

104TH CONGRESS
1ST SESSION

S. 898

To amend the Helium Act to cease operation of the Government helium refinery, authorize facility and crude helium disposal, and cancel the helium debt; and for related purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 8 (legislative day, JUNE 5), 1995

Mr. MURKOWSKI (by request) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Helium Act to cease operation of the Government helium refinery, authorize facility and crude helium disposal, and cancel the helium debt; and for related 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 Disposal Act
5 of 1995”.

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, as amended
4 (50 U.S.C. 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, DISPOSAL, AND SALE OF HELIUM**
9 **ON FEDERAL LANDS.—**(1) The Secretary may enter into
10 agreements with private parties for the recovery, disposal,
11 and sale of helium on Federal lands upon such terms and
12 conditions as he deems fair, reasonable, and necessary. All
13 money received by the Secretary from the sale, extraction,
14 or other disposition of helium on Federal lands, including
15 money received under contractual arrangements executed
16 before the effective date of this Act, shall be deposited to
17 the general fund of the Treasury.

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

23 “(3) **PRIOR AGREEMENTS.—**This subsection shall not
24 in any manner affect or diminish the rights and obliga-
25 tions of the Secretary and private parties under agree-

1 ments to dispose of helium produced from Federal lands
2 in existence on the date of enactment of the Helium Dis-
3 posal Act of 1995 except to the extent that such agree-
4 ments are renewed or extended after that date.

5 “(4) REGULATIONS.—Agreements under this sub-
6 section may be subject to such regulations as may be pre-
7 scribed by the Secretary.

8 “(b) HELIUM ON PUBLIC DOMAIN.—Any known he-
9 lium-gas-bearing land on the public domain not covered
10 at the time by leases or permits under the Mineral Lands
11 Leasing Act of February 25, 1920, as amended, may be
12 reserved for the purposes of this Act, and any reservation
13 of the ownership of helium may include the right to ex-
14 tract, or have extracted, such helium, under such rules and
15 regulations as may be prescribed by the Secretary, from
16 all gas produced from lands so permitted, leased, or other-
17 wise granted for development, except that in the extraction
18 of helium from gas produced from such lands, it shall be
19 extracted so as to cause no delay, except that required by
20 the extraction process, in the delivery of gas produced
21 from the well to the purchaser or purchasers thereof at
22 the point of delivery specified in contracts for the purchase
23 of such gas.

1 “(c) HELIUM RESERVE MANAGEMENT FUND.—
2 There is hereby established in the Treasury of the United
3 States a revolving fund known as the Helium Reserve
4 Management Fund. The Secretary of the Interior is di-
5 rected to deposit in this fund all fees collected under sub-
6 section (b). This fund shall be available to the Secretary,
7 without further appropriation and without fiscal year limi-
8 tation, to cover the costs of this Act.

9 **“SEC. 5. CESSATION OF CERTAIN ACTIVITIES.**

10 “(a) CESSATION OF PRODUCTION, REFINING, AND
11 MARKETING.—Within three years after the date of enact-
12 ment of the Helium Disposal Act of 1995, the Secretary
13 shall cease producing, refining, and marketing refined he-
14 lium.

15 “(b) DISPOSAL OF FACILITIES.—(1) Within two
16 years after the cessation of activities referred to in sub-
17 section (a) of this section, the Secretary shall designate
18 as excess property the facilities, equipment, and other real
19 and personal property, together with all interests therein,
20 held by the United States for the purpose of producing,
21 refining, and marketing refined helium. The disposal of
22 such property shall be in accordance with the Federal
23 Property and Administrative Services Act of 1949.

24 “(2) Proceeds from the asset sale described in para-
25 graph (1) shall be paid to the general fund of the Treas-

1 ury. If the President so designates, the net proceeds shall
2 be included in the budget baseline required by the Bal-
3 anced Budget and Emergency Deficit Control Act of 1985
4 (the Act) and shall be counted for the purposes of section
5 252 of the Act as an offset to direct spending notwith-
6 standing section 257(e) of the Act.

7 “(3) EXCEPTION.—Paragraph (1) shall not apply to
8 any facilities, equipment, or other real or personal prop-
9 erty, or any interest therein, necessary for the storage and
10 transportation of crude helium or any equipment needed
11 to maintain the purity, quality control, and quality assur-
12 ance of helium in the Bureau of Mines Cliffside Field.

13 “(c) EXISTING CONTRACTS.—All contracts which
14 were entered into by any person with the Secretary for
15 the purchase by such person from the Secretary of refined
16 helium and which are in effect on the date of the enact-
17 ment of the Helium Disposal Act of 1995 shall remain
18 in force and effect no longer than the date on which ces-
19 sation of activities referred to in subsection (a) of this sec-
20 tion occurs. Any costs associated with the termination of
21 such contracts shall be paid from the Helium Production
22 Fund. Any associated costs that may arise after the abol-
23 ishment of the Helium Production Fund shall be paid
24 from the Helium Reserve Management Fund established
25 by section 4(c).”.

1 **SEC. 4. DISPOSAL OF CRUDE HELIUM.**

2 Section 6 is amended to read as follows:

3 **“SEC. 6. DISPOSAL OF CRUDE HELIUM.**

4 “(a) **AUTHORITY FOR SALE OF CRUDE HELIUM.—**

5 The Secretary is directed to make sales of crude helium
6 to reduce the helium reserves owned by the United States,
7 consistent with section 8 of this Act.

8 “(b) **TERMS OF SALE OF CRUDE HELIUM.—**Sales of
9 crude helium under this section shall be in such quantities,
10 under such terms and conditions, and at such prices to
11 cover, at a minimum, all costs in carrying out the provi-
12 sions of this Act, and shall on an annual basis at least
13 be a volume equivalent to the amount of refined helium
14 purchased by the Federal Government unless the Sec-
15 retary determines and notifies the Congress in writing
16 that such sales will unduly disrupt the usual markets of
17 producers, processors, and consumers of helium and will
18 not protect the United States against avoidable loss.

19 “(c) **ABOLISH HELIUM PRODUCTION FUND.—**The
20 Helium Production Fund, established by this section as
21 it read prior to the amendment effected by this Act, shall
22 continue to exist until the completion of the disposal of
23 facilities, equipment, and other real and personal property
24 under section 5(b)(1) of this Act, at which time the fund
25 shall be abolished. All money in the Helium Production

1 Fund at that time shall be transferred to the general fund
2 of the United States Treasury.

3 “(d) CRUDE HELIUM SALES PROCEEDS.—Proceeds
4 from the sale of crude helium described in subsection (b)
5 and in section 8(a) shall be credited to the Helium Produc-
6 tion Fund until such fund is abolished pursuant to sub-
7 section (c). Upon abolishment of the fund, the proceeds
8 from the sale of crude helium shall be deposited in the
9 general fund of the United States Treasury, except that
10 the Secretary may retain proceeds, not to exceed
11 \$5,000,000 annually, to cover the costs of crude helium
12 disposal as provided by this Act. Amounts retained by the
13 Secretary shall be deposited in the Helium Reserve Man-
14 agement and remain available without further appropria-
15 tion or fiscal year limitation.

16 “(e) ASSET SALE WAIVER.—If the President so des-
17 ignates, proceeds from the asset sale described in para-
18 graph (b) shall be included in the budget baseline required
19 by the Balanced Budget and Emergency Deficit Control
20 Act of 1985 (the Act) and shall be counted for the pur-
21 poses of section 252 as an offset to direct spending not-
22 withstanding section 257(e) of the Act.

23 “(f) REPORT TO CONGRESS.—Upon the abolishment
24 of the Helium Production Fund pursuant to subsection
25 (c), the Secretary shall submit to the House Committee

1 on Resources and the Senate Committee on Energy and
2 Natural Resources a report specifying the current and
3 projected costs for the disposal of crude helium reserves
4 and the current and projected receipts from such dis-
5 posal.”.

6 **SEC. 5. CANCELLATION OF HELIUM DEBT.**

7 The Secretary of the Treasury shall cancel the inter-
8 est accrued and unpaid as well as the outstanding prin-
9 cipal of all notes issued by the Secretary pursuant to sec-
10 tion 12 of the Helium Act and also cancel the outstanding
11 interest accrued and unpaid as well as the principal of the
12 net capital and retained earnings debt of the Helium Pro-
13 duction Fund established pursuant to section 6 of the He-
14 lium Act Amendments of 1960 (Public Law 86–777).

15 **SEC. 6. REPEAL OF COOPERATIVE AUTHORITY.**

16 Section 7 is repealed.

17 **SEC. 7. ELIMINATION OF STOCKPILE.**

18 Section 8 is amended to read as follows:

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

20 “(a) STOCKPILE SALES.—Not later than January 1,
21 1996, the Secretary shall commence making sales of crude
22 helium from helium reserves owned by the United States
23 and stored in the Bureau of Mines Cliffside Field, in such
24 amounts as may be necessary to dispose of all such helium
25 reserves in excess of an amount determined to be in the

1 national interest by the Secretary by January 1, 2020.
2 The sales shall be at such times and in such lots as the
3 Secretary determines in consultation with the helium in-
4 dustry and may be made by contract or other investment
5 instrument. The price for all such sales, as determined by
6 the Secretary in consultation with the helium industry,
7 shall be comparable to prices for helium sold by private
8 industry. An annual review of price comparability shall be
9 made by the Secretary. Price adjustments by the Sec-
10 retary shall be made accordingly to protect the interests
11 of the United States.

12 “(b) DISCOVERY OF ADDITIONAL RESERVES.—The
13 discovery of additional helium reserves shall not affect the
14 duty of the Secretary to make sales of helium as provided
15 in subsection (a) of this section, as the case may be.”.

16 **SEC. 8. REPEAL OF ADMINISTRATION AND OTHER AU-**
17 **THORITIES.**

18 Sections 10 through 17 are repealed.

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