

# ***Helium Stewardship Act of 2013***

## **Section-by-Section Summary of Discussion Draft**

### **Sec. 1 Short Title**

Provides “Helium Stewardship Act of 2013” as the short title of the Act.

### **Sec. 2 Definitions**

The legislation amends the Helium Act throughout, starting with this section providing definitions for the terms Cliffside Field, Federal Helium Pipeline, Federal Helium Reserve, Federal Helium System, Federal User, Low-Btu Gas, Person, Priority Pipeline Access, Qualified Bidder, Qualifying Domestic Helium Transaction, and Secretary.

### **Sec. 3 Authority of the Secretary**

Ensures that all amounts received by the Secretary for sale or disposition of helium on Federal lands will be credited to the Helium Production Fund.

### **Sec. 4 Fees for Storage, Withdrawal and Transportation**

Reaffirms Secretarial authority to impose storage, withdrawal, and transportation fees but adds a requirement that such fees accurately reflect the economic value of those services. Establishes minimum fees (i.e., not less than required for cost recovery). Provides for fee increases over time to encourage helium withdrawal. Ensures that helium in storage, as of the date of enactment, shall have priority pipeline access, though not a higher priority than that provided to helium intended for Federal users. Allows any person or qualified bidder to which crude helium is sold or auctioned to store helium in the Federal Helium Reserve and credits all revenues to the Helium Production Fund.

### **Sec. 5 Sale of Crude Helium**

Establishes a three-phase system for the sale and auction of crude helium, with minimum sales prices, maximum sales volumes, revenues directed to the Helium Production Fund, transparency requirements, information collection, priority pipeline access for Federal users, protection of confidential information, and relevant terms and conditions in all phases:

Phase A: Allocation Transition: Permits continued operation of the Federal Helium System without change, through September 30, 2014.

Phase B: Auction Implementation: Transitions management of the Federal Helium System from allocations to auctions, starting at 10% of the volume being auctioned and increasing by 10 percentage points annually. Imposes as a condition of sale to refiners that excess capacity must be made available at commercially reasonable rates to parties prevailing in auctions. Provides a ‘safety valve’ to allow for adjustment by the Secretary of the amounts auctioned or allocated. Allows the Secretary to choose an auction format that maximizes Federal revenue. Ends when 3 billion standard cubic feet of helium remain in the Federal Helium Reserve (other than privately-owned volumes).

Phase C: Continued Access for Federal Users: Provides for sale of remaining 3 billion cubic feet of crude helium to Federal users only.

### **Sec. 6 Information, Assessment, Research, and Strategy**

Adds five sections related to information, assessment, research, and strategy to the Helium Privatization Act of 1996.

Information: Requires the Secretary to make available on the Internet information relating to the Federal Helium System including capacity estimates, helium ownership, crude helium delivery volumes and schedule, pressure

constraints, projected date of Phase C commencement, and amount of fees. Further requires real-time, online reporting of maintenance schedules, unplanned outages, meeting minutes, and other matters.

Helium Gas Resource Assessment: Authorizes completion by the U.S. Geological Survey of a national helium gas assessment that quantifies crude helium resources and makes available seismic and geophysical log data for the Bush Dome Reservoir. Additionally, authorizes an assessment of global demand trends for helium.

Low-Btu Gas Separation and Helium Conservation: Authorizes the Secretary of Energy to support research, development, commercial application, and conservation to expand domestic production of low-Btu gas and helium resources; separate and capture helium; develop advanced membrane technology to separate low-Btu gases; develop technologies for separating, gathering, and processing helium in low concentrations; develop low-cost technologies and technology systems for recycling, reprocessing, and reusing helium; and develop industrial gathering technologies to capture helium from other chemical processing.

Helium-3 Separation: Authorizes the Secretaries of Energy and the Interior to cooperate on assessments or research relating to the extraction and refining of isotope helium-3 from crude helium at the Federal Helium Reserve or along the Federal Helium Pipeline. Further authorizes both to study the feasibility of establishing a facility to separate the isotope helium-3 from crude helium and seeks a report to Congress on such activities.

Federal Agency Helium Acquisition Strategy: Requires the Secretary, within 2 years of enactment, to evaluate the helium needs of Federal users and provide to Congress a report on the consumption of, and projected demand for, crude and refined helium; a description of a 20-year Federal strategy for securing access to crude helium; an assessment of the effects of increases in price of refined helium and methods and polices for mitigating any determined effects; and a description of a process for prioritization of uses that accounts for diminished availability of helium supplies that may occur over time.

## **Sec. 7 Conforming Amendments**

Makes a series of technical amendments to the Helium Act.

## **Sec. 8 Regulations**

Authorizes the Secretary of Interior to promulgate regulations as necessary to carry out the Act.