

The Chair recognizes the gentleman from Colorado [Mr. ALLARD].

Mr. ALLARD. Mr. Speaker, I yield myself such time as I may consume.

(Mr. ALLARD asked and was given permission to revise and extend his remarks.)

Mr. ALLARD. Mr. Speaker, I rise in strong support of H.R. 1527, legislation to amend the process by which the Forest Service calculates the charges for ski areas on National Forest Service lands. This is a good bill which simplifies 40 pages of complex Government regulations and procedures, reduces costs on the private sector, and generates additional revenue for the Treasury.

Mr. Speaker, there are 143 ski areas located on Forest Service land around the country. While these ski areas represent only one-tenth of 1 percent of the land managed by the Forest Service, tens of millions of persons enjoy skiing at such internationally renown sites as Vail, Steamboat Springs, Aspen, Jackson Hole, Mammoth, and Sugarbush every year. For that reason, it is important that we establish sound policy in the management of our ski areas, which ensures continuation of this strong public-private partnership.

As ski area operations have evolved over the years into complex multi-season resorts, the existing graduate rate fee system for calculating ski area permittee fees has become increasingly complex. For example, the Forest Service has now instituted such practices as levying a charge on facilities and services on private lands which the Forest Service claims are related to the ski area. In 1986, Congress recognized that the existing system for calculating fees that ski area operators pay to the Federal Government was outdated and directed the Forest Service to develop a new fee system.

Unfortunately, in the 10 years since Congress directed the Forest Service to establish a new fee system, the agency has provided no new recommendation to Congress. The Forest Service has spent a substantial amount of money studying new ways to calculate fees, but at this point has nothing new to suggest. Last September, the Forest Service announced that they were prepared to scrap all their previous work and start a new study.

Instead of further studies, what this legislation presents is a new and simplified approach for calculating ski area permittee fees. Just as importantly, CBO has estimated that this legislation will actually increase revenues to the Treasury.

Mr. Speaker, this bill is a win-win: A win for the administration, who will see administrative costs go down. A win for the Treasury, where revenues will go up. And a win for the American public, who enjoys recreational skiing on Forest Service lands, which provide this country with some of the best recreational skiing in the world.

I commend the bill to my colleagues and urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. RICHARDSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support H.R. 1527, the ski fee bill, although I do recognize some concerns with this legislation have been expressed by the administration and others.

I am all for simplifying the ski fee determination. The current process used by the Forest Service is cumbersome and costly, both for the agency and the permittees. H.R. 1527 greatly simplifies that process.

The Federal Government should get fair market value for the use of Federal assets. Unfortunately, as circumstances currently stand, we cannot be assured that this bill meets that test. As the GAO has reported to Congress, the ski industry's fee proposal that is embodied in H.R. 1527 does not assure that the Federal Government receives fair market value. The percentages used in the bill were designed to generate only the same amount in revenue that the Forest Service presently collects.

To address the question of fair market value, the bill includes language requiring the Secretary of Agriculture to report to Congress within 3 years on whether the bill's fee formula is achieving fair market value. I think this is a good idea.

I should also note that the administration and others have expressed concerns about the bill's NEPA waiver for permit renewals. That particular language presents some policy problems, but they are not insurmountable.

Mr. Speaker, as I noted earlier, the current Permit Fee System is cumbersome and costly. That is why the Forest Service has been moving to scrap it and replace it with a new fee program. Those proposed changes however are several years off. As such, I support H.R. 1527, with the understanding that the Congress can address this matter again if the Secretary reports to Congress that the bill's fee schedule is not achieving fair market value.

I particularly want to commend the advice on this legislation I received from Mickey Blake, my constituent who operates the world-renowned Taos Ski Valley, which happens to be the number one ski resort in the country, with all deference to my friends from Colorado.

Mr. Speaker, I reserve the balance of my time.

Mr. ALLARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to compliment the chairman of the Committee on Resources, the gentleman from Alaska [Mr. YOUNG], for carrying this valuable piece of legislation forward. I appreciate his hard work on behalf of ski country.

Mr. RICHARDSON. Mr. Speaker, I yield back the balance of my time.

Mr. ALLARD. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado [Mr. ALLARD] that the House suspend the rules and pass the bill, H.R. 1527, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to further clarify the authorities and duties of the Secretary of Agriculture in issuing ski area permits on National Forest System lands and to withdraw lands within ski area permit boundaries from the operation of the mining and mineral leasing laws."

A motion to reconsider was laid on the table.

HELIUM PRIVATIZATION ACT OF 1996

Mr. ALLARD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3008) 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.

The Clerk read as follows:

H.R. 3008

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Helium Privatization Act of 1996".

SEC. 2. AMENDMENT OF HELIUM ACT.

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

SEC. 3. AUTHORITY OF SECRETARY.

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

"SEC. 3. AUTHORITY OF SECRETARY.

"(a) EXTRACTION AND DISPOSAL OF HELIUM ON FEDERAL LANDS.—

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

"(2) LEASEHOLD RIGHTS.—The Secretary may grant leasehold rights to any such helium.

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

"(4) REGULATIONS.—Agreements under paragraph (1) may be subject to such regulations as may be prescribed by the Secretary.

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

"(6) TERMS AND CONDITIONS.—An agreement under paragraph (1) (and any extension or renewal of an agreement) shall contain such terms and conditions as the Secretary may consider appropriate.

"(7) PRIOR AGREEMENTS.—This subsection shall not in any manner affect or diminish the rights and obligations of the Secretary and private parties under agreements to dispose of helium produced from Federal lands in existence on the date of enactment of the Helium Privatization Act of 1996 except to the extent that such agreements are renewed or extended after that date.

"(b) STORAGE, TRANSPORTATION AND SALE.—The Secretary may store, transport, and sell helium only in accordance with this Act.

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

"(a) STORAGE, TRANSPORTATION AND WITHDRAWAL.—The Secretary may store, transport and withdraw crude helium and maintain and operate crude helium storage facilities, in existence on the date of enactment of the Helium Privatization Act of 1996 at the Bureau of Mines Cliffside Field, and related helium transportation and withdrawal facilities.

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

"(c) DISPOSAL OF FACILITIES.—

"(1) IN GENERAL.—Subject to paragraph (5), not later than 24 months after the cessation of activities referred to in subsection (b) of this section, the Secretary shall designate as excess property and dispose of all facilities, equipment, and other real and personal property, and all interests therein, held by the United States for the purpose of producing, refining and marketing refined helium.

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

"(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).

"(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) shall be paid from amounts available in the helium production fund established under section 6(f).

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

"(d) EXISTING CONTRACTS.—

"(1) IN GENERAL.—All contracts that were entered into by any person with the Secretary for the purchase by the person from the Secretary of refined helium and that are in effect on the date of the enactment of the Helium Privatization Act of 1996 shall remain in force and effect until the date on which the refining operations cease, as described in subsection (b).

"(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).

"SEC. 5. FEES FOR STORAGE, TRANSPORTATION AND WITHDRAWAL.

"(a) IN GENERAL.—Whenever the Secretary provides helium storage withdrawal or trans-

portation 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) shall be treated as moneys received under this Act for purposes of section 6(f)."

SEC. 4. SALE OF CRUDE HELIUM.

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

(b) Subsection 6(b) is amended—

(1) by inserting "crude" before "helium"; and

(2) by adding the following at the end: "Except as may be required by reason of subsection (a), 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) Subsection 6(c) is amended—

(1) by inserting "crude" after "Sales of"; and

(2) by striking "together with interest as provided in this subsection" and all that follows through the end of the subsection and inserting "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) Subsection 6(d) is amended to read as follows:

"(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) Subsection 6(e) is repealed.

(f) Subsection 6(f) is amended—

(1) by striking "(f)" and inserting "(e)(1)"; and

(2) by adding the following at the end:

"(2)(A) Within 7 days after the commencement of each fiscal year after the disposal of the facilities referred to in section 4(c), all amounts in such fund in excess of \$2,000,000 (or such lesser sum as the Secretary deems necessary to carry out this Act 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), the fund established under this section shall be terminated and all moneys received under this Act shall be deposited in the general fund of the Treasury."

SEC. 5. ELIMINATION OF STOCKPILE.

Section 8 is amended to read as follows:

"SEC. 8. ELIMINATION OF STOCKPILE.

"(a) STOCKPILE SALES.—

"(1) COMMENCEMENT.—Not later than January 1, 2005, the Secretary shall commence offering for sale crude helium from helium reserves owned by the United States in such amounts as would be necessary to dispose of all such helium reserves in excess of 600,000,000 cubic feet on a straight-line basis between such date and January 1, 2015.

"(2) TIMES OF SALE.—The sales shall be at such times during each year and in such lots as the Secretary determines, in consultation with the helium industry, to be necessary to carry out this subsection with minimum market disruption.

"(3) PRICE.—The price for all sales under paragraph (1), as determined by the Secretary in consultation with the helium industry, shall be such price as will ensure repayment of the amounts required to be repaid to the Treasury under section 6(c).

"(b) DISCOVERY OF ADDITIONAL RESERVES.—The discovery of additional helium reserves shall not affect the duty of the Secretary to make sales of helium under subsection (a)."

SEC. 6. REPEAL OF AUTHORITY TO BORROW.

Sections 12 and 15 are repealed.

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

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

(b) LAND DESCRIPTION.—The parcel of land referred to in subsection (a) is all those certain lots, tracts or parcels of land lying and being situated in the County of Potter and State of Texas, and being the East Three Hundred Thirty-One (E331) acres out of Section Seventy-eight (78) in Block Nine (9), B.S. & F. Survey, (some times known as the G.D. Landis pasture) Potter County, Texas, located by certificate No. 1/39 and evidenced by letters patents Nos. 411 and 412 issued by the State of Texas under date of November 23, 1937, and of record in Vol. 66A of the Patent Records of the State of Texas. The metes and bounds description of such lands is as follows:

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

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

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

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

Thence, North 0 degrees 10 minutes West with the East line of the West half 999.4 varas to a stone 18 x 14 x 3 inches in the middle of the South line of Section 79;

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

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

Beginning at the Southwest corner of Section 59, a stone marked X and a pile of stones; Thence, North 89 degrees 47 minutes West with the North line of Section 77, 966.5 varas to the Southeast corner of the West half of Section 78; Thence, North 0 degrees 10 minutes West with the East line of the West half of Section 78;

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

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

Containing an area of 331 acres, more or less.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado [Mr. ALLARD] and the gentleman from Hawaii [Mr. ABERCROMBIE] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Colorado [Mr. ALLARD].

Mr. ALLARD. Mr. Speaker, I yield myself such time as I may consume.

(Mr. ALLARD asked and was given permission to revise and extend his remarks.)

Mr. ALLARD. Mr. Speaker, I rise today in support of H.R. 3008. This legislation demonstrates our commitment to put an end to bloated Government programs by shutting down an inefficient facility which has outlived its need and can't compete with the private sector. I thank my good friend and colleague, Mr. Cox, for his tireless efforts to bring this important bill to the floor. To assure the fiscal responsibility for this closure, this legislation repeals the Secretary of the Interior's authority to borrow under the Helium Act and requires the Secretary to impose fees for helium storage, withdrawal, and transportation services.

Specifically this bill will:

Get the Federal Government out of the helium business, including sale of the stockpile, and shut down an inefficient helium refinery. Within 18 months, this bill will terminate the helium refining and marketing operations of the former U.S. Bureau of Mines at the Excell plant and the Amarillo plant. Additionally, all proceeds from the sale of these facilities and equipment will be returned to the Treasury. These funds will be applied toward reduction of the debt the Federal Government has incurred by purchasing crude helium for storage and refining since 1960.

Second, this bill ensures repayment of this debt. The total helium program debt shall be frozen at the current amount, which is approximately \$1.4 billion. Future sales from the crude helium stockpile must be sold at a price determined by dividing this debt by the approximately 32 billion cubic feet of helium currently stored in the Cliffside Field. That value will be the minimum bid per thousand cubic feet for crude helium that the private distributors must pay to access this supply. Revenue received from the private sector as the result of crude helium sales will be returned to the Treasury to complete debt repayment.

