

## Union Calendar No. 27

113<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 527

[Report No. 113–42]

To amend the Helium Act to complete the privatization of the Federal helium reserve in a competitive market fashion that ensures stability in the helium markets while protecting the interests of American taxpayers, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 2013

Mr. HASTINGS of Washington (for himself, Mr. MARKEY, Mr. FLORES, and Mr. HOLT) introduced the following bill; which was referred to the Committee on Natural Resources

APRIL 18, 2013

Additional sponsor: Mr. DUNCAN of South Carolina

APRIL 18, 2013

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on February 6, 2013]

# **A BILL**

To amend the Helium Act to complete the privatization of the Federal helium reserve in a competitive market fashion that ensures stability in the helium markets while protecting the interests of American taxpayers, 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 “Responsible Helium Ad-*  
5 *ministration and Stewardship Act”.*

6 **SEC. 2. DEFINITIONS.**

7        *Section 2 of the Helium Act (50 U.S.C. 167) is amend-*  
8 *ed—*

9            *(1) in paragraph (1), by striking the semicolon*  
10 *at the end and inserting a period;*

11            *(2) in paragraph (2), by striking “; and” and*  
12 *inserting a period; and*

13            *(3) by adding at the end the following:*

14            *“(4) FEDERAL HELIUM RESERVE.—*

15                    *“(A) IN GENERAL.—The term ‘Federal He-*  
16 *lium Reserve’ means the Bureau of Land Man-*  
17 *agement Cliffside Gas Field and supporting in-*  
18 *frastructure.*

19                    *“(B) INCLUSIONS.—The term ‘Federal He-*  
20 *lium Reserve’ includes—*

21                            *“(i) the Cliffside Gas Field helium*  
22 *storage reservoir; and*

23                            *“(ii) all associated infrastructure*  
24 *owned, leased, or managed under contract*  
25 *by the Secretary for storage, transportation,*

1                   *withdrawal, purification, or management of*  
2                   *helium.*

3                   “(5) *QUALIFYING DOMESTIC HELIUM TRANS-*  
4                   *ACTION.—The term ‘qualifying domestic helium*  
5                   *transaction’—*

6                   “(A) *except as provided in subparagraph*  
7                   *(B), means any new or newly renegotiated agree-*  
8                   *ment for the purchase or sale of at least*  
9                   *15,000,000 standard cubic feet of crude helium*  
10                   *or bulk liquid helium delivered in the United*  
11                   *States in the most recent full fiscal year; and*

12                   “(B) *does not include any purchase of crude*  
13                   *helium from the Secretary.*

14                   “(6) *TOLLING AGREEMENT.—The term ‘tolling*  
15                   *agreement’ means an agreement between a helium re-*  
16                   *finer and another party under which the helium re-*  
17                   *finer agrees to process the other person’s helium at an*  
18                   *agreed upon price.”.*

19 **SEC. 3. SALE AND AUCTION OF CRUDE HELIUM.**

20                   “(a) *IN GENERAL.—Section 6 of the Helium Act (50*  
21                   *U.S.C. 167d) is amended to read as follows:*

22 **“SEC. 6. SALE OF HELIUM.**

23                   “(a) *PHASE A: FINALIZING DEBT PAYOFF.—*

24                   “(1) *IN GENERAL.—Subject to paragraph (2), the*  
25                   *Secretary shall offer for sale crude helium for Federal,*

1       *medical, research, scientific, and commercial uses in*  
2       *such quantities, at such times, and under such condi-*  
3       *tions as the Secretary determines necessary to carry*  
4       *out this subsection with minimum market disruption.*

5               “(2) *MINIMUM QUANTITY.*—*The Secretary shall*  
6       *offer for sale during each fiscal year under paragraph*  
7       *(1) a quantity of crude helium equivalent to the*  
8       *quantity of crude helium produced from the Federal*  
9       *Helium Reserve during fiscal year 2012.*

10              “(3) *IN-KIND PURCHASE BY FEDERAL AGENCIES*  
11       *AND GRANTEES.*—*Federal agencies, and holders of 1*  
12       *or more Federal research grants, may purchase re-*  
13       *fined helium under this subsection for Federal, med-*  
14       *ical, research and scientific uses from persons who*  
15       *have entered into enforceable contracts to purchase an*  
16       *equivalent quantity of crude helium from the Sec-*  
17       *retary.*

