program reforms.

Phase B would begin on October 1, 2014, and end when the volume of recoverable crude helium in the Reserve reaches 3 billion scf. During Phase B, the BLM would balance factors involving the maximization of total recovery from the Reserve; the maximization of total financial return to the taxpayer; the amount of production capable from the Reserve; the demand of Federal users, grant holders, and contractors; and minimization of market disruption when determining the annual quantity of crude helium to offer for sale. Also during Phase B, the BLM would annually auction a percentage of the total crude helium offered for sale, beginning at 10 percent, and increasing by 10 percent increments each subsequent year, up to a maximum of 100 percent.

This percentage would be subject to adjustment if necessary to minimize market disruptions that pose a threat to the economic well-being of the United States. The Department supports this phased approach to implementing an auction system, and believes that auctions can be implemented with minimal market disruption.

Phase C would begin when the volume of recoverable crude helium in the Reserve reaches 3 billion scf and presumably last until all recoverable helium has been exhausted from the Reserve. During Phase C, the BLM would be authorized to sell crude helium only for use by Federal agencies contractors, and grant holders. The Department supports the provision to reserve the remaining volume for Federal use.

Other significant aspects of S. 783 involve reauthorization of the Helium Production Fund and requirements that the BLM disclose certain information related to the Federal helium system. Reauthorization of the Helium Production Fund is consistent with the 2014 President’s Budget, which includes a proposal to reauthorize the fund in combination with substantive reforms to BLM helium sales based on recent recommendations from the National Academy of Sciences. The Department and the BLM are committed to ensuring that the public receives a fair return on publicly owned energy and related resources. The Department and the BLM are also firmly committed to making information about how government operates more acces-

sible, and consider transparency and open government a high priority. The Department looks forward to discussing these issues further with the sponsors and the Committee, and the Administration continues to evaluate any cost implications of this legislation.

Furthermore, the bill would require the Secretary of the Interior to complete several reports and studies on helium. These include global and national helium gas resource assessments, and, in coordination with the Secretary of Energy, national forecasts and global trends of helium demand and an inventory of helium uses in the United States. The bill would also direct the Secretary of Energy to support several areas of helium separation-related research; allow the Secretary of the Interior, in consultation with the Secretary of Energy, to assess the feasibility of establishing a facility to separate the isotope helium-3; and direct the Secretary of the Interior, in consultation with various Federal agencies, to submit a report to Congress on a Federal Agency Helium Acquisition Strategy. The Department supports additional studies and research on helium, but defers to the Department of Energy regarding the research projects for which the Department of Energy would have the lead.

Finally, the bill specifies that its provisions shall not affect or diminish the rights and obligations of the Secretary of the Interior and private parties under agreements in existence on the date of enactment, and directs the Secretary to promulgate such regulations as are necessary. The Department supports the provision which honors existing agreements between the BLM and private parties.

#### CONCLUSION

Thank you for the opportunity to present testimony on S. 783. The BLM welcomes further discussion about the Federal helium program and the BLM's role in meeting future helium needs for the country, especially for Federal agencies that depend on helium for scientific research, aerospace projects, and defense purposes. Since its formal discovery almost 120 years ago, helium has proven to be an increasingly important natural resource. The expansion of helium-related technology and declining domestic reserves means the importance of helium as a strategic resource is likely to increase. The BLM continues to serve the country by effectively managing the Reserve, and working with natural gas producers to efficiently extract helium from natural gas. I would be happy to answer any questions the Committee may have.



THE SECRETARY OF THE INTERIOR  
WASHINGTON

MAR 01 2013

The Honorable Ron Wyden  
United States Senate  
Washington, DC 20510

Dear Senator Wyden:

Thank you for the letter dated January 8, 2013, from you and Senator Lisa Murkowski regarding the timetable for disposal of Federal Helium Reserve and repaying the debt the Federal helium program owes to the Treasury. I appreciate your interest in the critical issues facing the Federal Helium Reserve, which is of great importance to the Government and businesses across the Country. A brief background explanation is necessary to answer the question you raise.

The Helium Act of 1960, as amended by the Helium Privatization Act of 1996 (HPA), authorizes the Secretary of the Interior to sell crude helium for Federal, medical, scientific, and commercial uses. The HPA further requires the Secretary, beginning on January 1, 2005, to offer such amounts of helium for sale as will reduce the Helium Reserve to 600,000,000 cubic feet on a straight-line basis between that date and January 1, 2015. The HPA also requires that sales of helium shall be at prices adequate to cover both the costs of carrying out the statute and to repay to the Treasury all of the principal and interest owed on the loan from the Treasury that funded the Government's helium production program under the 1960 statute (which the statute calls "repayable amounts").<sup>1</sup> Under the HPA, the only authorized Federal facility for producing, refining, and marketing refined helium after April 1998 is the Cliffside Field facility near Amarillo, Texas, operated by the Bureau of Land Management (BLM).<sup>2</sup>

All monies derived from the sale of helium are deposited into a fund established by the 1960 Helium Act known as the Helium Production Fund. That Fund is available without fiscal year limitation for carrying out the provisions of the Helium Act, as amended by the HPA. Amounts in the Fund in excess of \$2,000,000 (or such lesser amount as may be necessary to carry out the Act) must be paid to the Treasury and credited against the repayable amounts within 7 days after the beginning of each fiscal year. Under the statute, when the repayable amounts are all repaid, the Helium Production Fund will terminate and moneys derived from helium sales and activities thereafter will be deposited in the Treasury's general fund.<sup>3</sup>

As a result of helium sales held in this fiscal year, the BLM has generated (as of February 2013) sufficient revenue to repay to the Treasury all the repayable amounts. Your letter asks "for

<sup>1</sup> See 50 U.S.C. §§ 167d(b) and (c); 167fa)(1).