And finally, this legislation protects our domestic helium industry from undue disruption by the Federal Government. By recognizing the current market surplus, the bill allows flexibility in commencement of the sale of the stockpile, so as to minimize market disruption. Sales may begin as late as 2005 but the bill requires that the stockpile be eliminated by 2015. Coincidentally, this is when many experts believe the current surplus of helium may no longer exist. Thus the Federal Government should receive a higher price for the commodity than the minimum established floor bid.

Mr. Speaker, I reserve the balance of my time.

□ 1500

Mr. ABERCROMBIE. Mr. Speaker, I yield myself such time as I may consume.

(Mr. ABERCROMBIE asked and was given permission to revise and extend his remarks.)

Mr. ABERCROMBIE. Mr. Speaker, I rise with regrets, acknowledging H.R. 3008, a bill to close the Federal helium program, will pass today. In these days of downsizing, it seems the time has come to terminate programs which appear to have outlived their usefulness like the Federal helium program.

I want to note that I say appear, Mr. Speaker. Since 1925, when the Defense Department believed that dirigibles or blimps would be an integral part of our national defense, the Federal Government has managed a helium program. Today the Federal helium program continues to serve the needs of major Federal users of helium such as NASA and DOE laboratories, who are required to purchase helium from the Bureau of Mines.

The Federal Government got involved in helium production at a time when there was no private helium production. Today, however, the private sector manufactures 90 percent of the world's helium. For this reason groups such as the National Taxpayers Union, the "20/20" TV program, the Interior Department inspector general, and the Heritage Foundation, an unlikely conglomeration, have called for its elimination.

H.R. 3008, like its predecessor, H.R. 3967 in the 103d Congress, enjoys bipartisan support. While I did not support termination of the program, I recognize after several years of consideration Congress is poised to resolve the question of the helium program by terminating it. But I remain concerned that we have not done enough to aid the 200-plus employees in Amarillo, TX, who will lose their livelihood as consequence of our decision.

The bill directs the Secretary of the Interior to sell off all the equipment, real property, refining facilities, and gradually sell off most of the crude helium currently stored in Amarillo, TX. Funds from the sale will be deposited in a helium fund established under the 1960 act, and will be available for various termination activities, including some employee benefits already authorized under law. Eventually the fund will be applied against the debt to reduce the deficit. This is, in any event, the hope.

During the committee consideration of this bill, I offered an amendment to provide employee benefits in addition to those authorized under existing law so that the 200-plus employees in Amarillo, many of whom have built their careers on this program, would get the same kind of additional education and job placement assistance that we gave defense employees working at bases

that were closed. These are people, Mr. Speaker, men and women, who through no fault of their own find themselves working for a Federal program targeted for downsizing and in fact elimination.

My amendment would have given these people help in addition to what the Secretary has already authorized to provide, the same kind of help that we have provided, as I indicated, to many of the defense employees working at military bases scheduled for closure: job placement assistance, extended life and health insurance coverage, and the option to take an early retirement without penalty.

Sadly, my Republican colleagues on the committee could not be persuaded to provide this type of much-needed aid. During committee debate, my friend and colleague from California [Mr. CALVERT] argued that the Secretary already has the authority to provide these benefits. This is simply incorrect, Mr. Speaker.

My amendment would have added authority necessary to enable the Secretary to extend health and life insurance coverage for 3 years beyond an employee's termination. The Secretary does not have the ability to provide this assistance under current law. My amendment would have allowed Federal helium employees access to the enhanced early retirement option, and current law does not provide for this protection. My amendment would have given Federal helium employees hiring preference Government-wide, not just in the Amarillo area as is provided under existing law.

So, Mr. Speaker, my amendment failed. Even though I agreed with my good friend and colleague from Texas [Mr. THORNBERRY] that we did not need to terminate this program, I, and I believe he, could see that this bill would pass. So I tried to lessen the blow so that the helium workers might be able to find another Federal job, or if they served 20 years, they could take an early out and retire from civil service.

As of now, this is not to be, Mr. Speaker. These activities would have been paid from the existing helium account and would have cost relatively pennies, especially in comparison to the costs of unemployment benefits. The Congressional Budget Office said that my amendment would have had no budgetary effect.

It seemed only fair to offer this assistance to the innocent victims of our downsizing zeal, so that the employees who had nothing to do with the difficulties facing the program would not be left stranded by their Government. But my Republican colleagues could not see their way clear to help their fellow public servants in this instance, and so today I expect we will pass H.R. 3008 under suspension of the rules so we can praise ourselves for making Government smaller.

We could have done so, Mr. Speaker, in a much more humane and compassionate manner. I will ask the other

body to consider my amendment before we conclude the legislative process. Loyal workers in the helium program deserve no less.

Mr. Speaker, I reserve the balance of my time.

Mr. ALLARD. Mr. Speaker, I yield the balance of my time to the gentleman from California [Mr. CALVERT] and ask unanimous consent that he be permitted to control that time.

The SPEAKER pro tempore (Mr. CLINGER). Is there objection to the request of the gentleman from Colorado?

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. CALVERT] will be recognized for 17 minutes, the balance of the time.

Mr. CALVERT. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Speaker, I thank my colleague from California for his work on this legislation, and my other colleague from California [Mr. COX], and also the gentleman from Massachusetts [Mr. FRANK], for their work on this legislation for years. In a way it is kind of a shame to see this program come to an end because it takes away one of the great punch lines when talking about the Federal Government, because the national helium reserve has really been a laughingstock, I think, for several decades.

Looking all the way back to the early 1930's, the Federal Government got involved and continues to be involved in the operation of hydroelectric facilities, and I have to ask my constituents at home whether they think the Federal Government should be producing, marketing, and selling electric power these days, and they say no.

We continue to run and operate, believe it or not, a series of oil fields scattered around this country from California to Wyoming to Colorado, although it is with some hope in the budget agreement we just passed last week that we will be selling off, finally, some of those oil fields that have literally existed since the days that Teddy Roosevelt was President in order to guarantee the fact that our naval fleet would have an adequate supply of petroleum.

And here we are arguing, 70 years later, whether or not we need a helium reserve in order to do dirigible research in the United States. This is absolutely absurd. The private sector is capable of producing, marketing, and selling helium as it has been for the last several decades, and this is a project at this point, frankly, where we have run up about \$40 million a year in losses on this program and we have an accumulated debt of nearly \$1.5 billion.

This legislation in front of us today has both bipartisan support here in Congress and also is supported by the White House. It is supported by a number of taxpayer groups, including Citizens Against Government Waste and the National Taxpayers Union.

The reality today is that in 1996 it is clear that blimps have absolutely nothing to do with national security. They may have to do with some intriguing shots at the halftime of a Monday night football game, but I think they manage to do that without support from the Federal Government. The taxpayers, frankly, now are left with almost a \$1.5 billion debt to pay off the cost of a reserve that has not really had any strategic interest for the last 70 years. Obviously, as well, there is an adequate supply of helium in the private sector.

I finally urge my colleagues to vote for this measure and thank the gentleman from California [Mr. CALVERT] and the rest of my colleagues for killing a program that frankly should have been killed 50 years ago.

Mr. ABERCROMBIE. Mr. Speaker, with the Chair's permission, I yield such time as he may consume to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. I thank my friend and I would say I admire him, but in the future I think when he is yielding to someone he better not ask their permission, because if they think they could deny it, they might.

Mr. ABERCROMBIE. Mr. Speaker, as the gentleman, I know.

Mr. FRANK of Massachusetts. I thank the ranking member for yielding me the time.

Mr. Speaker, I want to add my words in support of this bill. It is a lot easier, it turns out, for the Members on both sides of the House, Democratic and Republican and across the ideological spectrum, to abolish a program in principle than to abolish it in fact. We hear a great deal of talk about abolition but when we get to abolishing any specific program, it will have liberal and conservative defenders, it will have Democratic and Republican defenders.

This is one where we also fortunately have a bipartisan coalition for the abolition. The time has come, clearly, to abolish it. If we cannot at this point dispense with the helium reserve, the purpose of which is no longer valid, then we cannot undo anything.

Members who represent the area where it is involved, and they will be legitimately representing their interests, they will raise some objections. It is true that it would be a lot cleaner to do this if we never had a helium reserve in the first place. It is true that solutions to problems cannot be qualitatively more elegant than the problems themselves. When we have an entity, we have always some details to decide when we abolish it.

Nonetheless, abolition is clearly the sensible way to go, and I think the gentleman from California [Mr. COX], who has done so much work on this, has quite sensibly dealt with those problems. This is as reasonable an approach as we can get, with just one exception.

I heard the gentleman from Hawaii absolutely correctly pointing out that

there are some innocent victims in this, and those are the people who went to work for the Government in the helium reserve. I agree with him completely, that they should be held harmless as much as possible. The package of proposals he outlined, especially since as he pointed out they have no budgetary impact, are entirely reasonable.

So I would join my friend from Hawaii in appealing to the Senate, when this bill goes to them, to add that kind of an amendment. In fact, as a cosponsor of the bill and as a supporter, I will join with him in urging them to act on that once we have done this.

I say that is important not just in this instance, but it is important if we are to go ahead with the kind of changes we ought to make. We have to show that we can economize with some compassion, that we can economize taking a longer look, but that we are not going to make hardworking individuals who did not make the particular policy choices bear an undue share of the burden. To the extent that we can give them equity while we go forward, I think we ought to. So therefore, as I said, I join the gentleman's amendment, and with that I also strongly support this legislation.

The gentleman from California [Mr. COX], who began calling the attention of this body to this, has as I said done a very good job of saying, look, we have this outdated program, a program which it does not make sense for the Federal Government to be involved in. One test we always have here is, if we were in fact starting a government today, would somebody come forward and say, "Hey, I know what we need, we need an army, a navy, an air force, a Justice Department, a Treasury Department, and the helium reserve." I do not think that a helium reserve would make anybody's list of the things a government ought to be doing right now.

The question, then, is how do we phase it out sensibly? The gentleman from California's legislation does that. So I hope we pass this today, and I hope we can then persuade the Senate to take advantage of their greater rules flexibility, add the amendment the gentleman from Hawaii talked about, and send the whole thing to the President.

Mr. CALVERT. Mr. Speaker, I yield 1½ minutes to the gentleman from Florida [Mr. GOSS].

(Mr. GOSS and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from California, and I commend him for his efforts to terminate the national helium reserve and provide some relief for the American taxpayer. I think the American taxpayers will be very happy to receive the news.

I also want to congratulate my friend from California, Mr. COX, who has talked many years about this with me. I think that as a classmate of mine I

am very proud of his efforts in this as well. This is a long overdue action that I have included in my own annual list of spending cuts for 4 years running as an unjustifiable expense at the Government's level. It demonstrates that slowly but surely we are making progress in downsizing Government in this town despite resistance.

□ 1515

As this bill goes through the suspension process today with the support of almost all taxpayer watchdog organizations, we have got to ask a question: How did it take this long to get rid of this turkey? This is a fair question, especially given the fact that this idea was included in the Vice President's own reinventing Government plan.

Well, the answer it turns out is easy. Preservation of the program was used as a bargaining chip in 1993 by the White House, the Clinton White House, to ensure passage of the Clinton tax hike. You remember the tax hike, the biggest one in history, the one that Americans are feeling at the gas pumps today?

Well, under this deal, the taxpayer lost twice, with \$250 billion in new taxes and through the continuation of this Federal boondoggle. Liberal Democrats got two bites, taxpayers got two hits. No more excuses, no more deals, it is time to end the Federal involvement in helium and get our fiscal house in order.

This was a national security issue. It is no longer. And it cannot be justified as a jobs program either. It needs to be put to rest.

Mr. ABERCROMBIE. Mr. Speaker, I yield myself 1½ minutes, to say that the discussion in committee, at least with respect to the gentleman from Florida's last comments, was not about whether this was a jobs program. The question is whether the jobs that were being done could be dealt with in a manner consonant with the closure of this program that would do justice to our sense of compassion and understanding of the impact that it would have on those people who are now working.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. ABERCROMBIE. I yield to the gentleman from Florida.