18              “(4) *PRICES AND DETERMINATIONS.*—*Sales of*  
19       *crude helium by the Secretary under this subsection*  
20       *shall be at prices established by the Secretary that*  
21       *shall not be less than the price in the last sale of*  
22       *crude helium from the Federal Helium Reserve before*  
23       *the date of enactment of the Responsible Helium Ad-*  
24       *ministration and Stewardship Act, except that any*  
25       *sale to a person referred to in paragraph (3) for a*

1       *purchase authorized by that paragraph shall be at a*  
2       *price specified by the Secretary.*

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

5                       “(A) *beginning on the date of enactment of*  
6                       *the Responsible Helium Administration and*  
7                       *Stewardship Act; and*

8                       “(B) *ending on the expiration of the one-*  
9                       *year period following such date of enactment.*

10       “(b) *PHASE B: MAXIMIZING TOTAL RECOVERY OF HE-*  
11       *LIUM AND INCREASING RETURNS TO THE AMERICAN TAX-*  
12       *PAYER.*—

13               “(1) *IN GENERAL.*—*The Secretary shall offer for*  
14       *sale at auction, as described in subsection (d), crude*  
15       *helium for medical, research, scientific, and commer-*  
16       *cial uses in such quantities, at such times, and under*  
17       *such conditions as the Secretary determines nec-*  
18       *essary—*

19                       “(A) *to maximize total recovery and con-*  
20                       *servation of helium from the Federal Helium Re-*  
21                       *serve;*

22                       “(B) *to manage crude helium sales accord-*  
23                       *ing to the ability of the Secretary to extract and*  
24                       *produce helium from the Federal Helium Re-*  
25                       *serve;*

1           “(C) to respond to helium market supply  
2           and demand and minimize market disruption;  
3           and

4           “(D) to give priority to meeting the helium  
5           demand of Federal users through purchases  
6           under paragraph (2).

7           “(2) *IN-KIND PURCHASE BY FEDERAL AGENCIES*  
8           *AND GRANTEES.*—Any Federal agency, and any hold-  
9           er of 1 or more Federal research grants, may pur-  
10          chase refined helium for Federal, medical, research,  
11          and scientific uses from an eligible person. The Sec-  
12          retary shall then provide an equivalent volume of  
13          crude helium to the eligible person as if the eligible  
14          person was the successful bidder for the helium at  
15          auction. Provision of helium by the Secretary under  
16          this paragraph shall not be considered a sale of he-  
17          lium by the Secretary at auction. The Secretary shall  
18          provide such helium at the minimum price estab-  
19          lished by the Secretary for the most recent auction  
20          held under this subsection or such other price as may  
21          be specified by the Secretary.

22          “(3) *ELIGIBLE PERSON.*—For purposes of this  
23          subsection, the term ‘eligible person’ means a helium  
24          distributor who is registered as such with the Sec-  
25          retary.

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

3                   “(A) *beginning on the expiration of the pe-*  
4 *riod described in subsection (a)(5)(B); and*

5                   “(B) *ending on the date on which the vol-*  
6 *ume of recoverable crude helium at the Federal*  
7 *Helium Reserve (other than privately owned*  
8 *quantities of crude helium stored temporarily at*  
9 *the Federal Helium Reserve under section 5 and*  
10 *this section) is 3,000,000,000 standard cubic feet.*

11           “(5) *MAXIMUM ANNUAL SALES.*—*Notwith-*  
12 *standing any provision of subsection (d), for each fis-*  
13 *cal year, the Secretary may not offer or provide for*  
14 *sale under this subsection a total volume of crude he-*  
15 *lium that exceeds the lesser of—*

16                   “(A) *the projected maximum total produc-*  
17 *tion capacity of the Federal Helium Reserve dur-*  
18 *ing that fiscal year; and*

19                   “(B) *the maximum refining capacity of*  
20 *persons connected by pipeline to the Federal He-*  
21 *lium Reserve during that fiscal year.*

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

23                   “(1) *IN GENERAL.*—*The Secretary may offer for*  
24 *sale crude helium for Federal uses (including medical,*  
25 *research, and scientific uses) in such quantities, at*

1 *such times, and under such conditions as the Sec-*  
2 *retary determines necessary to carry out this sub-*  
3 *section.*