<sup>2</sup> See 50 U.S.C. § 167b(b) and (c).

<sup>3</sup> See 50 U.S.C. § 167d(e).

clarification of the effective date of termination of the Federal Helium Reserve should the Department receive sufficient funds to meet the repayment requirement.”

Because helium sales have yielded enough revenue to repay all repayable amounts, the Department will make the final payment to the Treasury within 7 days after October 1, 2013. At that point, but not prior, the Helium Production Fund will terminate.

The Helium Reserve itself will not terminate; the statute specifically requires that the Reserve be maintained at a volume of 600,000,000 cubic feet, even after January 2015.<sup>4</sup> However, when the Helium Production Fund terminates, the Department will lose the source of funds established to operate the Reserve and the storage, transportation, and withdrawal facilities and equipment at the Cliffside Field. Absent action by Congress this would hinder or prevent management of the Reserve, including sales and revenue.

Thank you for your personal attention to this matter. We look forward to working with you regarding future management of the Federal Helium Reserve and storage facilities. A similar letter is being sent to Senator Murkowski.

Sincerely,

A handwritten signature in cursive script that reads "Ken Salazar".

Ken Salazar

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<sup>4</sup> See 50 U.S.C. § 167f(a)(1).

## CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

**HELIUM ACT**

Act of March 3, 1925, 43 Stat. 1110, as amended by

Helium Act Amendments of 1960, Public Law 86-777, 74 Stat. 918,  
as amended by

Helium Privatization Act of 1996, Public Law 104-273, 110 Stat.  
3315

AN ACT Authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Helium Act".*

**[SEC. 2. As used in this Act:**

**[(1) The term "Secretary" means the Secretary of the Interior;**

**[(2) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, or State or political subdivision thereof; and**

**[(3) The terms "helium-bearing natural gas" and "helium-gas mixture" mean, respectively, natural gas and gas mixtures containing three-tenths of 1 per centum or more of helium by volume.]**

**SEC. 2. DEFINITIONS.**

*In this Act:*

(1) *CLIFFSIDE FIELD.*—*The term "Cliffside Field" means the helium storage reservoir in which the Federal Helium Reserve is stored.*

(2) *FEDERAL HELIUM PIPELINE.*—*The term "Federal Helium Pipeline" means the federally owned pipeline system through which the Federal Helium Reserve may be transported.*

(3) *FEDERAL HELIUM RESERVE.*—*The term "Federal Helium Reserve" means helium reserves owned by the United States.*

(4) *FEDERAL HELIUM SYSTEM.*—*The term "Federal Helium System" means—*

*(A) the Federal Helium Reserve;*

*(B) the Cliffside Field;*

*(C) the Federal Helium Pipeline; and*

*(D) all other infrastructure owned, leased, or managed under contract by the Secretary for the storage, transportation, withdrawal, enrichment, purification, or management of helium.*

(5) *FEDERAL USER.*—*The term "Federal user" means a Federal agency or extramural holder of one or more Federal research grants using helium.*

(6) *LOW-BTU GAS.*—The term “low-Btu gas” means a fuel gas with a heating value of less than 250 Btu per standard cubic foot measured as the higher heating value resulting from the inclusion of noncombustible gases, including nitrogen, helium, argon, and carbon dioxide.

(7) *PERSON.*—The term “person” means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, or State or political subdivision.

(8) *PRIORITY PIPELINE ACCESS.*—The term “priority pipeline access” means the first priority of delivery of crude helium under which the Secretary schedules and ensures the delivery of crude helium to a helium refinery through the Federal Helium System.

(9) *QUALIFIED BIDDER.*—

(A) *IN GENERAL.*—The term “qualified bidder” means a person the Secretary determines is seeking to purchase helium for their own use, refining, or redelivery to users.

(B) *EXCLUSION.*—The term “qualified bidder” does not include a person who was previously determined to be a qualified bidder if the Secretary determines that the person did not meet the requirements of a qualified bidder under this Act.

(10) *QUALIFYING DOMESTIC HELIUM TRANSACTION.*—The term “qualifying domestic helium transaction” means any agreement entered into or renegotiated agreement during the preceding 1-year period in the United States for the purchase or sale of at least 20,000,000 standard cubic feet of crude or pure helium to which any holder of a contract with the Secretary for the acceptance, storage, delivery, or redelivery of crude helium from the Federal Helium System is a party.

(11) *REFINER.*—The term “refiner” means a person with the ability to take delivery of crude helium from the Federal Helium Pipeline and refine the crude helium into pure helium.

(12) *SECRETARY.*—The term “Secretary” means the Secretary of the Interior.

### SEC. 3. AUTHORITY OF SECRETARY.

\* \* \* \* \*

(c) *EXTRACTION OF HELIUM FROM DEPOSITS ON FEDERAL LAND.*—All amounts received by the Secretary from the sale or disposition of helium on Federal land shall be credited to the Helium Production Fund established under section 6(e).

### SEC. 4. STORAGE, TRANSPORTATION AND WITHDRAWAL OF CRUDE HELIUM.

\* \* \* \* \*

(c) *DISPOSAL OF FACILITIES.*—

\* \* \* \* \*

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

(4) *COSTS.*—All costs associated with such sale and disposal (including costs associated with termination of personnel) and with the cessation of activities under subsection (b) of this sec-

tion shall be paid from amounts available in the helium production fund established under section **[6(f)] 6(d)** of this title.