Mr. GOSS. Mr. Speaker, I did not want to put words in the mouth of the gentleman from Hawaii. What I heard him say, I thought, was that we need to deal with the job dislocation in this matter. I think that is a fine sentiment. We have something called private enterprise in this country and opportunity that seems to work very well.

I would like to know if the gentleman wants to supplement that with some additional subsidy from the taxpayers for these workers, which is what I thought the intent of the gentleman's remarks were.

Mr. ABERCROMBIE. Mr. Speaker, reclaiming my time, if the gentleman

was a bit more familiar with the fund that finances the helium project as it is presently undertaken, I think that that would not be a question.

Mr. CALVERT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. CREMEANS] who has been very helpful in this legislation.

Mr. CREMEANS. Mr. Speaker, I rise today in support of H.R. 3008, legislation to end the Federal Government's involvement in the helium business. Just as this Congress has done for the last 16 months, H.R. 3008 is another example of streamlining Government and making it work for the taxpayers. I would like to thank Mr. COX, the sponsor of this bill, for his hard work and dedication in bringing the bill to the floor.

Since my election to Congress, a top priority of mine has been to shrink the Federal bureaucracy and make it work more effectively for the taxpayer. Cutting waste and unnecessary Government programs, such as the helium project, must be done if we are to balance the budget. That is why, last year I introduced H.R. 846, my own bill to end the Government Helium Program. I am pleased that this nearly identical bill has come before us for a vote today.

Getting Government out of the helium business makes sense for several reasons. First, it is responsible to taxpayers. In 1995 alone, increased debt on the helium program was about \$38 million. This bill freezes the total program debt at the current amount, approximately \$1.4 billion, and allows for the sale of the helium stockpile to the private sector.

In addition to being fiscally responsible, the bill also protects the private domestic helium market from disruption caused by selling the Government stockpile. Sales of the stockpile need not be for another decade, thereby ensuring time to absorb the helium into the market. This will help protect private domestic helium production jobs from any potential adverse effect of the sale.

Mr. Speaker, the Federal Helium Program's time has passed. The days of the Government, using taxpayer dollars, to compete against the private sector are over. It's time to stop producing a product we can buy cheaper from American companies. Selling off the Government reserve and returning the money to the Treasury is the right thing for the taxpayers and the domestic helium industry. This bill is long overdue.

I strongly support the legislation and urge my colleagues to do the same.

Mr. CALVERT. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. THORNBERRY].

(Mr. THORNBERRY asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. THORNBERRY. Mr. Speaker, I appreciate the gentleman yielding me time, and I appreciate my subcommit-

tee chairman's tolerance of hearing my views on this issue. I certainly appreciate the ranking member working with us on this issue as well. He is certainly one Member of this body that is willing to question and to look beyond maybe his preconceived ideas and has worked to make this bill a better bill. I certainly appreciate his efforts in that regard.

Mr. Speaker, there is a legitimate question about whether the Federal Government ought to be in the helium business or not. I think we are beyond that. I think that this body has decided the Federal Government will get out of the helium business. But just to show my colleagues that it is not a completely one-sided issue, I will insert a couple of articles, one from the New York Times, one from the Washington Post, talking about the importance of this strategic material to defense, to our space program, to medical research, and the rest.

But I want to go beyond that. The decision has been made to get the Federal Government out of the helium business, so we ought to do it in the best way possible. I am going to vote no on this bill today because I think one of the key flaws in this bill is that it prevents the Federal helium assets from being privatized.

Now, the text of the bill says that it is OK, it will be put up for sale and somebody can buy this stuff. But as a practical matter, the formula in the bill makes it economically impossible for any company, whether it is an individual in Amarillo, TX or Exxon, from buying any of the helium that is stored in the ground. The formula in this bill has the price of helium about 25 to 48 percent above the current market price. Now, if somebody wants to spend that much more, they can do it. But I suggest that there is nobody who will do that.

So what we have are some folks in my district who might be interested in buying the refinery and buying some of the helium and competing in the market, who are essentially shut out from doing that because the formula is skewed to prevent somebody from doing it.

I have other constituents interested in buying some of the helium and building perhaps even a new refinery and to refine some of the natural gas out of it. They are shut out because of this formula.

So as we move to the other body, I suggest that one of the key improvements that must be made in this bill is looking at the formula by which the Government sells the helium that is in the ground.

As a matter of fact, not only does this prevent us from privatizing the operations, as we are doing in so many other cases in this body; it also prevents us from accruing the real savings that are being advertised by this bill. One of the projections by OMB showed that at least \$43.9 million of the saving

accrued by this bill would come as a result of the sale of helium that is in the stockpile and in the ground.

If it is priced 25 to 48 percent above the market, not only can it not be privatized, the taxpayers will not see the benefit of that \$44 million that they are supposed to get, because it is priced far above where it should be.

In committee I offered a substitute that was very much closer to the administration's plan to end the helium program. It would have provided that the Secretary could sell some of the helium at market price within his discretion so there is not a disruption in the market. But I think it would make far more sense to do so that way. It would enable some of the helium workers to perhaps even get a job at a new privatized helium plant. Yet this bill prevents that from happening.

Mr. Speaker, I do not know, this has been around so long, I am not sure if we are really interested in doing this thing the right way for the right reasons. It is an easy program to make fun of. It is an essential program in many ways. But I suggest that if we are going to do it the right way and if we are going to do the right thing by the workers and by the country, then major revisions need to take place in this bill with a formula, as well as the way the workers are treated. We all ought to strive to not just make the Government smaller, but smarter. In that effort I will be voting no on this bill today.

Mr. Speaker, I include for the RECORD the articles referred to.

[From the Washington Post, Dec. 18, 1995]

U.S. HELIUM RESERVE FINDS A CHAMPION
(By Curt Supplee)

The venerable National Helium Reserve—32 billion cubic feet of the stuff, stored beneath the Texas Panhandle—has become the federal government equivalent of laughing gas. Marked for extinction in the Republican budget plan, the 70-year-old stockpile program has been travestied on Capitol Hill and in the news media as “a symbol for obsolete federal ventures,” “the government-waste poster child” and “amazingly stupid even by government standards.”

But to many scientists, it's no laughing matter. Earth's tiny supply of helium is “finite and irreplaceable,” the American Physical Society (APS) warns in a strongly worded new statement, and doing away with it could prompt a national catastrophe. When present reserves are exhausted, the world's leading organization of physicists argues, there will be no economically feasible way to replace them.

That might not matter much if helium were used only for levitating blimps or filling birthday balloons. But it has become one of the most important materials in modern science. The physicists are worried that if it's left up to private industry to extract it from natural gas (the main source), much of the nation's helium simply will go up in smoke.

Liquid helium has the lowest boiling point of any substance and is essential to the production of practical superconductors—materials that have no resistance to electricity—and devices that rely on them. That includes a wide range of cutting-edge technologies such as medical MRI scanners, ultra-sensitive diagnostic detectors, weapon-guidance

and astronomical systems, particle accelerators, magnetically levitated trains and resistance-free power lines.

Moreover, helium is as close to chemically inert as elements get and thus is crucial to operations in which chemical reactions could be destructive, including pressurizing space shuttle tanks (NASA is NHR's biggest customer), welding such reactive metals as aluminum and forming delicate silicon crystals.

Yet there is strong bipartisan support for selling off the federal reserves—housed in underground facilities near Amarillo, Tex.—on the private market over the next 20 years to raise an estimated \$1 billion or more for the treasury.

In his last State of the Union address, President Clinton cited the National Helium Reserve as one of “over 100 programs we do not need.” The Republican budget reconciliation bill vetoed by Clinton earlier this month called for a shutdown of the NHR's helium-extraction activities (which make up about 10 percent of U.S. production) and gradual sale of its inventory between 2005 and 2015. The revised balanced-budget plan Republicans are proposing contains the same provisions.

That leaves the program, which originated in 1925 to ensure ample gas supplies for “national security” uses such as dirigible inflation, with no visible means of support—except for the physicists, who have taken their case to the Office of Science and Technology Policy in hopes of emphasizing that helium is not a renewable resource.

The only commercially viable source is natural gas, some deposits of which contain as much as 0.3 percent helium. Such “helium-rich” fields exist only in the United States and, to a minor extent, in Canada. If helium is not extracted from the fuel before the gas is burned, it disappears irretrievably into the atmosphere. Some 3.2 billion cubic feet per year—approximately the same amount that is commercially extracted—is lost this way, the APS estimates.

(Theoretically, helium could be recaptured from the air, where it makes up about five ten-thousandths of 1 percent by volume. But the cost would be astronomical. Recovering even 3.2 billion cubic feet—about one year's domestic production—would require 5 percent of the annual U.S. energy consumption, according to the APS analysis.)

There are only a couple of deposits in the United States that are particularly rich in helium, said Charlotte LeGates, a spokeswoman for the Natural Gas Supply Association, who estimates that those resources probably will be exhausted “60 or 70 years from now.” But that situation she said, has nothing to do with whether the federal government remains in the helium business or not. She said the current budget legislation simply aims “to turn government stockpiling—which is sort of nonsense—into an orderly private market.”

A spokesman for Rep. Christopher Cox (R-Calif.), who introduced the National Helium Privatization Act of 1995 that both houses of Congress incorporated into the budget bill, agreed. “The private sector is well situated to fill the need,” said Vincent Sollitto. “We are extremely confident that there's going to be plenty of helium in this country.”

This is plausible in view of the fact that demand for U.S.-produced helium has nearly doubled since 1985, according to the Department of Interior.

But the APS is skeptical. The physicists are not opposed to privatization of the NHR. “It will little matter to future generations whether the helium they use was extracted and stored by the government or by private industry,” said APS spokesman Robert Park of the University of Maryland. “But it cannot be assumed that private industry, moti-

vated by short-term profits, will decide to extract more helium than there is an immediate market for. Any helium that is not extracted will be lost forever as the natural gas is burned. Some incentive or requirement to store it must be in place.”

For years, that incentive was the Helium Act of 1960, in which Congress authorized the NHR—operated by the Interior Department's Bureau of Mines—to make purchases of the gas and store it. The government is uniquely positioned to do so, because 64.2 percent of “helium-rich” gas resources are on federal land, according to the Bureau of Mines. The purchases were halted in 1973, and the size of the reserve has changed little since then.

The program's financial situation, however, has changed drastically. Because it was launched with a congressionally mandated \$252 million loan from the Treasury and has paid back little of its debt, the National Helium Reserve “owes” the federal government about \$1.4 billion, most of which is compound interest accrued in the past 35 years. It is this obligation that the sale of the reserves is intended to pay off. And it is this ostensible debt that Cox spoke of in October when he said that the NHR is “continuing to lose tens of millions of dollars a year.”

The APS disputes the logic of such reasoning. “From the viewpoint of the U.S. government's net worth,” the group's statement says, “regarding this \$1.4 billion as a ‘debt’ . . . is purely illusory. . . . Any transfer of funds from one government agency to another neither reduces the Treasury's national debt nor increases the budget deficit by a single penny.”

Besides, said Park of the APS, if money is the principal issue, helium is likely to appreciate in value at least as much as any other government-held asset over the next few decades. “It's a good investment over the long term,” he said. “It makes far more sense than storing gold at Fort Knox.”

[From the New York Times, Feb. 6, 1996]

HELIUM WILL NOT FILL THE DEMANDS OF THE
FUTURE, PHYSICISTS CAUTION
(By Malcolm W. Browne)

In the century since it was discovered as a trace ingredient of the uranium mineral cleveite, helium, the second lightest of all elements, has become indispensable to science and technology. Scientists believe it could play a vital role in helping the world through future energy shortages.

But as Congress and the White House move to end Government participation in helium conservation, the American Physical Society, a professional society of physicists, warns that the most economically exploited source of this nonrenewable substance will be depleted in 21 years unless steps are taken to halt a growing helium hemorrhage.