4 “(2) *PURCHASE BY FEDERAL AGENCIES AND*  
5 *GRANTEES.—Federal agencies, and holders of 1 or*  
6 *more Federal research grants related to helium or the*  
7 *use of helium, may purchase refined helium under*  
8 *this subsection for Federal uses (including medical,*  
9 *research, and scientific uses) from persons who have*  
10 *entered into enforceable contracts to purchase an*  
11 *equivalent quantity of crude helium from the Sec-*  
12 *retary.*

13 “(3) *EFFECTIVE DATE.—This subsection applies*  
14 *beginning on the day after the date described in sub-*  
15 *section (b)(4)(B).*

16 “(d) *AUCTION AND MINIMUM PRICES DETERMINA-*  
17 *TION.—*

18 “(1) *IN GENERAL.—Sales of crude helium by the*  
19 *Secretary in auctions under subsection (b) shall be*  
20 *conducted under the conditions described in this sec-*  
21 *tion and at no less than the minimum price estab-*  
22 *lished by the Secretary.*

23 “(2) *AUCTION.—The Secretary shall conduct*  
24 *such auctions of crude helium as soon as practical but*  
25 *no later than beginning 180 days after the first day*

1       *of the period described in subsection (b)(4), under the*  
2       *following conditions:*

3               “(A) 60 percent of the volume of crude he-  
4               *lium made available in each auction shall be*  
5               *made available to entities that can show the Sec-*  
6               *retary they have either adequate refining capac-*  
7               *ity or tolling agreements for refining in place, in*  
8               *accordance with the conditions set forth in para-*  
9               *graph (3).*

10              “(B) 20 percent of the volume of crude he-  
11              *lium made available in each auction shall be*  
12              *made available to any bidder, in accordance*  
13              *with the conditions set forth in paragraph (3).*

14              “(C) *In each auction after the first auction*  
15              *under this subsection after the date of the enact-*  
16              *ment of the Responsible Helium Administration*  
17              *and Stewardship Act, the Secretary shall make*  
18              *available an additional volume of crude helium,*  
19              *in an amount equivalent to the amount made*  
20              *available under subparagraph (B) that the Sec-*  
21              *retary certifies can be refined, through tolling*  
22              *agreements or otherwise. Of such additional vol-*  
23              *ume, a person may not acquire in the auction a*  
24              *volume in excess of the volume they demonstrate*  
25              *to the Secretary they have the ability to refine*

1           *through either refining capacity or tolling agree-*  
2           *ments.*

3           “(D) *The Secretary shall conduct such auc-*  
4           *tions at such times as the Secretary determines*  
5           *necessary to ensure a reliable supply of helium*  
6           *and a fair return to taxpayers, but no less fre-*  
7           *quently than 2 times each fiscal year.*

8           “(E) *For purposes of the first auction under*  
9           *this subsection after the date of the enactment of*  
10          *the Responsible Helium Administration and*  
11          *Stewardship Act, the Secretary may revise the*  
12          *percentage under subparagraph (A) so as to*  
13          *make available for auction 100 percent of the*  
14          *volume of crude helium intended to be offered.*

15          “(F) *The Secretary may adjust the percent-*  
16          *ages and amount specified in subparagraphs (A)*  
17          *through (C), respectively, in any auction if the*  
18          *Secretary determines the adjustment is necessary*  
19          *to—*

20                  “(i) *respond to market supply and de-*  
21                  *mand and minimize market disruption; or*

22                  “(ii) *increase participation in helium*  
23                  *auctions.*

24          “(G) *The Secretary may conduct an auction*  
25          *no more frequently than once each fiscal year of*

1           *an amount of helium equal to up to 10 percent*  
2           *of the volume of crude helium to be made avail-*  
3           *able at auction during the following fiscal year.*  
4           *Such amount of crude helium shall be made*  
5           *available to any bidder, in accordance with the*  
6           *conditions set forth in paragraph (3). Notwith-*  
7           *standing paragraph (3)(C), for crude helium sold*  
8           *in such an auction the Secretary shall begin*  
9           *charging a storage fee under clause (i) of that*  
10          *paragraph beginning 1 year after the date of*  
11          *such auction, and shall begin charging increas-*  
12          *ing storage fees under clause (ii) of that para-*  
13          *graph beginning 270 days after beginning charg-*  
14          *ing storage fees under clause (i) of that para-*  
15          *graph.*