\* \* \* \* \*

(d) **EXISTING CONTRACTS.**—

\* \* \* \* \*

(2) **COSTS.**—Any costs associated with the termination of contracts described in paragraph (1) shall be paid from the helium production fund established under section **[6(f)] 6(d)** of this title.

**[SEC. 5. FEES FOR STORAGE, TRANSPORTATION, AND WITHDRAWAL.**

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

**[(b) TREATMENT.**—All fees received by the Secretary under subsection (a) of this section shall be treated as moneys received under this Act for purposes of section 167d(f).]

**SEC. 5. STORAGE, WITHDRAWAL AND TRANSPORTATION.**

(a) *IN GENERAL.*—*If the Secretary provides helium storage, withdrawal, or transportation services to any person, the Secretary shall impose a fee on the person that accurately reflects the economic value of those services.*

(b) *MINIMUM FEES.*—*The fees charged under subsection (a) shall be not less than the amount required to reimburse the Secretary for the full costs of providing storage, withdrawal, or transportation services, including capital investments in upgrades and maintenance at the Federal Helium System.*

(c) *SCHEDULE OF FEES.*—*Prior to sale or auction under subsection (a), (b), or (c) of section 6, the Secretary shall annually publish a standardized schedule of fees that the Secretary will charge under this section.*

(d) *TREATMENT.*—*All fees received by the Secretary under this section shall be credited to the Helium Production Fund established under section 6(e).*

(e) *STORAGE AND DELIVERY.*—*In accordance with this section, the Secretary shall—*

*(1) allow any person or qualified bidder to which crude helium is sold or auctioned under section 6 to store helium in the Federal Helium Reserve; and*

*(2) establish a schedule for the transportation and delivery of helium using the Federal Helium System that—*

*(A) ensures timely delivery of helium auctioned pursuant to section 6(b)(2);*

*(B) ensures timely delivery of helium acquired from the Secretary from the Federal Helium Reserve by means other than an auction under section 6(b)(2) after the date of enactment of the Helium Stewardship Act of 2013, including non-allocated sales; and*

*(C) provides priority access to the Federal Helium Pipeline for in-kind sales for Federal users.*

(f) *NEW REFINING CAPACITY.*—*The Secretary shall consider any applications for access to the Federal Helium Pipeline in a manner*

*consistent with the schedule for phasing out commercial sales and disposition of assets pursuant to section 6.*

【SEC. 6. (a) The Department of Defense, the Atomic Energy Commission, and other agencies of the Federal Government, to the extent that supplies are readily available, shall purchase all major requirements of helium from persons who have entered into enforceable contracts to purchase an equivalent amount of crude helium from the Secretary.

【(b) The Secretary is authorized to sell crude helium for Federal, medical, scientific, and commercial uses in such quantities and under such terms and conditions as he determines. Except as may be required by reason of subsection (a) of this section, sales of crude helium under this section shall be in amounts as the Secretary determines, in consultation with the helium industry, necessary to carry out this subsection with minimum market disruption.

【(c) Sales of crude helium by the Secretary shall be at prices established by him which shall be adequate to cover all costs incurred in carrying out the provisions of this chapter and to repay to the United States by deposit in the Treasury, all funds required to be repaid to the United States as of October 1, 1995 under this section (referred to in this subsection as “repayable amounts”). The price at which crude helium is sold by the Secretary shall not be less than the amount determined by the Secretary by—

【(1) dividing the outstanding amount of such repayable amounts by the volume (in million cubic feet) of crude helium owned by the United States and stored in the Bureau of Mines Cliffside Field at the time of the sale concerned, and

【(2) adjusting the amount determined under paragraph (1) by the Consumer Price Index for years beginning after December 31, 1995.

【(d) EXTRACTION OF HELIUM FROM DEPOSITS ON FEDERAL LANDS.—All moneys received by the Secretary from the sale or disposition of helium on Federal lands shall be paid to the Treasury and credited against the amounts required to be repaid to the Treasury under subsection (c).

【(e)(1) All moneys received under this chapter, including moneys from sale of helium or other products resulting from helium operations and from the sale of excess property shall be credited to the helium production fund, which shall be available without fiscal year limitation, for carrying out the provisions of this chapter, including any research relating to helium carried out by the Department of the Interior. Amounts accumulating in said fund in excess of amounts the Secretary deems necessary to carry out this chapter and contracts negotiated hereunder shall be paid to the Treasury and credited against the amounts required to be repaid to the Treasury under subsection (c) of this section.

【(2)(A) Within 7 days after the commencement of each fiscal year after the disposal of the facilities referred to in section 167b(c) of this title, all amounts in such fund in excess of \$2,000,000 (or such lesser sum as the Secretary deems necessary to carry out this chapter during such fiscal year) shall be paid to the Treasury and credited as provided in paragraph (1).

【(B) On repayment of all amounts referred to in subsection (c) of this section, the fund established under this section shall be ter-

minated and all moneys received under this chapter shall be deposited in the general fund of the Treasury.】

**SEC. 6. SALE OF CRUDE HELIUM.**

**(a) PHASE A: ALLOCATION TRANSITION.—**

(1) *IN GENERAL.*—The Secretary shall offer crude helium for sale in such quantities, at such times, at not less than the minimum price established under subsection (b)(7), and under such terms and conditions as the Secretary determines necessary to carry out this subsection with minimum market disruption.

(2) *FEDERAL PURCHASES.*—Federal users may purchase refined helium with priority pipeline access under this subsection from persons who have entered into enforceable contracts to purchase an equivalent quantity of crude helium at the in-kind price from the Secretary.

