

104<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4168

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 1996

Received

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## AN ACT

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

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Helium Privatization  
3 Act of 1996”.

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

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

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

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

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

14 **“(a) EXTRACTION AND DISPOSAL OF HELIUM ON**  
15 **FEDERAL LANDS.—**

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

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

23 **“(3) LIMITATION.—**The Secretary may not  
24 enter into any agreement by which the Secretary  
25 sells such helium other than to a private party with

1 whom the Secretary has an agreement for recovery  
2 and disposal of helium.

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

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

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

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

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

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

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

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

19 “(c) DISPOSAL OF FACILITIES.—

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

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

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

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

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

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

24 “(d) EXISTING CONTRACTS.—

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

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

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

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

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

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

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

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

3 (b) Subsection 6(b) is amended—

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

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

11 (c) Subsection 6(c) is amended—

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

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

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

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

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

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

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

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

14 (f) Subsection 6(f) is amended—

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

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

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

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

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

6       Section 8 is amended to read as follows:

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

8       “(a) STOCKPILE SALES.—

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

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

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

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

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

7       **SEC. 6. LAND CONVEYANCE IN POTTER COUNTY, TEXAS.**

8       Section 12 is amended to read as follows:

9       **“SEC. 12. LAND CONVEYANCE IN POTTER COUNTY, TEXAS.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 **SEC. 7. REPORT ON HELIUM.**

21          Section 15 is amended to read as follows:

22 **“SEC. 15. REPORT ON HELIUM.**

23          “(a) NAS STUDY AND REPORT.—Not later than 3  
24          years before the date on which the Secretary commences  
25          offering for sale crude helium under section 8, the Sec-

1   retary shall enter into appropriate arrangements with the  
2   National Academy of Sciences to study and report on  
3   whether such disposal of helium reserves will have a sub-  
4   stantial adverse effect on United States scientific, tech-  
5   nical, biomedical, or national security interests.

6       “(b) TRANSMISSION TO CONGRESS.—Not later than  
7   18 months before the date on which the Secretary com-  
8   mences offering for sale crude helium under section 8, the  
9   Secretary shall transmit to the Congress—

10       “(1) the report of the National Academy under  
11   subsection (a);

12       “(2) the findings of the Secretary, after consider-  
13   ation of the conclusions of the National Academy  
14   under subsection (a) and after consultation with the  
15   United States helium industry and with heads of af-  
16   fected Federal agencies, as to whether the disposal  
17   of the helium reserve under section 8 will have a  
18   substantial adverse effect on the United States he-  
19   lium industry, United States, helium market or  
20   United States, scientific, technological, biomedical,  
21   or national security interests; and

22       “(3) if the Secretary determines that selling the  
23   crude helium reserves under the formula established  
24   in section 8 will have a substantial adverse effect on  
25   the United States helium industry, the United

1 States helium market or United States scientific,  
2 technological, biomedical, or national security inter-  
3 est, the Secretary shall make recommendations, in-  
4 cluding recommendations for proposed legislation, as  
5 may be necessary to avoid such adverse effects.”.

Passed the House of Representatives September 26,  
1996.

Attest:

ROBIN H. CARLE,

*Clerk.*