16          “(3) *AUCTION CONDITIONS.*—

17                 “(A) *BIDDING METHOD.*—*The Secretary*  
18                 *shall conduct each auction by sealed bid for pre-*  
19                 *determined volume lots, unless the Secretary de-*  
20                 *termines that an alternative bidding method*  
21                 *may result in more revenue to the Federal Gov-*  
22                 *ernment or may increase participation in the*  
23                 *auction.*

1           “(B) *BIDDER QUALIFICATIONS AND LIM-*  
2 *ITS.—In carrying out an auction under sub-*  
3 *section (b), the Secretary—*

4           “(i) *may accept bids only from persons*  
5 *the Secretary determines are seeking to pur-*  
6 *chase helium for their own use, for refining,*  
7 *or for delivery to users; and*

8           “(ii) *may not award to a person more*  
9 *than 30 percent of the total volume of crude*  
10 *helium offered in that auction, except that*  
11 *the Secretary may adjust such limitation*  
12 *based on the number of bidders in the auc-*  
13 *tion.*

14           “(C) *STORAGE FEES.—In each auction the*  
15 *Secretary—*

16           “(i) *shall begin charging each winning*  
17 *bidder a storage fee for crude helium pur-*  
18 *chased by the bidder that remains in the*  
19 *Federal Helium Reserve, beginning on the*  
20 *date the Secretary receives payment of the*  
21 *purchase price for the helium; and*

22           “(ii) *beginning 270 days after the date*  
23 *of the auction, shall charge increasing stor-*  
24 *age fees that will encourage the withdrawal*

1                   *of the helium no later than 2 years after the*  
2                   *date of the auction.*

3                   “(4) *DETERMINATION OF MINIMUM SALE*  
4                   *PRICE.—The Secretary shall make a determination of*  
5                   *the minimum sale price for sales described in para-*  
6                   *graph (1) using—*

7                   “(A) *a confidential survey of qualifying do-*  
8                   *mestic helium transactions to which any holder*  
9                   *of a contract with the Secretary for the accept-*  
10                  *ance, storage, and redelivery of crude helium in*  
11                  *the Cliffside Gas Field helium storage reservoir*  
12                  *is a party;*

13                  “(B) *current market crude helium prices as*  
14                  *represented by the sale price at any auction held*  
15                  *by the Secretary in the preceding 2 years;*

16                  “(C) *the volume-weighted average cost*  
17                  *among helium refiners, producers, and liquefiers,*  
18                  *in dollars per thousand cubic feet, of converting*  
19                  *gaseous crude helium into bulk liquid helium;*

20                  “(D) *the additional layer of cost and profit*  
21                  *associated with the sale or resale of bulk liquid*  
22                  *helium; and*

23                  “(E) *the sale price for crude helium offered*  
24                  *in the most recent auction under paragraph*  
25                  *(2)(G).*

1           “(5) *AUTHORITY OF SECRETARY.*—*The Secretary*  
2     *shall—*

3           “(A) *require all persons that are parties to*  
4     *a contract with the Secretary for the acceptance,*  
5     *storage, and redelivery of crude helium to dis-*  
6     *close, on a strictly confidential basis in dollars*  
7     *per thousand cubic feet, the weighted average*  
8     *price of all crude helium and bulk liquid helium*  
9     *purchased, sold, or processed by the persons in*  
10    *all qualifying domestic helium transactions dur-*  
11    *ing the fiscal year;*

12          “(B) *appoint a qualified independent third*  
13    *party to perform data collection and analysis for*  
14    *the purposes of the survey under paragraph*  
15    *(4)(A); and*

16          “(C) *adopt such administrative policies and*  
17    *procedures as the Secretary considers necessary*  
18    *and reasonable to ensure robust protection of the*  
19    *confidentiality of data submitted by private per-*  
20    *sons.*

21          “(6) *CHANGES IN MINIMUM PRICE.*—*If the Sec-*  
22    *retary believes that the minimum price as determined*  
23    *by the survey under paragraph (4)(A) may not be re-*  
24    *flective of the current market value of helium, or if a*  
25    *higher minimum price may result in greater con-*

1       *servation of the Federal crude helium resource, the*  
2       *Secretary may change the minimum price charged for*  
3       *crude helium sold under this section by up to 10 per-*  
4       *cent of the price determined under paragraph (4). If*  
5       *at any sale in which the minimum price is increased*  
6       *under this paragraph all crude helium offered is sold*  
7       *at the increased price, the Secretary shall consider*  
8       *that increased price to be the minimum price deter-*  
9       *mined under paragraph (4) for all future sales of*  
10       *crude helium under this section unless that price is*  
11       *further changed in accordance with this paragraph.*