The society calculates that although American producers recover about 3.3 billion cubic feet of helium from natural gas each year, another 3.2 billion cubic feet are thrown away because gas companies lack financial incentives to separate, refine and store it. The Federal Government operates a combined stockpile, and buffer stock, into which commercial producers deposit helium when demand is low, for later withdrawal if necessary. Critics contend that Government involvement is unnecessary and interferes with the market's ability to match supply with demand.

A world shortage of helium a generation from now could obstruct the development of superconducting power lines, motors, generators, electricity storage systems, magnetically levitated trains and many applications not yet even imagined, the American Physical Society says. Helium is not only irreplaceable; It can also do things that no other substance can even approximate.

Helium is commercially recovered from certain natural gas reservoirs, mainly in the United States. Because it is a noninflammable gas with nearly as much lifting power as inflammable hydrogen, it was prized by airship builders and users following World War I, a conflict in which hydrogen-filled Zeppelin bombers had proved to be death-traps. After the war, the United States banned the export of helium to deprive potential enemies of fire-resistant airships, and later created a strategic helium stockpile, a reserve that now contains 32 billion cubic feet.

But dirigible airships are no longer regarded as strategically important weapons and, in any case, many lawmakers opposes the continued maintenance of any Federal stockpiles. One of the present targets of Congress is the national helium stockpile, as well as Federal participation in the extraction of the gas.

In December, the American Physical Society deplored the projected liquidation of Government helium reserves and reported that 3.2 billion cubic feet of helium are being dumped into the atmosphere each year and are forever lost. Unless the Government creates economic incentives to private industry for extracting and storing the otherwise wasted helium, one of the world's most valuable resources will be squandered at incalculable cost to future generations, the group said.

"The present world growth rate in demand for helium is about 10 percent per year," the society's report said. "A simple calculation shows that if that rate were to continue, and if helium production could keep up with the demand, United States helium-rich reserves would be exhausted in only 21 years."

The United States has large reserves of helium mixed with natural methane in the gas fields of Texas, Wyoming and a few other states. America is virtually the world's only source of natural gas containing 0.3 percent or more of helium. In Russia and Poland, two of the other main sources of helium, natural gas generally contains 0.1 percent or less of helium, and such a lean mixture is much more expensive to separate, said Dr. Robert L. Park of the University of Maryland, spokesman for the physicists' society.

Helium is separated from the natural gas with which it is mixed either by adsorbing the natural gas in charcoal or other materials, or by compressing and cooling the methane and other gases until all but the helium are liquefied. Helium, which remains a gas unless it is chilled to minus 452 degrees Fahrenheit, is then pumped off.

The main obstacle to extracting and storing helium, experts agree, is the mismatch in market demands for natural fuel gas and helium. When demand for natural gas is heavy, as is normally the case in winter, large amounts of helium are withdrawn from gas wells along with the natural gas, but if there is little commercial demand for helium at that point, there is no economic incentive to extract and save it, said Dr. Park. Gas companies then generally avoid the expense of separating the helium, which consequently remains mixed with the natural gas and is lost when the gas is burned.

Congress has decreed the demise of the Bureau of Mines, and has ordered the shutdown of the bureau's helium separation plant near Amarillo, Tex. which produces about 10 percent of the nation's helium. (The rest is produced by commercial gas companies: Praxair Inc. of Danbury, Conn; the BOC Group, a British company with American headquarters in Murray Hill, N.J.; Air Products and Chemicals Inc. of Allentown, Pa., and the Exxon Corporation are among the main producers.) In his State of the Union address last year, President Clinton also proposed

closing down the Government's helium reserve program, including the closing of the Cliffside Dome storage well—a depleted natural gas cavern near Amarillo—which contains the national helium stockpile.

The Cliffside Dome, which is about one-third full, is connected by pipelines to other helium-rich gas fields, and when supplies of the extracted gas exceed demand, Cliffside serves as an overrun storage site, from which helium can be later drawn.

Even defenders of the maintenance of a helium stockpile acknowledge that the Bureau of Mines's Exell helium refining plant near the Cliffside Dome is outdated, inefficient and expensive, and they say it holds an unfair financial advantage over private competitors. All Government agencies that buy helium must by law purchase it from the Bureau of Mines, which sells the gas at \$55 per thousand cubic feet nearly 10 percent more than the price offered by commercial suppliers.

The bureau's helium operation, moreover, is heavily in debt. But the debt of \$1.4 billion is misleading, said Dr. Philip C. Tully, a helium expert at the Bureau of Mines.

"Most of that money consists of interest we supposedly owe the Treasury Department for the \$252 million they advanced to us to create the strategic helium reserve," Dr. Tully said in an interview. "It's just one Government agency in debt to another Government agency—a paper debt—and Congress could wipe it out with the stroke of a pen, at no cost to taxpayers."

But neither the Bureau of Mines nor helium conservation has many friends in Congress.

A key sponsor of legislation to end all Federal helium programs is Representative Christopher Cox, a California Republican, who believes the fears expressed by the American Physical Society are groundless.

"No matter who gains title to the helium in the Federal stockpile, the helium will still exist," Mr. Cox said in an interview. "It won't be wasted. The only real risk is that the Government might sell it off quickly to get cash to reduce the deficit. That's misleading accounting practice. But we are contemplating a gradual transfer of ownership, taking half a lifetime."

Market demand will determine how much helium commercial producers extract from the natural gas they sell, and as supplies of helium decrease, Mr. Cox believes, higher prices will create incentives to extract more helium. "The gas companies are already extracting 90 percent of the helium produced in this country, and they will certainly continue," Mr. Cox said.

Dr. Park says the American Physical Society takes no position as to whether helium conservation should be the responsibility of Government or of private companies. "Our grandchildren aren't going to give a damn who saves the world's richest supply of helium, as long as someone does it, and does it before supplies run out," he said. "Surely, our politicians should be able to devise some incentive system to encourage private industry to save the helium. Congress has created lots of incentives for other purposes."

But Mr. Cox rejects this approach, saying that "Government tinkering with future price structures would be very dangerous."

Helium was first discovered in the sun, not on earth. In 1868 while observing a solar eclipse, a French astronomer, Pierre Janssen, detected lines in the sun's light spectrum that did not match those of any known element. The presumed new element was dubbed helium after the Greek word for sun: hellos. In 1885, helium was discovered to exit on earth as well. Helium is now known to be the second most abundant element in the universe, after hydrogen. But when it es-

capes from underground caverns where it has collected over the eons chiefly as a decay product of radioactive minerals, it mixes with air, rises into the atmosphere and is lost.

Although American airships and balloons—both the full-size versions and small weather balloons—are still inflated with helium, that use of the gas accounts for only about 10 percent of its consumption. (The toy balloons popular at parties and political rallies consume such trivial amounts of helium that conservation advocates say they represent no significant drain.) Major American uses of helium are for purging and pressurizing the fuel tanks of NASA and Defense Department spacecraft, for high-temperature welding and in cryogenic applications like the magnetic resonance imaging machines used by hospitals.

About one-third of America's annual helium production is exported to foreign users, and foreign demand is increasing steadily.

Helium has special importance to scientists because its physical properties are unique among all the other 100-odd elements. It is the only element that remains liquid at even a tiny fraction of a degree above absolute zero, which is equivalent to minus 459.67 Fahrenheit. Liquid helium cannot freeze solid, no matter how close to the absolute zero it is chilled.

Because it remains liquid at ultra-low temperatures, liquid helium is vital as a medium for chilling mercury, arsenic, niobium and other elements to temperatures at which they lose all resistance to electricity, becoming superconductors.

Although various compounds based on copper oxide become superconductors at much higher temperatures, warmer than that of liquid nitrogen (minus 320.4 degrees Fahrenheit), these compounds are difficult to incorporate into useful implements, and so far, their use has been limited.

Among the major users of liquid helium for chilling superconductors are the huge accelerator laboratories studying nature's fundamental particles. The Fermilab Tevatron accelerator at Batavia, Ill., is a four-mile ring of superconducting magnets, all of them continuously cooled by liquid helium. Fermilab operates the world's largest liquid-helium refrigeration plant, but it will soon take second place to a project under construction near Geneva.

On a smaller scale, astronomers are heavily dependent on liquid helium for cooling infrared and microwave sensors in their telescopes. Such sensors must be chilled to eliminate the heat "noise" that otherwise masks the faint heat signals from distant celestial objects.

"Sooner or later we're going to have to start husbanding our helium," Dr. Park said. "If we do it now, we can save the helium-rich supply before it goes up the chimney. If we wait, we'll still need helium, but it will be vastly more expensive to separate from helium-poor gas supplies. Have we the right to mortgage our future?"

Mr. CALVERT. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. EHLERS].

Mr. EHLERS. Mr. Speaker, I am rising as a scientist to speak about the importance of helium in scientific research. I find that most Americans believe that it is simply used to fill balloons to be distributed at parties or other festivities.

I want to point out it is extremely important that we maintain a reserve of helium for use in scientific research. It is the only element that can be used to come close to absolute zero in low

temperature work. It has some amazing superfluid properties which are still being uncovered, and, all and all, it is a vital component of our research program in the United States.

I do not rise to oppose the bill. I simply want to state my main objective here is to ensure that we continue to have an adequate supply of helium for the future, particularly so that our children and grandchildren will be able to carry on this important research.

I believe this bill has sufficient provisions to ensure that the reserve will be maintained in some fashion, but I want to assure the entire Congress that it is very important we keep an eye on this in the future and continue to maintain a reserve, whether it be in private hands or Federal hands.

Mr. ABERCROMBIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas has made a good point concerning whether or not in terminating the program there will be genuine competition take place or whether there will be privatization under circumstances, to wit, a formula that inhibits competition.

At the same time, there are questions with respect to conservation and the interests of the Nation with respect to the helium reserve. My own inclination is to be sympathetic to the gentleman from Texas' commentary. However, I realize that the gentleman, who has been in the forefront of bringing this legislation to the floor, may have another view or perhaps an additional observation to make with respect to the conservation aspect.

Mr. COX of California. Mr. Speaker, will the gentleman yield?

Mr. ABERCROMBIE. I yield to the gentleman from California.

Mr. COX of California. Mr. Speaker, I thank the gentleman for yielding to me. I also appreciate the opportunity to address the very good points that have been raised. While Dave Berry has made fun of the National Helium Reserve, and while P.J. O'Rourke called it a program that is amazingly stupid, even by Government standards, and while most people when they think of helium think of party balloons, the truth is that there is a very real and important high-tech application for helium.

It is irreplaceable in many high-tech applications, and it is very important to our high-tech economy that we do our utmost to conserve what is a very finite and limited resource.

Every time you make a long distance phone call, you are using helium, because the fiber optics that carry your voice are manufactured with its aid. If you ever had an MRI, you know of the uses of helium in superconducting, because it is the cryogenic properties of liquid helium that make possible the high magnetic fields used in magnetic resonance imaging. Deep sea divers do not get the bends because of developments in oxygen and helium mixtures.

All of these and other uses of helium, even the Federal Government's own uses at NASA and the Department of Defense, are high-technology, and are examples of just how important it is to us today, as it was not in the 1920's when this program was started, to conserve all of the helium that we can.

We cannot forget that we manufacture helium as a byproduct of natural gas. When we produce that natural gas, it is important that the cost of extracting the helium is not such that we cannot make it economic to do so. We do not want to vent the helium into the atmosphere.

So this bill achieves that conservation objective by actually making it more likely people will invest their funds, private funds, into recovering helium at the wellhead.

Selling helium below the cost of extraction, which is what we would be doing without the formula in this bill, is obviously antithetical to the goal of conservation. So what the bill says is that the \$1.4 billion debt to taxpayers must be recovered through the sale of the 34 billion cubic feet of helium that we now have stored underground in Texas.

Mr. ABERCROMBIE. Mr. Speaker, reclaiming my time, I do not think that we would resolve that particular dispute today. Suffice to say that Mr. THORBERRY has raised the issue as to whether the formula is so exact in this bill that it needs no further consideration, and I think his contention is that it should receive at least another good look before it passes into a final form to be presented to the President for signature.