(3) *DURATION.*—This subsection applies during—

(A) the period beginning on the date of enactment of the Helium Stewardship Act of 2013 and ending on September 30, 2014; and

(B) any period during which the sale of helium under subsection (b) is delayed or suspended.

**(b) PHASE B: AUCTION IMPLEMENTATION.—**

(1) *IN GENERAL.*—The Secretary shall offer crude helium for sale in quantities not subject to auction under paragraph (2), at such times, at not less than the minimum price established under paragraph (7), and under such terms and conditions as the Secretary determines necessary—

(A) to maximize total recovery of helium from the Federal Helium Reserve over the long term;

(B) to maximize the total financial return to the taxpayer;

(C) to manage crude helium sales according to the ability of the Secretary to extract and produce helium from the Federal Helium Reserve;

(D) to give priority to meeting the helium demand of Federal users in the event of any disruption to the Federal Helium Reserve; and

(E) to carry out this subsection with minimum market disruption.

(2) *AUCTION QUANTITIES.*—For the period described in paragraph (4) and consistent with the conditions described in paragraph (8), the Secretary shall annually auction to any qualified bidder a quantity of crude helium in the Federal Helium Reserve equal to—

(A) for fiscal year 2015, 10 percent of the total volume of crude helium made available for that fiscal year; and

(B) for each subsequent fiscal year, a percentage of the total volume of crude helium that is 10 percentage points greater than the percentage available for the previous fiscal year, but not to exceed 100 percent.

(3) *FEDERAL PURCHASES.*—Federal users may purchase refined helium with priority pipeline access under this subsection from persons who have entered into enforceable contracts to purchase an equivalent quantity of crude helium at the in-kind price from the Secretary.

(4) *DURATION.*—This subsection applies during the period—

(A) beginning on October 1, 2014; and

(B) ending on the date on which the volume of recoverable crude helium at the Federal Helium Reserve (other than privately owned quantities of crude helium stored temporarily at the Federal Helium Reserve under section 5 and this section) is 3,000,000,000 standard cubic feet.

(5) *SAFETY VALVE.*—The Secretary may adjust the quantities specified in paragraph (2)—

(A) downward, if the Secretary determines the adjustment necessary—

(i) to minimize market disruptions that pose a threat to the economic well-being of the United States; and

(ii) only after submitting a written justification of the adjustment to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives; or

(B) upward, if the Secretary determines the adjustment necessary to increase participation in crude helium auctions or returns to the taxpayer.

(6) *AUCTION FORMAT.*—The Secretary shall conduct each auction using a method that maximizes revenue to the Federal Government.

(7) *PRICES.*—The Secretary shall annually establish, as applicable, sale and minimum auction prices under subsection (a)(1) and paragraphs (1) and (2) using, if applicable and in the following order of priority:

(A) The sale price of crude helium in auctions held by the Secretary under paragraph (2).

(B) Price recommendations and disaggregated data from a qualified, independent third party who has no conflict of interest, who shall conduct a confidential survey of qualifying domestic helium transactions.

(C) The volume-weighted average price of all crude helium and pure helium purchased, sold, or processed by persons in all qualifying domestic helium transactions.

(D) The volume-weighted average cost of converting gaseous crude helium into pure helium.

(8) *TERMS AND CONDITIONS.*—

(A) *IN GENERAL.*—The Secretary shall require all persons that are parties to a contract with the Secretary for the withdrawal, acceptance, storage, transportation, delivery, or redelivery of crude helium to disclose, on a strictly confidential basis—

(i) the volumes and associated prices in dollars per thousand cubic feet of all crude and pure helium purchased, sold, or processed by persons in qualifying domestic helium transactions;

(ii) the volumes and associated costs in dollars per thousand cubic feet of converting crude helium into pure helium; and

(iii) refinery capacity and future capacity estimates.

(B) *CONDITION.*—As a condition of sale or auction to a refiner under subsection (a)(1) and paragraphs (1) and (2), effective beginning 90 days after the date of enactment of the Helium Stewardship Act of 2013, the refiner shall make

excess refining capacity of helium available at commercially reasonable rates to—

(i) any person prevailing in auctions under paragraph (2); and

(ii) any person that has acquired crude helium from the Secretary from the Federal Helium Reserve by means other than an auction under paragraph (2) after the date of enactment of the Helium Stewardship Act of 2013, including nonallocated sales.

(9) *USE OF INFORMATION.*—The Secretary may use the information collected under this Act—

(A) to approximate crude helium prices; and

(B) to ensure the recovery of fair value for the taxpayers of the United States from sales of crude helium.

(10) *PROTECTION OF CONFIDENTIALITY.*—The Secretary shall adopt such administrative policies and procedures as the Secretary considers necessary and reasonable to ensure the confidentiality of information submitted pursuant to this Act.

(c) *PHASE C: CONTINUED ACCESS FOR FEDERAL USERS.*—

(1) *IN GENERAL.*—The Secretary shall offer crude helium for sale to Federal users in such quantities, at such times, at such prices required to reimburse the Secretary for the full costs of the sales, and under such terms and conditions as the Secretary determines necessary to carry out this subsection.

(2) *FEDERAL PURCHASES.*—Federal users may purchase refined helium with priority pipeline access under this subsection from persons who have entered into enforceable contracts to purchase an equivalent quantity of crude helium at the in-kind price from the Secretary.

(3) *EFFECTIVE DATE.*—This subsection applies beginning on the day after the date described in subsection (b)(4)(B).