12               “(7) *ENSURING FAIR AND NONDISCRIMINATORY*  
13       *ACTS AND PRACTICES.—The Secretary may issue such*  
14       *rules and regulations with respect to ensure bidding,*  
15       *transfer, and refining of helium produced from or*  
16       *held in the Federal Helium Reserve as may be nec-*  
17       *essary to ensure fair and nondiscriminatory acts and*  
18       *practices.*

19               “(8) *AUCTION RECORDS.—*

20                       “(A) *FURNISHING RECORDS.—Every person*  
21       *participating in auctions of helium from the*  
22       *Federal Helium Reserve shall furnish to the Sec-*  
23       *retary on request such records of transactions in*  
24       *helium auctions as the Secretary may require to*  
25       *reconstruct bidding or trading in the course of a*

1        *particular inquiry or investigation being con-*  
2        *ducted by the Secretary for enforcement or sur-*  
3        *veillance purposes. In requiring information*  
4        *pursuant to this paragraph, the Secretary shall*  
5        *specify the information required, the period for*  
6        *which it is required, and the time and date on*  
7        *which the information must be furnished.*

8            *“(B) REPORTING REQUIREMENTS.—The*  
9        *Secretary may issue rules to require persons par-*  
10       *ticipating in helium auctions to file such reports*  
11       *as the Secretary determines to be necessary for*  
12       *purposes of this Act.*

13           *“(C) RECORDKEEPING REQUIREMENTS.—*  
14       *Rules under this subsection may require specified*  
15       *persons to make and keep for prescribed periods*  
16       *such records as the Secretary determines are nec-*  
17       *essary or appropriate to ensure that such persons*  
18       *can comply with reporting requirements under*  
19       *this subsection.*

20           *“(D) LIMITATION ON DISCLOSURE OF IN-*  
21       *FORMATION.—Notwithstanding any other provi-*  
22       *sion of law, the Secretary shall not be compelled*  
23       *to disclose any proprietary information required*  
24       *to be kept or reported under this subsection.*  
25       *Nothing in this subsection authorizes the Sec-*

1            *retary to withhold information from Congress,*  
2            *prevents the Secretary from complying with a re-*  
3            *quest for information from any other Federal de-*  
4            *partment or agency requesting information for*  
5            *purposes within the scope of its jurisdiction, or*  
6            *prevents the Secretary from complying with an*  
7            *order of a court of the United States in an ac-*  
8            *tion brought by the United States or by the Sec-*  
9            *retary.*

10            *“(e) HELIUM PRODUCTION FUND.—*

11            *“(1) IN GENERAL.—All amounts received under*  
12            *this Act shall be credited to the Helium Production*  
13            *Fund, which shall be available without fiscal year*  
14            *limitation for purposes considered necessary by the*  
15            *Secretary to carry out this subsection.*

16            *“(2) ADMINISTRATIVE EXPENSES.—Amounts in*  
17            *the Helium Production Fund may be used by the Sec-*  
18            *retary to conduct helium auctions and otherwise ad-*  
19            *minister this Act.*

20            *“(3) REPAYMENT AMOUNTS.—During the period*  
21            *described in subsection (a)(4), amounts in the Helium*  
22            *Production Fund in excess of amounts the Secretary*  
23            *considers necessary to conduct helium auctions and*  
24            *otherwise administer this Act shall be paid to the gen-*  
25            *eral fund of the Treasury and credited against all*

1        *amounts required to be repaid to the United States*  
2        *under this Act as of October 1, 1995.*

3            “(4) *CAPITAL INVESTMENTS AND MAINTENANCE.—Amounts in the Helium Production Fund in*  
4        *excess of amounts the Secretary considers necessary to*  
5        *carry out paragraphs (1) through (3) may be used to*  
6        *fund the following capital investments in upgrades*  
7        *and maintenance at the Federal Helium reserve:*

9            “(A) *Wellhead maintenance at the Cliffside*  
10        *Gas Field helium storage reservoir.*

11           “(B) *Capital investments in maintenance*  
12        *and upgrades of facilities that pressurize the*  
13        *Cliffside Gas Field helium storage reservoir.*