□ 1530

I think that, at a minimum, we deserve at least another look and I think that that opportunity exists in the other body.

Mr. CALVERT. Mr. Speaker, I reserve the balance of my time.

Mr. ABERCROMBIE. Mr. Speaker, with respect to that, I want to thank the gentleman from California [Mr. CALVERT] for his usual courtesy and kind attention toward our efforts in the minority, and I thank the gentleman from California [Mr. COX] for his remarks today.

Mr. Speaker, I yield back the balance of my time.

Mr. CALVERT. Mr. Speaker, I want to thank the gentleman from Hawaii for his courtesy through all of this debate.

Mr. Speaker, I yield the balance of my time to the gentleman from California [Mr. COX] who has really fought this battle to end the helium program once and for all, and hopefully, this time, will succeed.

(Mr. COX of California asked and was given permission to revise and extend his remarks.)

Mr. COX of California. Mr. Speaker, we have actually passed this bill already once in the House and in the Senate. Unfortunately the legislation

to privatize the national helium reserve was then included in the larger Balanced Budget Act that was vetoed by President Clinton. This time we are wisely passing the bill all by itself because it is, I think, enormously popular on both the Democrat and Republican sides after many, many years of hard work to get it that far.

I want to thank my colleague, the gentleman from Hawaii [Mr. ABERCROMBIE] for his work in helping us move this bill to the floor, as well as my colleague from California, who is, as chairman, responsible for bringing this bill directly to the floor.

I would also like to thank my colleague, the gentleman from Massachusetts, BARNEY FRANK, who spoke earlier on this legislation. He and I coauthored it in not only the current Congress but past Congresses. It has been many, many years that we have been working on this bill.

I am also grateful to my colleague from Nevada, Congresswoman, BARBARA VUCANOVICH, a member of the House Republican leadership; to the gentleman from Alaska, chairman DON YOUNG; and to the gentleman from Ohio, Congressman FRANK CREMEANS, who along with the gentleman from California, KEN CALVERT, who we just heard speak on this bill, they in particular have worked tirelessly on this legislation in the Committee on Resources, to make sure that what may now look very easy and completely agreeable to almost all sides could actually happen.

I would also like to thank Chris Kearney, Bill Condit, and Sharla Bickley of the Committee on Resources' staff who have done yeomen's work on this issue and whose efforts deserve recognition.

To recap. The helium program was begun in the 1920's for a good reason. At the time there was no private industry of helium production but there was a national security need to field a fleet of blimps in time of war. Fixed wing and rotary wing aircraft have now replaced the blimp in our national defense and, as I mentioned earlier, it is now the high-tech commercial and scientific uses for helium that dominate.

Today, because of all of those commercial uses, there is a thriving commercial industry in helium that supplies 90 percent of the world's needs from right here in the good old USA. There is no reason whatever that the Government of the United States should uniquely supply its own needs of this commodity when it does not for any other, even strategic metals and commodities and resources.

So this bill will do two things. It will, first, sell off and liquidate those physical assets of the Government facility in Texas; privatize them, if you will, immediately; and, second, over a 19-year period, sell off the 34 billion cubic feet of stored underground helium, not for immediate use, for continued conservation and eventual sale over who knows how many decades or

perhaps centuries, to the private industry. So that, privately, suppliers will then own that helium.

But keep in mind, for those of us who are physicists, not I, but certainly the gentleman who spoke before me, keep in mind the law, the fundamental law of the conservation of matter. Just because we change title, just because we change ownership from the Federal Government to private hands does not mean that the helium will not still be there. It will be there. In fact, more of it will be there because of the incentives for increased helium recovery a the wellhead created by this legislation.

The Helium Privatization Act of 1996 will do a few more things that we can all applaud. It will require the production of honest financial statements for this Government enterprise in the short run so that we know finally just how much it is costing us. We know the operation is \$1.4 billion in debt to the taxpayers right now and loses tens of millions each year because of that interest burden that it has never been able to meet. But we do not know to a certainty what the operations cost; and we shall, as a result of the passage of this bill.

In addition, we will ensure that the debt, that \$1.4 billion debt to taxpayers, is recovered. That is the ultimate object of this legislation. The taxpayers hold the mortgage on the debt and now, by relying on the security of the underground stored helium, the taxpayers will get their money back.

Mr. Speaker, in conclusion, I am delighted that the leadership of this Congress has made passage of the Helium Privatization Act a priority, and I urge my colleagues on both sides of the aisle to join with me and the bipartisan leadership you have heard speak on this bill in supporting this important measure. It is high time we finally retire this expensive waste of taxpayers' money.

Mr. Speaker, several weeks ago articles in the New York Times and the Washington Post reported that concerns about U.R. 3008 had been raised by the American Physical Society. In fact, APS has not taken a position on the legislation. Moreover, the background paper prepared by APS was premised on the mistaken notion that by "privatization" of the helium reserve, the bill meant immediate sale of the stockpile. That is obviously not the case. To the contrary, many physicists (and APS members) have announced support for the bill. The following letter explains many of the problems with the original, now outdated, APS statement:

ARTHUR W. FRANCIS CONSULTING,
New York, NY, January 12, 1996.

American Physical Society,
Washington, DC.

DEAR SIRS: This letter to each member of the Council of American Physical Society (CoAPS) is sent out of concern for your 11/19/95 statement CONSERVATION OF HELIUM and its background paper. As a cryogenic engineer, business manager, and consultant for 45 years in supply and use of helium, and a very early and continuous supporter of he-

lium conservation, I was appalled by the CoAPS statement. The fear of complete loss of helium in 20 to 25 years is understandable, but it is somewhat naive. It indicates a serious lack of understanding of events of the past fifteen years that have led Congress to undertake its first effective revision of the Helium Act of 1960.

I am writing you in hopes that you and your colleagues will reconsider your position and recognize the helium reform provision of the Budget Reconciliation Bill as a step toward optimum use of helium. It is important that you and other scientists realize that this legislation promotes use of otherwise wasting helium sources and does not threaten premature use of the government owned stored helium. It was arrived at with full knowledge of the importance of a wide variety of helium dependent technologies for science as well as the general welfare.

My credentials on this subject are these: I was Linde's principal investigator in its 1951 discovery of alternate layer super-insulations, created the basic design of all standard multi-shield vapor cooled liquid helium dewars, and was chief architect of the system of bulk liquid helium transport that now spans the globe. My baptism of fire in support of helium conservation was program chairman of a technical session of the Bureau of Mines sponsored "Helium Centennial" of 1968. Along with Dr. Ed Hammel, I wrote and spoke many times in support of helium conservation during the dark days of the 1970's.

As an expert witness I participated in the decades long litigation regarding the value of helium in natural gas and the rights of land owners and gas producers to a proper share of that value. I have continued my interest in conservation through my retirement years, attending hearings and giving advice to interested parties as the present legislation developed. I remain involved in helium supply problems as a consultant to the United States Antarctic Program, regarding liquid helium supply to Astrophysics at the South Pole. I am scheduled to make my seventh trip there next week.

The Background Paper, on which the CoAPS statement is based, contains many errors. The most critical of these is the seemingly innocuous statement that, "Some 10% of the total U.S. helium extraction presently is performed by the Bureau of Mines". This is completely false, as is also, "the helium stored in Cliffside (field) has remained approximately constant at 32 Bcf". In fact, all of the helium purified by the Bureau since 1980 has come from the Cliffside storage field, and the government owned helium in the field has been drawn down by nearly five billion cubic feet (5 Bcf) in the process. These actions have been the result of a bureaucratic policy directly at odds with the letter and spirit of the 1960 Act. The intent has been to ensure continuance of the bureaucrats' own jobs.

LEGISLATION OBJECTIVE

The prime objective of the current legislation is to eliminate the wasteful and unnecessary government helium refining activity. Private producers are able to provide this service with less than one fifth the personnel and at substantially lower cost. CoAPS says "there is no objection to this feature of the Act". Yet for ten years the sweet voice of reason had not been able to move this deeply entrenched anti-conservation cabal. What has brought us to bi-partisan support of both houses of Congress is right minded public ridicule. The caricature of conservation so presented has even moved the White House to support elimination of the Bureau of Mines refining operation.

DEBT IS REAL

CoAPS also errs in stating that the so called debt incurred to purchase helium "is

purely illusory, any transfer of funds from one government agency to another neither reduces the national debt nor increases the deficit by a single penny".

Also at odds with the facts is the assertion that, "the helium issue is muddled by claims that the sale is required to pay off the \$1.4 Billion debt". CoAPS has fallen for the bureaucrats' sham that the debt is internal to the government and has no intrinsic meaning. In fact, money to acquire helium for government storage was borrowed from world money markets by the Treasury. The 1960 Congress intended, and the Helium Act stated, that government helium was to be priced to repay borrowed funds, including compound interest. This was done to insure that stored helium would be priced high enough to avoid interference with helium extracted from current natural gas production.

ANTI-CONSERVATION POLICY

In spite of this clear directive, the Bureau helium management established a policy in 1979 in which the selling price would be held down so that as general inflation raised prices charged by private producers, the Bureau would sell below the market price. The managers claimed that as long as current costs were covered, it wasn't necessary to repay the purchase price and its associated interest because the debt was simply a paper transaction between two government departments.

Pricing stored helium below the cost of extraction from natural gas produced for its fuel value is obviously contrary to conservation. The present legislation language is another attempt to insure that stored helium will command a price above the market for current extraction. The legislation places emphasis on retiring the debt because that is what motivates those interested in reducing the deficit. Simply to state that helium from storage must be priced above the market from current extraction doesn't win votes at this time. The ultimate effect will be the same, as long as the price is right.

COST OF SAVING MORE HELIUM WOULD BE HIGH

CoAPS is correct in stating that the legislation makes no provision for saving helium that is now being wasted from currently produced natural gas. However, the potential for significant additional helium recovery is much smaller, and the cost of that recovery much larger, two to three times current costs, than implied by CoAPS statement.

The reason for this is that the favorable streams are already being produced. Each of the original five conservation plants is extracting as much helium as possible from the gas available. In addition three new plants extracting from Hugoton field have come on stream since 1990. With all these plants extracting helium in 1994 the total U.S. output exceeded 4.1 Bcf, about 90% of the peak year 1967, although the output of high helium content natural gas was less than 70% of the 1967 rate. The remaining unprocessed streams tend to be smaller, depleting faster, and removed from the existing infrastructure.

CONSUMPTION GROWTH IS SLOWING

CoAPS warns that "present growth rate in demand for helium is about 10% per year" which projected would exhaust U.S. helium rich reserves in 21 years. Alternatively, even without increasing helium demand the loss of unextracted helium from natural gas fuel demand would deplete U.S. gas fields in about the same time frame. In fact, sales growth began to fade in 1990, and since 1992 has leveled at 3.314 Bcf (Fy 1992), 3.313 (Fy 93), and 3.280 for (Fy 1994). This abrupt halt to the 10% growth rate has come from a combination of foreign production displacing some U.S. exports and increased user efficiency.

FOREIGN HELIUM SOURCES ARE SIGNIFICANT

CoAPS assert that "helium rich fields are found only in the U.S. and to a small extent in Canada", yet large scale foreign plants are producing in Poland, Russia, and Algeria with total capacity exceeding one billion cubic feet per year, about 25% of current U.S. capacity. Smaller plants have operated in Canada, Holland, France, China and India.

RELIEQUEFACTION AND REPURIFICATION
INCREASE USE EFFICIENCY

More important even than this large foreign supply is the growing user concern for efficiency. Once through then out (OTTO) use of purchased helium is being replaced by closed loops using reliquefiers and repurifiers. This allows application of helium dependent technology to expand without consuming more helium. Research in high temperature superconductivity shows promise of taking over much of today's low temperature superconducting applications.