(d) *PHASE D: DISPOSAL OF ASSETS.*—

(1) *IN GENERAL.*—Not earlier than 2 years after the date of commencement of Phase C described in subsection (c) and not later than January 1, 2023, the Secretary shall designate as excess property and dispose of all facilities, equipment, and other real and personal property, and all interests in the same, held by the United States in the Federal Helium System.

(2) *APPLICABLE LAW.*—The disposal of the property described in paragraph (1) shall be in accordance with subtitle I of title 40, United States Code.

(3) *PROCEEDS.*—All proceeds accruing to the United States by reason of the sale or other disposal of the property described in paragraph (1) shall be treated as funds received under this Act for purposes of subsection (e).

(4) *COSTS.*—All costs associated with the sale and disposal (including costs associated with termination of personnel) and with the cessation of activities under this subsection shall be paid from amounts available in the Helium Production Fund established under subsection (e).

(e) *HELIUM PRODUCTION FUND.*—

(1) *IN GENERAL.*—All amounts received under this Act, including amounts from the sale or auction of crude helium, shall be credited to the Helium Production Fund, which shall be available without fiscal year limitation for purposes determined

*to be necessary and cost effective by the Secretary to carry out this Act (other than sections 16, 17, and 18), including capital investments in upgrades and maintenance at the Federal Helium System, including—*

*(A) well head maintenance at the Cliffside Field;*

*(B) capital investments in maintenance and upgrades of facilities that pressurize the Cliffside Field;*

*(C) capital investments in maintenance and upgrades of equipment related to the storage, withdrawal, transportation, purification, and sale of crude helium from the Federal Helium Reserve;*

*(D) entering into purchase, lease, or other agreements to drill new or uncap existing wells to maximize the recovery of crude helium from the Federal Helium System; and*

*(E) any other scheduled or unscheduled maintenance of the Federal Helium System.*

*(2) EXCESS FUNDS.—Amounts in the Helium Production Fund in excess of the amounts the Secretary determines to be necessary to carry out paragraph (1) shall be paid to the general fund of the Treasury and used to reduce the annual Federal budget deficit.*

*(3) RETIREMENT OF PUBLIC DEBT.—Out of amounts paid to the general fund of the Treasury under paragraph (2), the Secretary of the Treasury shall use \$51,000,000 to retire public debt.*

*(f) MINIMUM QUANTITY.—The Secretary shall offer for sale or auction during each fiscal year under subsections (a), (b), and (c) a quantity of crude helium that is the lesser of—*

*(1) the quantity of crude helium offered for sale by the Secretary during fiscal year 2012; and*

*(2) the maximum total production capacity of the Federal Helium System.*

\* \* \* \* \*

#### **[SEC. 15. REPORT ON HELIUM.]**

**[(a) NAS STUDY AND REPORT.—**Not later than three years before the date on which the Secretary commences offering for sale crude helium under section 167f of this title, the Secretary shall enter into appropriate arrangements with the National Academy of Sciences to study and report on whether such disposal of helium reserves will have a substantial adverse effect on United States scientific, technical, biomedical, or national security interests.

**[(b) TRANSMISSION TO CONGRESS.—**Not later than 18 months before the date on which the Secretary commences offering for sale crude helium under section 167f of this title, the Secretary shall transmit to the Congress—

**[(1)** the report of the National Academy under subsection (a) of this section;

**[(2)** the findings of the Secretary, after consideration of the conclusions of the National Academy under subsection (a) of this section and after consultation with the United States helium industry and with heads of affected Federal agencies, as to whether the disposal of the helium reserve under section 167f of this title will have a substantial adverse effect on the United States helium industry, United States, helium market

or United States, [1] scientific, technological, biomedical, or national security interests; and

[(3) if the Secretary determines that selling the crude helium reserves under the formula established in section 167f of this title will have a substantial adverse effect on the United States helium industry, the United States helium market or United States scientific, technological, biomedical, or national security interest, the Secretary shall make recommendations, including recommendations for proposed legislation, as may be necessary to avoid such adverse effects.]

**SEC. 15. INFORMATION.**

(a) *TRANSPARENCY.*—*The Secretary, acting through the Bureau of Land Management, shall make available on the Internet information relating to the Federal Helium System that includes—*

- (1) continued publication of an open market and in-kind price;*
- (2) aggregated projections of excess refining capacity;*
- (3) ownership of helium held in the Federal Helium Reserve;*
- (4) the volume of helium delivered to persons through the Federal Helium Pipeline;*
- (5) pressure constraints of the Federal Helium Pipeline;*
- (6) an estimate of the projected date when 3,000,000,000 standard cubic feet of crude helium will remain in the Federal Helium Reserve and the final phase described in section 6(c) will begin;*
- (7) the amount of the fees charged under section 5;*
- (8) the scheduling of crude helium deliveries through the Federal Helium Pipeline; and*
- (9) other factors that will increase transparency.*

(b) *REPORTING.*—*Not later than 90 days after the date of enactment of the Helium Stewardship Act of 2013, to provide the market with appropriate and timely information affecting the helium resource, the Director of the Bureau of Land Management shall establish a timely and public reporting process to provide data that affects the helium industry, including—*

- (1) annual maintenance schedules and quarterly updates, that shall include—*
  - (A) the date and duration of planned shutdowns of the Federal Helium Pipeline;*
  - (B) the nature of work to be undertaken on the Federal Helium System, whether routine, extended, or extraordinary;*
  - (C) the anticipated impact of the work on the helium supply;*
  - (D) the efforts being made to minimize any impact on the supply chain; and*
  - (E) any concerns regarding maintenance of the Federal Helium Pipeline, including the pressure of the pipeline or deviation from normal operation of the pipeline;*
- (2) for each unplanned outage, a description of—*
  - (A) the beginning of the outage;*
  - (B) the expected duration of the outage;*
  - (C) the nature of the problem;*
  - (D) the estimated impact on helium supply;*