14           “(C) *Capital investments in maintenance*  
15        *and upgrades of equipment related to the storage,*  
16        *withdrawal, transportation, purification, and*  
17        *sale of crude helium at the Cliffside Gas Field*  
18        *helium storage reservoir.*

19           “(D) *Any other scheduled or unscheduled*  
20        *maintenance of the Cliffside Gas Field helium*  
21        *storage reservoir and helium pipeline.*

22           “(5) *EXCESS FUNDS.—Amounts in the Helium*  
23        *Production Fund in excess of amounts the Secretary*  
24        *considers necessary to carry out paragraphs (1)*

1       *through (4) shall be paid to the general fund of the*  
2       *Treasury.*

3       “(f) *EXTRACTION OF HELIUM FROM DEPOSITS ON*  
4 *FEDERAL LAND.—All amounts received by the Secretary*  
5 *from the sale or disposition of crude helium on Federal land*  
6 *shall be paid to the general fund of the Treasury and cred-*  
7 *ited against all amounts required to be repaid to the United*  
8 *States under this Act as of October 1, 1995.*

9       “(g) *MAINTENANCE OF HELIUM SUPPLY.—The Sec-*  
10 *retary shall ensure that there is no disruption in the supply*  
11 *of helium from the Federal Helium Reserve during the tran-*  
12 *sition between phases of helium sales under subsections (a),*  
13 *(b), and (c).”.*

14       “(b) *REPORT.—Not later than 1 year after the date of*  
15 *enactment of this Act and annually thereafter, the Secretary*  
16 *of the Interior shall submit to the Committee on Natural*  
17 *Resources of the House of Representatives and the Com-*  
18 *mittee on Energy and Natural Resources of the Senate a*  
19 *report describing all expenditures by the Bureau of Land*  
20 *Management for operation and maintenance of the Federal*  
21 *Helium Reserve (as that term is defined in the amendment*  
22 *made by section 2(3)), investments made by the Bureau for*  
23 *such reserve, and scheduled or unscheduled maintenance of*  
24 *such reserve or its infrastructure to be conducted by the Bu-*  
25 *reau.*

1 **SEC. 4. BLM TRANSPARENCY REQUIREMENTS TO FACILI-**  
2 **TATE MARKET AND SUPPLY CHAIN INFORMA-**  
3 **TION.**

4 *The Helium Act (50 U.S.C. 167 et seq.) is further*  
5 *amended by redesignating sections 15 and 17 as sections*  
6 *17 and 18, and by inserting after section 14 the following:*

7 **“SEC. 15. PIPELINE ACCESS.**

8 *“(a) ANNUAL REPORT.—The Secretary, acting through*  
9 *the Bureau of Land Management, shall make available on*  
10 *the Internet the current refining capacity on the Federal*  
11 *Helium Reserve pipeline, including—*

12 *“(1) refinery capacity and future capacity esti-*  
13 *mates;*

14 *“(2) ownership of federally auctioned helium*  
15 *held in the Federal Helium Reserve;*

16 *“(3) volume of helium delivered to individual*  
17 *buyers through such pipeline;*

18 *“(4) for each helium refiner—*

19 *“(A) the number of tolling agreements en-*  
20 *tered into before October 1, 2013; and*

21 *“(B) for each fiscal year thereafter—*

22 *“(i) the number of tolling agreements*  
23 *entered into;*

24 *“(ii) the number of tolling requests re-*  
25 *ceived; and*

1                   “(iii) the total volume of helium re-  
2                   fined under each tolling agreement entered  
3                   into;

4                   “(5) pipeline pressure constraints; and

5                   “(6) other factors that will increase transparency  
6                   for persons interested in entering refining contracts  
7                   with existing refiners.

8                   “(b) *NEW REFINING CAPACITY.*—The Secretary shall  
9                   take any applications for new refining capacity on the Fed-  
10                  eral Helium Reserve pipeline. To create more competition,  
11                  any new refining capacity added to the Federal Helium  
12                  Reserve pipeline system shall be granted access to crude he-  
13                  lium that is equal to the access provided to existing refining  
14                  facilities.

15                  “(c) *ACCESS BY PURCHASERS OF HELIUM.*—The Sec-  
16                  retary shall manage Federal Helium Reserve pipeline access  
17                  in a competitive manner to ensure that all persons pur-  
18                  chasing helium have equal access to timing and delivery  
19                  of the helium, subject to the capacity of the system.

