

Helium Stewardship Act of 2013

One-Pager on Discussion Draft

The discussion draft of the *Helium Stewardship Act of 2013* seeks to mitigate a global helium shortage by enabling Secretary of Interior, acting through the Director of the Bureau of Land Management (BLM), to continue to sell crude helium from the Federal Helium Reserve. The discussion draft draws on recommendations from a wide variety of stakeholders to establish a responsible management strategy for the Federal Helium Reserve.

The *Helium Stewardship Act of 2013* seeks to:

- Ensure continued access to Federal crude helium
- Provide for an orderly transition among three phases, resulting in minimal market disruption to end users:
 - *Phase A: Allocation Transition*
 - The Federal Helium Reserve continues to operate as-is until September 30, 2014
 - *Phase B: Auction Implementation*
 - Beginning in FY 2015, 10% of helium volumes made available will be auctioned
 - Annually thereafter, the percentage auctioned increases by 10 percentage points
 - *Phase C: Continued Access for Federal Users*
 - Starts when 3 billion cubic feet of helium remain in the Federal Helium Reserve, and limits sales to Federal users
- Increase taxpayer returns and stimulate investment in private helium sources by selling crude helium at market-driven prices
- Bolster transparency by requiring online publication of information related to the Federal Helium Reserve
- Obtain a global helium assessment that includes forecasts of demand and assessments of supply
- Establish helium extraction, separation, and conservation R&D programs
- Facilitate the development of a long-term strategy for helium acquisition for all Federal users

The draft legislation keeps the Federal Helium Program revenue positive through ongoing crude helium sales.

Background and Need for Action

Since the passing of the *Helium Conservation Act of 1925*, the Federal government has played a significant role in the production, refining, and storing of helium. This has included establishing a U.S. stockpile known as the Federal Helium Reserve, which is located just outside of Amarillo, Texas.

Current law requires BLM to sell off the crude helium remaining in the Federal Helium Reserve in order to repay the U.S. Treasury the \$1.3 billion debt incurred creating it. It is anticipated that this debt will be repaid this fiscal year and that, as a consequence, the helium program will terminate at the end of the fiscal year (September 30, 2013), absent Congressional action.

Currently, the Federal Helium Reserve supplies roughly 40% of domestic and 30% of global helium demand. Loss of access to the Federal Helium Reserve would result in significant disruptions to a large number of critical U.S. industries. Congressional action is necessary to prevent a crippling shortage for University R&D, National Laboratories, and broad range of industries. Such a shortage would stifle domestic manufacturing of semiconductors, fiber optic cables, medical imaging equipment, as well as industrial welding operations and other economic activities that rely upon helium.