(E) a plan to correct problems, including an estimate of the potential timeframe for correction and the likelihood of plan success within the timeframe;

(F) efforts to minimize negative impacts on the helium supply chain; and

(G) updates on repair status and the anticipated online date;

(3) monthly summaries of meetings and communications between the Bureau of Land Management and the Cliffside Refiners Limited Partnership, including a list of participants and an indication of any actions taken as a result of the meetings or communications; and

(4) current predictions of the lifespan of the Federal Helium System, including how much longer the crude helium supply will be available based on current and forecasted demand and the projected maximum production capacity of the Federal Helium System for the following fiscal year.

**SEC. 16. HELIUM GAS RESOURCE ASSESSMENT.**

(a) *IN GENERAL.*—Not later than 2 years after the date of enactment of the Helium Stewardship Act of 2013, the Secretary, acting through the Director of the United States Geological Survey, shall—

(1) in coordination with appropriate heads of State geological surveys—

(A) complete a national helium gas assessment that identifies and quantifies the quantity of helium, including the isotope helium-3, in each reservoir, including assessments of the constituent gases found in each helium resource, such as carbon dioxide, nitrogen, and natural gas; and

(B) make available the modern seismic and geophysical log data for characterization of the Bush Dome Reservoir;

(2) in coordination with appropriate international agencies and the global geology community, complete a global helium gas assessment that identifies and quantifies the quantity of the helium, including the isotope helium-3, in each reservoir;

(3) in coordination with the Secretary of Energy, acting through the Administrator of the Energy Information Administration, complete—

(A) an assessment of trends in global demand for helium, including the isotope helium-3;

(B) a 10-year forecast of domestic demand for helium across all sectors, including scientific and medical research, commercial, manufacturing, space technologies, cryogenics, and national defense; and

(C) an inventory of medical, scientific, industrial, commercial, and other uses of helium in the United States, including Federal uses, that identifies the nature of the helium use, the amounts required, the technical and commercial viability of helium recapture and recycling in that use, and the availability of material substitutes wherever possible; and

(4) submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report describing the results of the assessments required under this paragraph.

(b) *AUTHORIZATION OF APPROPRIATIONS.*—There is authorized to be appropriated to carry out this section \$1,000,000.

**SEC. 17. LOW-BTU GAS SEPARATION AND HELIUM CONSERVATION.**

(a) *AUTHORIZATION.*—The Secretary of Energy shall support programs of research, development, commercial application, and conservation (including the programs described in subsection (b))—

(1) to expand the domestic production of low-Btu gas and helium resources;

(2) to separate and capture helium from natural gas streams; and

(3) to reduce the venting of helium and helium-bearing low-Btu gas during natural gas exploration and production.

(b) *PROGRAMS.*—

(1) *MEMBRANE TECHNOLOGY RESEARCH.*—The Secretary of Energy, in consultation with other appropriate agencies, shall support a civilian research program to develop advanced membrane technology that is used in the separation of low-Btu gases, including technologies that remove helium and other constituent gases that lower the Btu content of natural gas.

(2) *HELIUM SEPARATION TECHNOLOGY.*—The Secretary of Energy shall support a research program to develop technologies for separating, gathering, and processing helium in low concentrations that occur naturally in geological reservoirs or formations, including—

(A) low-Btu gas production streams; and

(B) technologies that minimize the atmospheric venting of helium gas during natural gas production.

(3) *INDUSTRIAL HELIUM PROGRAM.*—The Secretary of Energy, working through the Advanced Manufacturing Office of the Department of Energy, shall carry out a research program—

(A) to develop low-cost technologies and technology systems for recycling, reprocessing, and reusing helium for all medical, scientific, industrial, commercial, aerospace, and other uses of helium in the United States, including Federal uses; and

(B) to develop industrial gathering technologies to capture helium from other chemical processing, including ammonia processing.

(c) *AUTHORIZATION OF APPROPRIATIONS.*—There is authorized to be appropriated to carry out this section \$3,000,000.

**SEC. 18. HELIUM-3 SEPARATION.**

(a) *INTERAGENCY COOPERATION.*—The Secretary shall cooperate with the Secretary of Energy, or a designee, on any assessment or research relating to the extraction and refining of the isotope helium-3 from crude helium and other potential sources, including—

(1) gas analysis; and

(2) infrastructure studies.

(b) *FEASIBILITY STUDY.*—The Secretary, in consultation with the Secretary of Energy, or a designee, may carry out a study to assess the feasibility of—

(1) establishing a facility to separate the isotope helium-3 from crude helium; and

(2) exploring other potential sources of the isotope helium-3.

(c) *REPORT.*—Not later than 1 year after the date of enactment of the Helium Stewardship Act of 2013, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report that contains a description of the results of the assessments conducted under this section.

(d) *AUTHORIZATION OF APPROPRIATIONS.*—There is authorized to be appropriated to carry out this section \$1,000,000.