20                  “(d) *SCHEDULING DELIVERIES.*—The Secretary shall,  
21                  to the greatest extent practicable, make the scheduling of  
22                  crude helium deliveries through the Federal Helium Reserve  
23                  pipeline open and transparent to all purchasers of helium  
24                  through the auction process, and to the public if the Sec-  
25                  retary believes that it is in the national interest.

1       “(e) *SCHEDULING PRIORITY.*—

2               “(1) *IN GENERAL.*—*In scheduling crude helium*  
3 *deliveries through the Federal Helium Reserve pipe-*  
4 *line the Secretary shall grant pipeline access in the*  
5 *following order of priority:*

6                       “(A) *Helium held in the Reserve as a result*  
7 *of a purchase under subsection (b)(2).*

8                       “(B) *Helium sold at auction being delivered*  
9 *to fulfill a tolling agreement.*

10                      “(C) *Other helium sold at auction.*

11                      “(D) *Helium held in the Reserve as a result*  
12 *of a crude helium exchange resulting from any*  
13 *temporary shutdown of the Reserve or of a refin-*  
14 *ery on the Reserve pipeline.*

15                      “(E) *Helium held in inventory in the Re-*  
16 *serve before the date of enactment of the Respon-*  
17 *sible Helium Administration and Stewardship*  
18 *Act.*

19               “(2) *In scheduling such deliveries of helium de-*  
20 *scribed in each of subparagraphs (A) through (E) of*  
21 *paragraph (1), the Secretary shall grant pipeline ac-*  
22 *cess based on the following order of priority:*

23                      “(A) *The price paid to the United States for*  
24 *the helium, giving higher priority to helium for*  
25 *which a greater price was paid.*

1           “(B) *The date the helium was purchased*  
2           *from the Secretary, giving higher priority to he-*  
3           *lium purchased on an earlier date.*

4           “(C) *Any other factor the Secretary con-*  
5           *siders appropriate to prioritize delivery.*

6   **“SEC. 16. BLM REPORTING REQUIREMENTS TO FACILITATE**  
7           **SUPPLY CHAIN INFORMATION.**

8           “(a) *IN GENERAL.—In order to provide the market*  
9           *with appropriate and timely information affecting the he-*  
10          *lium resource, the Director of the Bureau of Land Manage-*  
11          *ment shall establish, no later than 90 days after the date*  
12          *of enactment of the Responsible Helium Administration*  
13          *and Stewardship Act, a real-time reporting process, includ-*  
14          *ing reporting over the Internet, to provide data that will*  
15          *affect the helium industry, including such effects for all per-*  
16          *sons in such industry from crude helium suppliers to end*  
17          *users.*

18          “(b) *INCLUDED INFORMATION.—Information provided*  
19          *under this section shall include the following:*

20                  “(1) *Annual maintenance schedules and quar-*  
21                  *terly updates thereof, which shall be available on the*  
22                  *Internet, to the extent practicable, and shall include*  
23                  *the following:*

1           “(A) *The date and duration of planned*  
2           *shutdowns of the Federal Helium Reserve pipe-*  
3           *line.*

4           “(B) *The nature of work to be undertaken,*  
5           *whether routine, extended, or extraordinary.*

6           “(C) *The anticipated impact on the helium*  
7           *supply.*

8           “(D) *The efforts to minimize any impact on*  
9           *the supply chain.*

10          “(E) *Any concerns regarding maintenance*  
11          *of the Federal Helium Reserve pipeline, pressure*  
12          *of such pipeline, or deviation from normal oper-*  
13          *ation of such pipeline.*

14          “(2) *For each unplanned outage, the following:*

15               “(A) *The beginning of the outage.*

16               “(B) *The expected duration of outage.*

17               “(C) *A description of the problem.*

18               “(D) *The estimated impact on helium sup-*  
19               *ply.*

20               “(E) *A plan to correct problems, an esti-*  
21               *mate of the potential timeframe for correction,*  
22               *and the likelihood of plan success within the*  
23               *timeframe.*

24               “(F) *Efforts to minimize negative impacts*  
25               *on the helium supply chain.*

1                   “(G) Updates on repair status and the an-  
2                   ticipated online date.