HELIUM WILL BE PLENTIFUL LONGER

To sell the 1960 program, the Bureau of Mines predicted that helium could not be extracted from the Hugoton-Panhandle fields beyond 1985. Yet ten years later production remains at a high level and is now predicted to continue at least another ten to fifteen years. Natural gas has been produced from these fields throughout the past seventy five years, yet nearly every year there are additions to the remaining measured reserves that tend to delay the eventual abandonment. The Bureau of Mines information circular "Helium Resources of the United States, 1973" reported that 109.3 Bcf of helium @ >0.3% concentration was contained in the fifty year old, depleting natural gas fields of Kansas, Oklahoma, and Texas. From 1973 to 1987, these fields produced natural gas containing 81.8 Bcf helium. However, in the 1987 circular, the Bureau reported that 73.4 Bcf remained in the proved reserves of those fields. There had been enough upward revision of the proved gas reserves to add over 50 Bcf of contained helium >0.3%. Between 1987 and 1989 gas production contained 9 Bcf helium, but reserve revisions added 11 Bcf. In the next two years gas production contained 10 Bcf and revisions added 9 Bcf. As of 1991, the latest available publication in this series, these old fields, after producing about 102 Bcf, still held about 80 Bcf of proved reserves for future use. Further additions are still possible, even probable. The resource is never the less finite, but the finite limit has not yet been identified.

ALL GAS FROM LARGEST RESERVES IS
PROCESSED FOR HELIUM

Regarding helium loss in non-processed gas it is important to recognize that all of the gas from the Riley Ridge field in Wyoming (proved reserves of about 120 Bcf) is processed for helium extraction. This field, which supplies about one third of current pure helium sales, is being produced at a rate of only one per cent of its proved reserves per year. It is unlikely that this production rate will increase until the price of natural gas increases significantly. At current fuel prices, it is not possible to obtain an acceptable return on the huge investment required to upgrade this low Btu gas to pipeline quality. It may be decades before fuel demand reaches price levels that will encourage new processing capacity. Riley Ridge is likely to produce helium throughout most of the 21st century.

NONDEPLETING FIELDS CAN PROVIDE FOR VERY
DISTANT FUTURE

Beyond this, it is possible that a significant helium supply could be obtained from the proven gas fields that are not producing at all. The hydrocarbon fuel value of this gas

is so low that it would barely provide energy for the processing plant. The Bureau of Mines has identified 85 billion cubic feet of helium in these non depleting sources, more than half of this is already owned by the United States government. Extracting helium as a primary rather than by-product will be expensive. However, the concentration is three orders of magnitude greater than in air, so it won't require even 0.1% of the nation's energy consumption. This helium source may well be available into the 22nd century.

It is futile to make any more detailed predictions for such distant future times. Nearly every prediction that far into the future is bound to fail because we cannot even surmise what human society will be like in even very gross measures. It is entirely fair to say that the bleak picture presented by CoAPS is unlikely, and that it is quite likely that sufficient helium to meet all reasonable needs will be available as far into the future as anyone can foresee.

I hope that you, as a member of CoAPS, can be open minded to the information I have presented. If you now have doubts about the CoAPS position, please consult with your colleagues and advise the Physical Society membership to have confidence that helium conservation is not in danger. If you want still more information on this subject, please call me at 914-354-1908. My E-mail address is 9324@mne.com. By the time you receive this letter, I will probably be on my way to Antarctica. I am scheduled to return by February 19, 1996, and you can reach me then. If you have a compelling need to pick my brains before then try an E-mail to one of my colleagues in Antarctica, Mr. Jesse Alcorta. His E-mail address is ALCORTJE.MCMURDO@mcmurdo.gov.

Very sincerely,

ARTHUR FRANCIS.

Mr. Speaker, consideration of this bill requires some background. Let us begin with these questions.

WHY IS THE U.S. GOVERNMENT IN THE HELIUM
BUSINESS?

Helium is a gas whose unique physical properties make it irreplaceable in many high technology applications. As Government space exploration and defense programs expanded during the 1950's, Government scientists became convinced that demand for helium would outgrow supply. Natural gas was, and continues to be, the only economic source of helium and few natural gas streams contained a high enough concentration of helium to make extraction economically viable. If the helium is not extracted when the natural gas is produced, it is forever lost into the atmosphere. The use-it-or-lose-it dynamics of helium at the well-head lent a special sense of urgency to the perceived supply-demand imbalance.

At congressional hearings held in 1960, mining experts reported that nearly 4 billion cubic feet of helium were being lost each year—about 10 times the then current consumption. A valuable, nonrenewable resource was apparently being wasted, threatening shortages in future decades when demand for helium was expected to be much larger.

Against this backdrop, Congress passed the Helium Act of 1960. This act funded a Government program to extract crude helium from natural gas and store it in the Cliffside Field near Amarillo, TX. The Department of the Interior's Bureau of Mines [USBM] entered into 22-year purchase agreements with four natural gas producers who built helium extraction facilities in the Hugoton-Panhandle Field area of

Kansas, Oklahoma, and Texas and the USBM built a pipeline to carry its helium purchases to the Cliffside Field. The Helium Act also required that Federal agencies purchase their helium requirements from the USBM. To meet those requirements, the USBM constructed a helium purification facility near Amarillo, TX. A final objective of the Act was to foster the development of a private helium industry—presumably to allow the USBM to de-emphasize or discontinue its helium program as soon as it could prudently do so.

By the time the Government terminated its helium purchase agreements in 1973, the USBM had accumulated roughly 35 billion cubic feet of helium. By most estimates, this represents a 100-year supply for U.S. Government customers, and roughly nine times the current annual worldwide demand. While the Government stopped purchasing additional helium in 1973, the remainder of the Government's helium program, including operation of its refining plant, management of the pipeline and storage system, and the sale of helium to Federal agencies has largely remained intact.

Now, 23 years later—and 36 years after the Government's helium program was expanded, it is long since time to re-examine the USBM helium program. A vibrant private sector helium industry has emerged which now supplies over 90 percent of the world's total demand for helium. Additional capacity is available which would enable private industry to easily supply the entire demand, including the demand presently supplied by the USBM. Given the current emphasis on reinventing Government, the USBM's helium programs seems to provide an excellent opportunity to restructure or discontinue a Government program that no longer provides fair value to American taxpayers.

WHY IS HELIUM A VALUABLE RESOURCE?

When we hear helium the first thoughts that come to mind are of Macy's parade, Mother's Day, and FTD's balloon bouquets. In actuality, helium touches us in our everyday lives. This rare element has unique properties that have allowed us to improve our quality of life.

Every time you place a long distance call, you can be assured helium was used in the manufacture of the fiber optic cables used to transmit your voice. Advances in medical diagnostics have been accomplished through MRI units that achieve their high magnetic fields from superconductivity made possible by the cryogenic properties of liquid helium. The construction and fabrication industries use helium and helium mixes extensively in welding and metal fabrication. Deep sea divers in the offshore oil industry can be assured that they will not be crippled from the bends with the development of helium/oxygen breathing mixes.

These are but a few of the many applications for which helium is used to improve our lives. New applications are being developed not only in high technology research such as super computer chips, but low technology industries as well. Worldwide consumption of helium increases on an average of 7–10 percent per year both from growth of current uses and development of new applications.

This natural resource which has contributed much to our development as a technological leader is not unlimited. The United States has been fortunate to be endowed with concentrations of this element in select natural gas fields which have allowed for its exploitation.

While helium is a non-renewable resource, produced only as a byproduct of natural production, depletion of these reserves is inevitable. The Federal helium reserve and conservation system, which are discussed in-depth in another paper, play an important role in preserving our independence as a technological leader. This reserve serves as an important insurance that we do not compromise our future for short-term fixes. The Federal reserve and conservation system were designed to encourage maximum extraction of helium from currently produced natural gas thereby ensuring the United States of a long term position in the development of applications dependent on the unique properties of this element.

IS THE FEDERAL HELIUM OPERATION EFFICIENT?

The U.S. Bureau of Mines within the Department of the Interior operates the Federal Helium Program. Federal helium operations consist of: First, a plant to refine crude helium; second, an underground storage facility to store crude helium, and third, a pipeline to transport crude helium recovered from the source gas fields to the storage facility.

Private sector helium-refining facilities are far more efficient than the Federal refinery. The Federal refining plant employs at least 80 people, while a private facility of equivalent production capacity employing only approximately 18 people can produce three times as much helium. This astonishing discrepancy in productivity is attributed in part to the outdated plant and equipment at the Federal facility. A recent study by the General Accounting Office concluded that the Federal refining facility is so outmoded that it would have only scrap value in the event of liquidation.

Federal revenue from the sale of refined helium falls far short of Federal costs of helium production. In the market place, price is the most direct measure of efficiency. The current Federal price for refined helium is now \$55 per MCF and generates revenue only sufficient to cover operational costs and a slight surplus. For instance, the Federal price does not include the cost of crude helium. The best estimate for assigning a unit value of the crude in the Federal reserve is to divide 32 BCF—total Federal reserves of crude—into \$1.4 billion—total debt—to arrive at an approximate cost of \$40 MCF. If the cost of this free crude were included, the Federal price would be \$95 per MCF, which is hardly competitive with the private sector. Crude helium is free to the Bureau of Mines because the money borrowed from the taxpayer to buy the crude was never repaid.

The Bureau of Mines hides the inefficiency of the refining operation by including unrelated revenue. When private producers extract crude helium from Federal property, they pay a royalty to the Bureau of Mines of approximately \$5 million per year. This royalty income is unrelated to Federal helium operations, yet the Bureau of Mines uses the revenue stream to subsidize its refining operation.

The Federal helium operation is the epitome of an inefficient, Federal program that continues to exist despite the absence of current need. The Department of the Interior entered into the helium business in 1960, when Federal helium requirements were projected to increase dramatically and no reliable sources of helium were available in the private sector. Today, the Federal Government's need constitutes only 10 percent of the total demand for

helium, and a vigorous private sector could easily supply all Federal users at a competitive price.

WHO USES THE HELIUM RESERVE?

The 1960 Federal Helium Act has been successful in storing for the U.S. Government 32 billion cubic feet of crude helium—50 percent or greater helium content, the remainder nitrogen—in a partially depleted natural gas field near Amarillo, TX, called the Cliffside Field. A pipeline system is used to transport crude helium to storage. It is operated by the U.S. Department of the Interior, Bureau of Mines, and is also used by private industry to store any crude helium that is not required to meet market demand. Helium is being extracted by private industry plants from natural gas going to meet the energy demand of U.S. households and industry. A portion of the private crude helium is being stored in the Cliffside Field under USBM supervision.

Does the U.S. Government need a crude helium reserve? Worldwide helium demand from 1972 to 1992 had a growth rate of 9.3 percent per year and now exceeds 3 billion cubic feet per year. Although supply currently exceeds demand current helium bearing natural gas being produced for market will soon be depleted. Conservative U.S. Government estimates forecast that U.S. helium demand will exceed supply between 2001 and 2004. The real value of the 32 billion cubic feet will be its availability to the U.S. economy when the extractable helium is not adequate to supply demand. Although the U.S. Government's helium reserve will be very valuable once U.S. reserves of helium-bearing natural gas are depleted, the current market value of the crude helium reserve is far lower than some of the estimates that have been quoted by various uninformed sources. It would be totally unrealistic to expect to sell more than a small fraction of the reserve for prices approaching current market value. If the U.S. Government were to attempt to dispose of the entire reserve—nine times annual worldwide demand—over a short period of time, it would realize only pennies on the dollar and severely depress private industry prices for crude helium. Any short-term sales of crude helium into a depressed market will be at the taxpayers expense.

By 2005 the helium reserve will become very valuable—so valuable it will be considered irreplaceable for the smooth functioning of our economy and then USBM sales will be at prices consistent with the helium reserve's true value.

CAN THE GOVERNMENT SELL CRUDE HELIUM WITHOUT DISRUPTING THE PRIVATE HELIUM INDUSTRY?

The world market for refined helium is just over 3 billion cubic feet per year. Private refiner/marketers of helium are fully capable of supplying this demand for the foreseeable future. In addition, new helium production and refining capacity is coming into service will provide an abundant supply to satisfy an estimated growth in demand of 7–10 percent per year for the next 5 years.