**SEC. 19. FEDERAL AGENCY HELIUM ACQUISITION STRATEGY.**

In anticipation of the implementation of Phase D described in section 6(d), and not later than 2 years after the date of enactment of the Helium Stewardship Act of 2013, the Secretary (in consultation with the Secretary of Energy, the Secretary of Defense, the Director of the National Science Foundation, the Administrator of the National Aeronautics and Space Administration, and the Director of the National Institutes of Health) shall submit to Congress a report that provides for Federal users—

(1) an assessment of the consumption of, and projected demand for, crude and refined helium;

(2) a description of a 20-year Federal strategy for securing access to helium;

(3) a determination of a date prior to January 1, 2023, for the implementation of Phase D as described in section 6(d) that minimizes any potential supply disruptions for Federal users;

(4) an assessment of the effects of increases in the price of refined helium and methods and policies for mitigating any determined effects; and

(5) a description of a process for prioritization of uses that accounts for diminished availability of helium supplies that may occur over time.

SEC. [17] 20. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

**SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000**

Public Law 106–393, as amended by section 601(a) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008, Division C of Public Law 110–343

AN ACT To restore stability and predictability to the annual payments made to States and counties containing National Forest System lands and public domain lands managed by the Bureau of Land Management for use by the counties for the benefit of public schools, roads, and other purposes.

\* \* \* \* \*

## TITLE I—SECURE PAYMENTS FOR STATES AND COUNTIES CONTAINING FEDERAL LANDS

### SEC. 101. SECURE PAYMENTS FOR STATES CONTAINING FEDERAL LAND.

(a) STATE PAYMENT.—For each of fiscal years 2008 through **[2012]** 2013, the Secretary of Agriculture shall calculate for each eligible State an amount equal to the sum of the products obtained by multiplying—

(1) the adjusted share for each eligible county within the eligible State; by

(2) the full funding amount for the fiscal year.

(b) COUNTY PAYMENT.—For each of fiscal years 2008 through **[2012]** 2013, the Secretary of Interior shall calculate for each eligible county that received a 50-percent payment during the eligibility period an amount equal to the product obtained by multiplying—

(1) the 50-percent adjusted share for the eligible county; by

(2) the full funding amount for the fiscal year.

### SEC. 102. PAYMENTS TO STATES AND COUNTIES.

\* \* \* \* \*

(b) ELECTION TO RECEIVE PAYMENT AMOUNT.—

(1) ELECTION; SUBMISSION OF RESULTS.—

(A) IN GENERAL.—The election to receive a share of the State payment, the county payment, a share of the payment and the 25-percent payment, the 50-percent payment, or a share of the 25-percent payment and the 50-percent payment, as applicable shall be made at the discretion of each affected county by August 1, **[2012]** 2013 (or as soon thereafter as the Secretary concerned determines as practicable), and August 1 of each fiscal year thereafter, in accordance with paragraph (2), and transmitted to the Secretary concerned by the Governor of each eligible State.

\* \* \* \* \*

(2) DURATION OF ELECTION.—

\* \* \* \* \*

(B) FULL FUNDING AMOUNT.—If a county elects to receive a share of the State payment or the county payment in **[2012]** 2013, the election shall be effective for all subsequent fiscal years through fiscal year **[2012]** 2013.

\* \* \* \* \*

### SEC. 103. TRANSITION PAYMENTS TO STATES.

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(d) DISTRIBUTION OF PAYMENTS IN CALIFORNIA.—

\* \* \* \* \*

(2) The shares of the eligible counties of the State payment for California under section 7112 of this title for each of the fiscal years 2011 **[and 2012]** *through* 2013.

\* \* \* \* \*

## TITLE II—SPECIAL PROJECTS ON FEDERAL LAND

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### SEC. 203. SUBMISSION OF PROJECT PROPOSALS.

(a) SUBMISSION OF PROJECT PROPOSALS TO SECRETARY CONCERNED.—

(1) PROJECTS FUNDED USING PROJECT FUNDS.—No later than September 30 for fiscal year 2008 (or as soon thereafter as the Secretary concerned determines is practicable), and each September 30 thereafter for each succeeding fiscal year through fiscal year ~~2012~~ 2013, each resource advisory committee shall submit to the Secretary concerned a description of any projects that the resource advisory committee proposes the Secretary undertake using any project funds reserved by eligible counties in the area in which the resource advisory committee has geographic jurisdiction.

\* \* \* \* \*

### SEC. 204. EVALUATION AND APPROVAL OF PROJECTS BY SECRETARY CONCERNED.

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(e) IMPLEMENTATION OF APPROVED PROJECTS.—

\* \* \* \* \*

(3) MERCHANTABLE TIMBER CONTRACTING PILOT PROGRAM.—

\* \* \* \* \*

(B) ANNUAL PERCENTAGES.—Under the pilot program, the Secretary concerned shall ensure that, on a nationwide basis, not less than the following percentage of all approved projects involving the sale of merchantable timber are implemented using separate contracts:

\* \* \* \* \*

(iii) For each of fiscal years 2010 through ~~2012~~ 2013, 50 percent.

\* \* \* \* \*

### SEC. 205. RESOURCE ADVISORY COMMITTEES.

(a) ESTABLISHMENT AND PURPOSE OF RESOURCE ADVISORY COMMITTEES.—

\* \* \* \* \*

(4) EXISTING ADVISORY COMMITTEES.—

(A) IN GENERAL.—An advisory committee that meets the requirements of this section, a resource advisory committee established before September 29, ~~2011~~ 2012, or an advisory committee determined by the Secretary concerned before September 29, ~~2011~~ 2012 to meet the requirements of this section may be deemed by the Secretary concerned to be a resource advisory committee for the purposes of this title.

(B) CHARTER.—A charter for a committee described in subparagraph (A) that was filed on or before September

29, [2011] 2012, shall be considered to be filed for purposes of this title.