3                   “(3) Minutes of meetings between the Bureau of  
4                   Land Management and the Cliffside Refiners Limited  
5                   Partnership, including—

6                   “(A) publication of the minutes of each  
7                   meeting between the Bureau of Land Manage-  
8                   ment and the Cliffside Refiners Limited Partner-  
9                   ship, including attendees and their affiliations,  
10                  on the Internet site of the Bureau within 1 week  
11                  after the meeting; and

12                  “(B) indication in the minutes of any ac-  
13                  tion taken that could affect the supply or oper-  
14                  ating status related to the Federal helium pro-  
15                  gram.

16                  “(4) Current predictions of the lifespan of the  
17                  Federal Helium Reserve, including how much longer  
18                  such crude helium supply will be available based on  
19                  current and forecasted demand and the projected  
20                  maximum production capacity of the Federal Helium  
21                  Reserve for the following fiscal year.”.

1 **SEC. 5. HELIUM RESOURCE ASSESSMENT AND HELIUM-3**  
2 **SEPARATION.**

3 (a) *HELIUM GAS RESOURCE ASSESSMENT.*—Not later  
4 than 2 years after the date of enactment of this Act, the  
5 Secretary of the Interior shall—

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

8 (A) complete a national helium gas assess-  
9 ment that identifies and quantifies the quantity  
10 of helium, including the isotope helium-3, in  
11 each reservoir, including assessments of the con-  
12 stituent gases found in each helium resource,  
13 such as carbon dioxide, nitrogen, and natural  
14 gas; and

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

18 (2) in coordination with appropriate inter-  
19 national agencies and the global geology community,  
20 complete a global helium gas assessment that identi-  
21 fies and quantifies the quantity of the helium, includ-  
22 ing the isotope helium-3, in each reservoir;

23 (3) in consultation with the Secretary of Energy,  
24 acting through the Administrator of the Energy Infor-  
25 mation Administration, complete—

1           (A) an assessment of trends in global de-  
2           mand for helium, including the isotope helium-  
3           3;

4           (B) a 10-year forecast of domestic demand  
5           for helium across all sectors, including scientific  
6           and medical research, commercial, manufac-  
7           turing, space technologies, cryogenics, and na-  
8           tional defense; and

9           (C) an inventory of medical, research, sci-  
10          entific, industrial, commercial, and other uses of  
11          helium in the United States, including Federal  
12          and commercial helium uses, that identifies the  
13          nature of the helium use, the amounts required,  
14          the technical and commercial viability of helium  
15          recapture and recycling in that use, and the  
16          availability of material substitutes wherever pos-  
17          sible; and

18          (4) submit to the Committee on Natural Re-  
19          sources of the House of Representatives and the Com-  
20          mittee on Energy and Natural Resources of the Sen-  
21          ate a report describing the results of the assessments  
22          required under this subsection.

23          (b) *HELIUM-3 SEPARATION.*—

24                 (1) *INTERAGENCY COOPERATION.*—The Secretary  
25          of the Interior shall cooperate with the Secretary of

1       *Energy, or a designee of the Secretary of Energy, on*  
2       *any assessment or research relating to the extraction*  
3       *and refining of the isotope helium-3 from crude he-*  
4       *lium at the Federal Helium Reserve (as that term is*  
5       *defined in the amendments made by section 2) or*  
6       *along the Federal Helium Reserve pipeline system, in-*  
7       *cluding—*

8               *(A) gas analysis;*

9               *(B) infrastructure studies; and*

10              *(C) cooperation with private helium refin-*

11              *ers.*

12              (2) *FEASIBILITY STUDY.—The Secretary of the*  
13       *Interior shall assess the feasibility of establishing a*  
14       *facility to separate the isotope helium-3 from crude*  
15       *helium at—*

16              *(A) the Federal Helium Reserve; or*

17              *(B) an existing helium separation or purifi-*  
18       *cation facility connected to the Federal Helium*  
19       *Reserve pipeline system.*

20              (3) *REPORT.—Not later than 1 year after the*  
21       *date of enactment of this Act, the Secretary of the In-*  
22       *terior shall submit to the Committee on Natural Re-*  
23       *sources of the House of Representatives and the Com-*  
24       *mittee on Energy and Natural Resources of the Sen-*

- 1     *ate a report that contains a description of the results*
- 2     *of the assessments conducted under this subsection.*



Union Calendar No. 27

113<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**H. R. 527**

[Report No. 113-42]

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**A BILL**

To amend the Helium Act to complete the privatization of the Federal helium reserve in a competitive market fashion that ensures stability in the helium markets while protecting the interests of American taxpayers, and for other purposes.

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APRIL 18, 2013

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed