

104TH CONGRESS
2D SESSION

H. R. 2906

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 1996

Mr. COX of California (for himself, Mr. YOUNG of Alaska, Mr. CALVERT, and Mrs. VUCANOVICH) introduced the following bill; which was referred to the Committee on Resources

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Helium Privatization
5 Act of 1996”.

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

7 Except as otherwise expressly provided, whenever in
8 this Act an amendment or repeal is expressed in terms

1 of an amendment to, or repeal of, a section or other provi-
2 sion, the reference shall be considered to be made to a
3 section or other provision of the Helium Act (50 U.S.C.
4 167 to 167n).

5 **SEC. 3. AUTHORITY OF SECRETARY.**

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

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

8 “(a) **EXTRACTION AND DISPOSAL OF HELIUM ON**
9 **FEDERAL LANDS.—**

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

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

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

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

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

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

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

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

20 **“SEC. 4. STORAGE, TRANSPORTATION, AND WITHDRAWAL**
21 **OF CRUDE HELIUM.**

22 “(a) STORAGE, TRANSPORTATION AND WITH-
23 DRAWAL.—The Secretary may store, transport and with-
24 draw crude helium and maintain and operate crude helium
25 storage facilities, in existence on the date of enactment

1 of the Helium Privatization Act of 1996 at the Bureau
2 of Mines Cliffside Field, and related helium transportation
3 and withdrawal facilities.

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

13 “(c) DISPOSAL OF FACILITIES.—

14 “(1) IN GENERAL.—Subject to paragraph (5),
15 not later than 24 months after the cessation of ac-
16 tivities referred to in subsection (b) of this section,
17 the Secretary shall designate as excess property and
18 dispose of all facilities, equipment, and other real
19 and personal property, and all interests therein, held
20 by the United States for the purpose of producing,
21 refining and marketing refined helium.

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

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

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

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

19 “(d) EXISTING CONTRACTS.—

20 “(1) IN GENERAL.—All contracts that were en-
21 tered into by any person with the Secretary for the
22 purchase by the person from the Secretary of refined
23 helium and that are in effect on the date of the en-
24 actment of the Helium Privatization Act of 1996
25 shall remain in force and effect until the date on

1 which the refining operations cease, as described in
2 subsection (b).

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

7 **“SEC. 5. FEES FOR STORAGE, TRANSPORTATION AND WITH-**
8 **DRAWAL.**

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

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

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

18 (a) Subsection 6(a) is amended by striking “from the
19 Secretary” and inserting “from persons who have entered
20 into enforceable contracts to purchase an equivalent
21 amount of crude helium from the Secretary”.

22 (b) Subsection 6(b) is amended—

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

24 (2) by adding the following at the end: “Except
25 as may be required by reason of subsection (a), sales

1 of crude helium under this section shall be in
2 amounts as the Secretary determines, in consulta-
3 tion with the helium industry, necessary to carry out
4 this subsection with minimum market disruption.”.

5 (c) Subsection 6(c) is amended—

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

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

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

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

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

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

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

8 (f) Subsection 6(f) is amended—

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

10 and

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

12 “(2)(A) Within 7 days after the commencement of
13 each fiscal year after the disposal of the facilities referred
14 to in section 4(c), all amounts in such fund in excess of
15 \$2,000,000 (or such lesser sum as the Secretary deems
16 necessary to carry out this Act during such fiscal year)
17 shall be paid to the Treasury and credited as provided in
18 paragraph (1).

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

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

24 Section 8 is amended to read as follows:

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

2 “(a) STOCKPILE SALES.—

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

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

15 “(3) PRICE.—The price for all sales under
16 paragraph (1), as determined by the Secretary in
17 consultation with the helium industry, shall be such
18 price as will ensure repayment of the amounts re-
19 quired to be repaid to the Treasury under section
20 6(c).

21 “(b) DISCOVERY OF ADDITIONAL RESERVES.—The
22 discovery of additional helium reserves shall not affect the
23 duty of the Secretary to make sales of helium under sub-
24 section (a).”.

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

2 Sections 12 and 15 are repealed.

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