The Government refines helium from crude helium which is held in long-term storage and sells it on the market in competition with helium from current production. Selling crude helium from the Federal helium reserve will create an oversupply of helium. An over supply of helium will push prices down making further investment to recover helium from current natural gas production less likely. Government

sales of helium at below market prices is dumping a valuable and depleting commodity.

The Cliffside Field is the only economically feasible storage capacity for crude helium—50 percent or greater helium, the remainder nitrogen. The Federal helium reserve has held this crude helium since the 1960's. The Cliffside Field which contains the Federal helium reserve also serves private sector helium producers as the only commercially storage site for private sector crude helium. A fee is paid to the Bureau of Mines for use of the pipeline and storage capacity.

The natural gas from helium rich gas fields will continue to be produced as a fuel even if the helium is not recovered. This helium will be lost forever.

Any sale of Government helium will displace helium from current recovery or production plants. Therefore, Government sales of refined and/or crude helium to meet current demand are not needed, will be disruptive and will waste helium by reducing its recovery from helium bearing natural gas currently going to market.

SHOULD CRUDE HELIUM BE SOLD ANYWAY, TO RAISE REVENUE?

This is a terrible idea. The Congressional Budget Office seemingly will not credit helium sales for deficit reduction purposes. Moreover, crude helium sales to raise cash now would undermine the long term value of the reserve, because helium will continue to increase in value. The fact is, helium sales into the private market cost more than they gain.

CAN THE \$1.4 BILLION HELIUM DEBT BE REPAYED?

Back in 1960, Congress recognized that helium was essential for such agencies as NASA and the Atomic Energy Commission. It passed a law creating the Federal helium activity to ensure helium supplies to Federal users. Given that the nascent private helium industry could not then be expected to meet Government demand, Congress authorized the Department of Interior to borrow a quarter of a billion dollars to set itself up in the helium business, which included creating a stockpile or reserve. The Treasury Department handled the borrowing.

Mindful that Government agencies need discipline to return money to the taxpayers, Congress directed that the incurred debt be amortized and be paid in full by 1985. A final deadline of 1995 was mandated. Revenue to service the debt would come from sales of helium. Incredulously, some 36 years later not only has the principal on the debt not been repaid but neither has any of the interest. This indebtedness has now accrued to \$1.4 billion.

Some in the Government attest that this billion dollar debt is not real. Since it is owned by one Government agency to another Government agency it can be forgiven without ill consequences. Yet, every week at the Treasury's auction of government securities this debt is rolled over. It has been rolling over every week now since the sixties—piling up interest accumulation.

Can the taxpayers ever realistically expect repayment of this debt? The answer is "yes". Had the Interior Department, U.S. Bureau of Mines, carried out Congress' mandate to amortize the debt, this question would not be asked today. The Department, however, chose not to employ a rational pricing policy that would have recovered this money. Instead of slowly increasing the price of helium to keep pace with inflation, it opted to simply freeze

the price to its customers. It stayed nearly frozen for over 20 years!

The Interior Department should initiate a realistic pricing structure sufficient to start amortizing this debt. It may take another 30 years to pay it off, but at least taxpayers eventually could be made whole. The worst thing the Government can do now is simply to forgive this debt. It would not only reward a bureaucracy for shunning a congressional mandate, but more importantly it would forever remove the discipline the Department needs to avoid wasting this scarce, valuable element.

Helium is wasted by selling it too cheaply. Cheap Government sales discourage gas producers from extracting crude helium from current natural gas production. When it wishes to refine crude helium the Department simply pulls crude helium from its stockpile. Helium refined from current gas production ensures that it is priced to market value.

WHY DOES THE FEDERAL HELIUM PROGRAM WANT TO UNDERCUT PRIVATE INDUSTRY?

There have been several proposals made to reform the Helium Program operated by the Department of Interior's Bureau of Mines. Some of these proposals would enable the USBM to use the crude helium purchased and stored with tax-payer dollars as a free feed stock for their helium plant. The refined helium that the Government produces from this free feed stock could then be sold at prices below those charged by the industry, which does not have access to a free feed stock. Current proposals to forgive the helium fund debt would free the USBM to greatly increase their sales into the private sector.

Sales of USBM helium into the private sector enable the USBM to spread their high operating and administration costs over a larger volume. This, coupled with the free feed stock discussed above, helps hide the inefficiency of their operation. As Federal research and defense budgets have been reduced, the demand by Government agencies for helium has declined. This has left the USBM with a need to increase their sales of helium into the private sector in order to keep their inefficiency from pricing them out of the business entirely. No consideration is given to the fact that such sales disrupt the normal function of the private helium market and result in the waste of helium, and lost or reduced income tax and royalty payments to the Federal Government.

The USBM's stated policy has been to discourage the sale of Federal helium into the private sector, which according to their Annual Reports to Congress have been very limited. However, the DOI Inspector General reported that during the period from 1989 through 1990 when the USBM reported sales of only 2 million standard cubic feet of helium, 0.3 percent of their total sales, into the private sector, it actually sold 146 million standard cubic feet, 20 percent of their total sales. Their regulations required a surcharge on sales to private customers, which was almost never collected. This problem largely disappeared in 1991 when the Director of the USBM increased the USBM helium price and removed the incentive to divert helium intended for Federal use to private use. Now, the USBM is proposing to reduce their price and this diversion of helium into the private sector, whether officially encouraged or not, will return.

WHAT IS THE LEGITIMATE ROLE FOR THE FEDERAL GOVERNMENT CONCERNING HELIUM?

Why is helium a valuable resource? Helium's unique physical properties are critical

in many high technology applications, such as manufacturing fiber optic cable, enhancing magnetic resonance imaging [MRI] capability, providing an environment for superconductivity, and industrial welding and fabrication. For most uses of helium, no substitute exists. Helium is a byproduct of the extraction of natural gas from certain helium-rich fields. If not captured when the natural gas is extracted, the helium will be vented and lost forever.

Why is the Federal Government in the helium business? Congress passed the Helium Act Amendments of 1960 to ensure that sufficient amounts of helium would be extracted and refined to meet the Federal Government's expanding needs for space and defense programs. Also, the act was enacted to foster the creation of a competitive private industry, which was in its infancy in 1960.

Pursuant to this Act, the Bureau of Mines within the Department of Interior now operates the Federal Helium Program, which consists of: an underground facility to store crude helium; a pipeline to transport the crude helium from the field to the storage facility and a plant to refine—purify—crude helium. The Federal refinery, which sells principally to Federal customers, provides 10 percent of the refined helium in the U.S. market.

Is the Federal Helium Program efficient? The Federal helium operation is the epitome of an inefficient Federal program that continues despite the absence of a current need. For example, the Federal refinery employs at least 80 people, while a typical private facility can produce at least three times as much helium with no more than 18 people. Moreover, net receipts from the sale of helium to Federal users, are vastly overstated because the Federal refinery does not include the cost of crude helium in its price for refined helium.

Who needs the helium reserve? The Federal Government owns approximately 32 billion cubic feet of crude helium, which is currently stored in the underground facility. These reserves represent an investment that will pay dividends when current demand for helium exceeds current supply. U.S. production capacity may well be insufficient to meet demand as early as the year 2001.

Can the \$1.4 billion helium debt be repaid? Congress originally authorized the Interior Department to borrow up to \$250 million to enter the helium business and stockpile crude helium. The Bureau of Mines' sales of refined helium were supposed to generate sufficient revenue to return this money to the Treasury, but the outstanding principal and interest now amount to approximately \$1.4 billion. By pricing helium to account for the debt, the Bureau of Mines could repay the debt over several years and ensure that any helium sold will yield the highest possible return to the taxpayer.

Can the Federal Government sell crude helium without disrupting the private helium industry? The potential adverse affects of selling too much Federal crude helium are significant. Government sales will depress private production of helium, because less helium will be captured from current gas production. This will mean more private needs being met by Government sales. As a result, some helium would be lost forever. Any attempt to sell helium just to raise Federal revenue will likely result in below market pricing due to excess supply and, consequently, a poor return on the taxpayers' original investment. Moreover, there

is no fiscal imperative to sell crude helium, because the Congressional Budget Office has advised that sales of crude helium from the reserve are asset sales and, therefore, provide no revenue for deficit reduction.

How should the Federal helium activity be reformed? Unless Congress reforms the Federal Helium Program, the Department of Interior will continue to be the subject of criticism. Since a vigorous, competitive private sector helium industry now exists, the Federal Government no longer needs to take an active role in the business. For all of these reasons, Congress should enact H.R. 3008, which will: first, require the Bureau of Mines to discontinue the processing and sale of refined helium; second, preclude the sale of crude helium by the Bureau of Mines until current production of helium no longer satisfies current demand; and third, eventually repay the helium debt over two decades with revenue generated from the sale of crude helium, when market circumstances merit its release.

Mr. Speaker, I ask that the following letter of support for H.R. 3008 be included at this point in the RECORD.

NATIONAL TAXPAYERS UNION,
April 29, 1996.

Hon. CHRISTOPHER COX,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE COX: The 300,000-member National Taxpayers Union strongly supports your legislation, H.R. 3008, the Helium Privatization Act.

Passage of the Helium Privatization Act is long overdue. For several years now, the National Helium Reserve has served as one of the most glaring examples of our government's inability to rid itself of obsolete, low-priority spending programs. This stark symbolism seems to have no end, as the *New York Times* reported that the Reserve was operating even during last year's federal shutdown, when thousands of other federal employees were classified as "non-essential."

Conceived in 1925 to prepare for an outbreak of blimp warfare, the National Helium Reserve certainly fits the description "non-essential." Today the program costs taxpayers millions per year to staff and maintain, plus millions more due to mandated purchases by government agencies at inflated prices. Any proceeds from helium sales to outside customers must be weighed against the costs of the \$1.4 billion in debt the agency has incurred during its existence. Meanwhile, private helium producers have created an adequate and efficient market that could easily sustain the needs of both government and industry for the foreseeable future in the absence of a federal program.

Your legislation resists simplistic, headline-grabbing approaches by providing a rational, methodical timetable for privatization of the National Helium Reserve. The bill will ensure a smooth transition to an all-private helium market system as well as save taxpayers \$9 million annually. The Reserve's refining and marketing activities would cease, and its stocks would be liquidated so as to provide the best return for taxpayers who have continued to fund this boondoggle.

The nation's taxpayers expect and deserve a visible commitment from their elected officials to reduce wasteful spending. If Congress cannot muster the political will to eliminate an obvious target such as the National Helium Reserve, its credibility on tough deficit reduction issues such as entitlement reform could suffer. Accordingly, National Taxpayers Union's staff stands ready to assist your effort to privatize the National Helium Reserve, and to that end we

urge your colleagues to work for swift passage of H.R. 3008, the Helium Privatization Act.

Sincerely,

DAVID KEATING,
Executive Vice President.

COUNCIL FOR CITIZENS AGAINST
GOVERNMENT WASTE,
Washington, DC, April 29, 1996.

Hon. CHRIS COX,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE COX: On behalf of the 600,000 members of the Council for Citizens Against Government Waste (CCAGW), I am writing to endorse The Helium Privatization Act (H.R. 3008). This legislation not only eliminates an archaic program, long overdue for extinction, but also eliminates a sizable debt already incurred by the program.

The National Helium Reserve was created in 1925 as a response to expectations that dirigibles would be an important aspect of the military's air might. With the rapid rise of fixed wing aircraft, the need for dirigibles was quickly eliminated. Sadly, the program was not. Over the past 70 years, government agencies have been forced to buy helium at an inflated price, now costing taxpayers \$25 million annually. The Reserve has also mounted a \$1.4 billion debt and a 100-year stockpile. According to some experts, the Reserve has enough helium to supply every man, woman, and child in the country for the next 19 years.

The National Helium Reserve symbolizes exactly the type of bloated government bureaucracy that taxpayers want eliminated. This program has continued to survive, despite meeting no apparent need and costing the taxpayers far more money than buying from private sources. Even worse, mismanagement has led to a sizable debt that now needs to be eliminated. H.R. 3008 would do just that. Profits from asset sales would be large enough to eliminate this debt, and taxpayers would no longer have to bear the burden of this unnecessary program.