\* \* \* \* \*

**SEC. 207. AVAILABILITY OF PROJECT FUNDS.**

(a) SUBMISSION OF PROPOSED PROJECTS TO OBLIGATED FUNDS.—By September 30, 2008 (or as soon thereafter as the Secretary concerned determines is practicable), and each September 30 thereafter for each succeeding fiscal year through fiscal year [2012] 2013, a resource advisory committee shall submit to the Secretary concerned pursuant to section 203(a)(1) of this title a sufficient number of project proposals that, if approved, would result in the obligation of at least the full amount of the project funds reserved by the participating county in the preceding fiscal year.

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**SEC. 208. TERMINATION OF AUTHORITY.**

(a) IN GENERAL.—The authority to initiate projects under this subchapter shall terminate on September 30, [2012] 2013.

(b) DEPOSITS IN THE TREASURY.—Any project funds not obligated by September 30, [2013] 2014, shall be deposited in the Treasury of the United States.

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**TITLE III—COUNTY FUNDS**

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**SEC. 304. TERMINATION OF AUTHORITY.**

(a) IN GENERAL.—The authority to initiate projects under this subchapter terminates on September 30, [2012] 2013.

(b) AVAILABILITY.—Any county funds not obligated by September 30, [2013] 2014, shall be returned to the Treasury of the United States.

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**TITLE IV—MISCELLANEOUS PROVISIONS**

\* \* \* \* \*

**SEC. 402. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated at such sums as are necessary to carry out this Act for each of fiscal years 2008 through [2012] 2013.

**ENERGY POLICY ACT OF 2005**

Public Law 109–58, as amended

AN ACT To ensure jobs for our future with secure, affordable, and reliable energy.

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**TITLE III—OIL AND GAS**

\* \* \* \* \*

## Subtitle E—Production Incentives

\* \* \* \* \*

**SEC. 349. ORPHANED, ABANDONED, OR IDELED WELLS ON FEDERAL LANDS.**

\* \* \* \* \*

(h) AUTHORIZATION OF APPROPRIATIONS.—

\* \* \* \* \*

(i) *FEDERALLY DRILLED WELLS.*—*Out of any amounts in the Treasury not otherwise appropriated, \$50,000,000 shall be made available to the Secretary, without further appropriation and to remain available until expended, to remediate, reclaim, and close abandoned oil and gas wells on current or former National Petroleum Reserve land.*

\* \* \* \* \*

## OMNIBUS PARKS AND PUBLIC LANDS MANAGEMENT ACT OF 1996

Public Law 104–333, as amended

AN ACT To provide for the administration of certain Presidio properties at minimal cost to the Federal taxpayer, and for other purposes.

\* \* \* \* \*

## TITLE VIII—MISCELLANEOUS ADMINISTRATIVE AND MANAGEMENT PROVISIONS

\* \* \* \* \*

**SEC. 814. NATIONAL PARK SERVICE ADMINISTRATIVE REFORM.**

\* \* \* \* \*

(g) CHALLENGE COST-SHARE AGREEMENT AUTHORITY.—

\* \* \* \* \*

(4) *AVAILABLE FUNDS.*—*Out of any amounts in the Treasury not otherwise appropriated, \$50,000,000 shall be made available to the Secretary of the Interior, without further appropriation and to remain available until expended, to pay the Federal funding share of challenge cost-share agreements for deferred maintenance projects and to correct deficiencies in National Park Service infrastructure.*

(5) *COST-SHARE REQUIREMENT.*—*Not less than 50 percent of the total cost of project for funds made available under paragraph (4) to pay the Federal funding share shall be derived from non-Federal sources, including in-kind contribution of goods and services fairly valued.*

\* \* \* \* \*

## SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977

Public Law 95–87

AN ACT To provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

\* \* \* \* \*

### TITLE IV—ABANDONED MINE RECLAMATION

\* \* \* \* \*

#### SEC. 411. CERTIFICATION

\* \* \* \* \*

(h) PAYMENTS TO STATES AND INDIAN TRIBES.—

\* \* \* \* \*

(6) SUPPLEMENTAL FUNDING.—

(A) WAIVER OF LIMITATION.—*Notwithstanding paragraph (5), the limitation on the total annual payments to a certified State or Indian tribe under this subsection shall not apply for fiscal year 2014.*

(B) LIMITATION ON WAIVER.—*Notwithstanding subparagraph (A), the total annual payment to a certified State or Indian tribe under this section for fiscal year 2014 shall not be more than \$75,000,000.*

(C) INSUFFICIENT AMOUNTS.—*If the total annual payment to a certified State or Indian tribe under paragraphs (1) and (2) is limited by subparagraph (B), the Secretary shall—*

*(i) give priority to making payments under paragraph (2); and*

*(ii) use any remaining funds to make payments under paragraph (1).*

\* \* \* \* \*

## ENERGY INDEPENDENCE AND SECURITY ACT OF 2007

Public Law 110–140, as amended

AN ACT To move the United States toward greater energy independence and security, to increase the production of clean renewable fuels, to protect consumers, to increase the efficiency of products, buildings, and vehicles, to promote research on and deploy greenhouse gas capture and storage options, and to improve the performance of the Federal Government, and for other purposes.

\* \* \* \* \*

### TITLE II—ENERGY SECURITY THROUGH INCREASED PRODUCTION OF BIOFUELS

\* \* \* \* \*

#### SEC. 207. GRANTS FOR PRODUCTION OF ADVANCED BIOFUELS.

\* \* \* \* \*

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$500,000,000 for the period of fiscal years 2008 through 2015, *except that the amount authorized to be appropriated to carry out this section not appropriated as of the date of enactment of the Helium Stewardship Act of 2013 shall be reduced by \$5,000,000.*

\* \* \* \* \*