The Helium Privatization Act is common-sense legislation. Even more encouraging is the overwhelming bipartisan support that this legislation has received. I applaud your efforts to privatize this program and urge all members of the House to support this measure. CCAGW will consider this vote for its 1996 Congressional Ratings.

Sincerely,

THOMAS A. SCHATZ,
President.

CHAMBER OF COMMERCE,
UNITED STATES OF AMERICA,
April 24, 1996.

Hon. CHRISTOPHER COX,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE COX: The U.S. Chamber Federation believes it is time to shut down the federal helium program.

The federal helium program was created over sixty years ago when it was thought our national defense would depend on blimps and dirigibles. Those days are long past but this program is still in business. Even though the private sector is capable of fulfilling our helium needs, currently producing over 90 percent of U.S. supplies, federal agencies are required to purchase helium from the federal program which has generated a \$1.4 billion debt.

Our fiscal budget situation demands the elimination of this wasteful and inefficient program. H.R. 3008 would terminate the Department of the Interior's helium refining program. It would responsibly dispense with the crude helium stockpile without disrupting the market and provide a return on the

millions of taxpayer dollars invested in this operation.

The U.S. Chamber Federation of 215,000 businesses, 3,000 state and local chambers, and 1,200 trade and professional associations, and 76 American Chambers of Commerce abroad respectfully requests your strong support and the expeditious adoption of H.R. 3008.

Sincerely,

R. BRUCE JOSTEN.

Hon. C. CHRISTOPHER COX,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN COX: President Clinton and both houses of Congress agree that shutting down the federal helium operation is an important reform necessary to reduce the size and scope of government and to help balance the budget.

Helium conservation is still a worthy objective and the best way to achieve it is to end this inefficient, wasteful federal program that inappropriately competes with the private sector helium industry.

We write to ask you to help move legislation that will terminate the Interior Department's helium refinery and deal responsibly with the crude helium stockpiled in the helium reserve. H.R. 3008 meets these objectives and identical language has already been approved by both the House and Senate as part of the budget reconciliation package. Since budget reconciliation is problematic, we now ask that you support H.R. 3008.

Congress should approve this "good government" legislation that will help cut waste and return to the taxpayers the tens of millions of dollars invested in the helium program.

American Gas Association, Citizens Against Government Waste, Helium Advisory Council, National Association of Manufacturers, National Taxpayers Union, Americans for Tax Reform, Compressed Gas Association, Inc., Interstate Natural Gas Association of America, Natural Gas Supply Association, U.S. Chamber of Commerce.

Mr. COMBEST. Mr. Speaker, the importance of helium and the Government involvement in helium conservation and production dates back to the passage of the Helium Act of 1925. The building and operation of a large-scale helium extraction and purification plant went into operation in 1929 in Amarillo, TX, that until 1960, was the only domestic helium producer.

In 1960, Congress amended the Helium Act to provide incentives for stripping natural gas of its helium, for purchase of the separated helium by the Government, and for its long-term storage. With now close to 34.25 billion cubic feet of helium in Government storage and a large private-sector helium recovery industry, some have asked whether or not the Federal Government should have a role in the helium business.

While interest in helium began with World War I when its military value as an inert lifting gas was recognized by the Army and Navy, its current uses have far surpassed what many could have imagined. Helium now plays a vital role in the National Aeronautics and Space Administration [NASA] Space Shuttle program as well as one of the most important materials in modern science. These are but a few of the current modern-day uses of helium that many of the opponents of the helium operations have failed to mention.

The Space Shuttle uses more helium than any other single program in the Federal Gov-

ernment. The principle consumption comes just before launch time when the external tank must be purged before the liquid hydrogen fuel can be loaded. During flight, the hydrogen is pressurized with a helium atmosphere to force the liquid fuel to the turbines and the three main propulsion engines. While this is certainly the most high profile use at NASA, several other space projects used liquid helium supplied by the Bureau for cooling detectors, instruments, and entire satellites down to -452 degrees F. Currently NASA requires 80 railroad cars of helium for each shuttle launch but it can only take it in gaseous form. No private company can supply it in gaseous form, so if H.R. 3008 passes, NASA is going to have to spend millions of dollars to accept the helium as a liquid and then convert it to gas.

The Department of Defense [DOD] is also very reliant upon helium. Bureau helium is used by the Defense Nuclear Agency [DNA] in experiments which simulate nuclear explosions. The Air Force is deploying an operational airborne antisatellite missile system with liquid helium in an aircraft before takeoff.

DOD has also awarded two competing \$12 million contracts to develop a ground-based, liquid-helium-cooled laser power system. The Navy, too, is conducting research on the use of airborne superconducting magnetometer to detect submerged enemy submarines.

The Department of Energy [DOE] awards and administers contracts with Government-owned, contractor-operated [GOCO] national laboratories at Brookhaven, NY; Oak Ridge, TN; Fermi and Argonne, IL; Los Alamos, NM, and Berkely and Livermore, CA. DOE also conducts defense-related research, development and production, primarily at Los Alamos, Sandia, Livermore, Rocky Flats, and Pantex.

Helium also plays a role in protecting our borders. Helium-filled, radar platform blimps, provide electronic surveillance of the southern border of the United States. The helium-filled inflatables float at 10,000 feet and provide round-the-clock coverage from Arizona to the Bahamas.

The Bureau is currently supplying liquid helium to several universities and medical facilities with Federal contracts who are conducting research on magnetic resonance imaging [MRI] to improve this technology.

The concern over shutting down Government operations under H.R. 3008 has prompted a warning from the American Physical Society that, "Any helium that is not extracted will be lost forever as the natural gas is burned. Some incentive or requirement to store it must be in place."

All of the Federal agencies combined purchase about \$20 million per year of helium from the Bureau. This is a small part of their budgets for research, development, and operation of these Government activities. The helium operations have supplied quality service to the programs so vital to the national defense, general welfare, and security to the Nation. The helium operations provide their product for numerous state-of-the-art projects that are a far cry from the World War I dirigibles that opponents claim as its only means for existence. Incidentally, the helium operations in Amarillo began in 1929, several years after World War I.

The Helium Program does not receive Federal appropriations. The program operates on the revenues of returning between \$7 to \$10 million per year to the Treasury, even after operating expenses. Since 1990, the Bureau of

Mines has made debt repayments totaling more than \$40 million.

A General Accounting Office study in 1992 recommended that the helium debt be canceled since it was characterized as a bookkeeping transaction between two Federal agencies, with no impact on the deficit or national debt.

Mr. Speaker, I hope that my comments will give my colleagues a better understanding of Federal involvement in helium. The national media and others have both maligned and misunderstood this program. I have urged my colleagues to vote "no" on H.R. 3008 so that true reform of the helium program may become a reality. Sadly, H.R. 3008 will actually prevent speedy privatization of the helium operations and prohibit the sale of excess helium.

Mr. BEREUTER. Mr. Speaker, this Member rises in strong support of H.R. 3008, the Helium Privatization Act of 1996. This legislation represents a small but important step toward a more commonsense approach toward developing the proper role of the Federal Government.

The Federal Helium Program is clearly an anachronism which deserves elimination. While it may have served a purpose during the first part of this century, the justification for the Federal Helium Program has certainly run out of gas.

This Member has long recognized the need to eliminate this wasteful and nonessential governmental program. In 1993, this Member wrote to the President suggesting spending cuts which would help reduce the Federal deficit. This list included a proposal to sell the national helium reserves as a way to save taxpayer dollars. This Member also cosponsored helium privatization legislation introduced by the distinguished gentleman from California [Mr. COX] in this Congress as well as the previous Congress.

The healthy private helium industry offers strong evidence that the Federal Government should get out of the business. The private sector currently provides more than 90 percent of the Nation's helium needs. In fact, as a result of the efficiency of the private helium industry, the United States now produces eight times more helium than the rest of the countries combined. It is unnecessary and improper for the Federal Government to retain its current monopoly on the sale of helium to Federal agencies.

H.R. 3008 offers an effective approach toward the privatization of the Federal Helium Program. This legislation will save taxpayers money by ending the production, refining, and marketing at the Federal helium facility in Texas. It will also require the sale of the Federal Helium Program's production facilities and other equipment and privatize the current helium stockpile. The proceeds from these asset sales will then be applied toward the program's massive debt to the taxpayers.

Mr. Speaker, this Member urges his colleagues to vote for H.R. 3008, the Helium Privatization Act of 1996. It's commonsense legislation which will benefit private business and the American taxpayers.

Mr. HORN. Mr. Speaker, the recently passed omnibus appropriations bill was a historic achievement. With it, Congress significantly reduced the Washington bureaucracy. Nearly 200 outdated Federal programs were eliminated.

This was a good first step toward a balanced budget. Now, we must maintain this momentum by taking more steps. For instance, we must get the Government out of the money-draining helium production business. This will save taxpayers nearly \$9 million annually—money badly needed in far more vital areas of our economy. I urge a "yes" vote on H.R. 3008.

Mr. COMBEST. Mr. Speaker, I know of no other Federal program more maligned and misunderstood than the Department of Interior, Bureau of Mines, helium operations. Many of my colleagues have piled on board to eliminate the program. They've heard the clever talking points about German zeppelins and toy balloons. Although I know I am in the minority on this issue, I hope to set the record straight on a few essential points.

The Federal helium operation is actually one of the few Federal programs that has done what it was intended to do. Going from a time when there was no helium produced by the private sector, the Helium Act has been tremendously successful in helping to develop private sector production and a strategic reserve for helium.

I hope my colleagues and the folks out there listening to this debate will reflect on 67 years of dedicated, quality service given this country by those who took on a mission in 1929. My colleagues who mention the cost to taxpayers for this program are speaking of the accumulated interest costs—not the annual cost, which is a net positive gain to the U.S. Treasury of \$10 million last year alone.

A legitimate debate has taken place regarding whether or not the Federal Government should be in the helium business. Regardless of your view, this bill, H.R. 3008, is not the best answer. Here's why: This measure effectively prevents private purchase of the helium reserves and refinery. It attempts to recoup the Government's investment with a formula selling off 100 years worth of helium. But it will do so at a price still higher than what its private competitors sell at market.

The bill is designed—plain and simple—to repay the debt and interest on a loan that was made between two Federal agencies. But also just as plain and simple, this bill will not privatize the helium operations. All of that excess helium will remain unsold.

However, there is a better, more balanced approach: It was offered by another one of our colleagues, MAC THORNBERRY, during the budget debate over this legislation in the Resources Committee. His amendment would have allowed some helium to be sold at market price, as long as it did not disrupt the market. Adequate helium stockpile would remain for national security needs, while ensuring the taxpayer a sufficient return on their investment. It would have canceled the bookkeeping debt between two Federal agencies. This commonsense substitute is nowhere in today's bill. The inclusion of this language into H.R. 3008 would have made this measure a better investment for taxpayers. Without a balanced, commonsense approach, I cannot support H.R. 3008. I urge my colleagues to vote "no" so that true reform of the helium program may become a reality.

Mr. CALVERT. Mr. Speaker, I thank the gentleman, and with that, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CLINGER). The question is on the mo-

tion offered by the gentleman from California [Mr. CALVERT] that the House suspend the rules and pass the bill, H.R. 3008.

The question was taken.

Mr. THORNBERRY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. CALVERT. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the various bills considered today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the House will stand in recess until 5 p.m.

Accordingly (at 3 o'clock and 36 minutes p.m.), the House stood in recess until 5 p.m.

□ 1704

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. GOODLATTE) at 5 o'clock and 4 minutes p.m.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1996 AND 1997—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore. The unfinished business is the further consideration of the veto message of the President of the United States on the bill (H.R. 1561) to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Departments of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for United States foreign assistance programs for fiscal years 1996 and 1997, and for other purposes.

The question is, will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding.

The gentleman from New York [Mr. GILMAN] is recognized for 1 hour.

Mr. GILMAN. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Indiana [Mr. HAMILTON], pending which I yield myself such time as I may consume. Mr. Speaker, during this debate, all time yielded is for purposes of debate only.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members