To amend the Helium Act to improve helium stewardship, and for other purposes.

IN THE SENATE OF THE UNITED STATES

introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Helium Act to improve helium stewardship, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Helium Stewardship Act of 2013”.

SEC. 2. DEFINITIONS.

Section 2 of the Helium Act (50 U.S.C. 167) is amended to read as follows:

“SEC. 2. DEFINITIONS.

“In this Act:
“(1) Cliffside Field.—The term ‘Cliffside Field’ means the helium storage reservoir in which the Federal Helium Reserve is stored.

“(2) Federal Helium Pipeline.—The term ‘Federal Helium Pipeline’ means the federally owned pipeline system through which the Federal Helium Reserve may be transported.

“(3) Federal Helium Reserve.—The term ‘Federal Helium Reserve’ means helium reserves owned by the United States.

“(4) Federal Helium System.—The term ‘Federal Helium System’ means—

“(A) the Federal Helium Reserve;

“(B) the Cliffside Field;

“(C) the Federal Helium Pipeline; and

“(D) all other infrastructure owned, leased, or managed under contract by the Secretary for the storage, transportation, withdrawal, purification, or management of helium.

“(5) Federal User.—The term ‘Federal user’ means a Federal agency or extramural holder of 1 or more Federal research grants.

“(6) Low-Btu Gas.—The term ‘low-Btu gas’ means a fuel gas with a heating value of less than 250 Btu per standard cubic foot measured as the
higher heating value resulting from the inclusion of noncombustible gases, including nitrogen, helium, argon, and carbon dioxide.

“(7) PERSON.—The term ‘person’ means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, or State or political subdivision.

“(8) PRIORITY PIPELINE ACCESS.—The term ‘priority pipeline access’ means the first priority of delivery of crude helium under which the Secretary schedules and ensures the delivery of crude helium to a helium refinery through the Federal Helium System.

“(9) QUALIFIED BIDDER.—The term ‘qualified bidder’ means a person the Secretary determines is seeking to purchase helium for their own use, refining, or delivery to users.

“(10) QUALIFYING DOMESTIC HELIUM TRANSACTION.—The term ‘qualifying domestic helium transaction’ means any new or newly renegotiated agreement (as of the date that is 1 year before the date of enactment of the Helium Stewardship Act of 2013) in the United States for the purchase or sale of at least 20,000,000 standard cubic feet of crude helium or bulk liquid helium to which any holder of
a contract with the Secretary for the acceptance, storage, delivery, or redelivery of crude helium from the Federal Helium System is a party.

“(11) Refiner.—The term ‘refiner’ means a person with the ability to take delivery of crude helium from the Federal Helium Pipeline and refine the crude helium into bulk liquid helium.

“(12) Secretary.—The term ‘Secretary’ means the Secretary of the Interior.”.

SEC. 3. AUTHORITY OF SECRETARY.

Section 3 of the Helium Act (50 U.S.C. 167a) is amended by adding at the end the following:

“(c) Extraction of Helium From Deposits on Federal Land.—All amounts received by the Secretary from the sale or disposition of helium on Federal land shall be credited to the Helium Production Fund established under section 6(d).”.

SEC. 4. FEES FOR STORAGE, WITHDRAWAL AND TRANSPORTATION.

Section 5 of the Helium Act (50 U.S.C. 167c) is amended to read as follows:

“(a) In General.—If the Secretary provides helium storage, withdrawal, or transportation services to any per-
son, the Secretary shall impose a fee on the person that
accurately reflects the economic value of those services.

“(b) MINIMUM FEES.—The fees charged under sub-
section (a) shall be not less than the amount required to
reimburse the Secretary for the full costs of providing
storage, withdrawal, or transportation services.

“(c) INCREASES.—The Secretary shall increase stor-
age fees over time in order to encourage the withdrawal
of stored helium not later than 2 years after the date on
which storage of the helium commences.

“(d) TREATMENT.—All fees received by the Secretary
under this section shall be credited to the Helium Produc-
tion Fund established under section 6(d).

“(e) EXISTING STORAGE.—Any helium in storage as
of the date of enactment of the Helium Stewardship Act
of 2013 shall receive priority pipeline access, except that
the helium shall not have priority over helium intended
for Federal users.

“(f) NEW STORAGE.—In accordance with this sec-
tion, the Secretary shall allow any person or qualified bid-
der to which crude helium is sold or auctioned under sec-
tion 6 to store that helium in the Federal Helium Re-
serve.”.
SEC. 5. SALE OF CRUDE HELIUM.

Section 6 of the Helium Act (50 U.S.C. 167d) is amended to read as follows:

"SEC. 6. SALE OF CRUDE HELIUM.

(a) Phase A: Allocation Transition.—

"(1) In general.—The Secretary may offer crude helium for sale in such quantities, at such times, at not less than the minimum price established under subsection (b)(7), and under such terms and conditions as the Secretary determines necessary to carry out this subsection with minimum market disruption.

"(2) Federal purchases.—Federal users may purchase refined helium with priority pipeline access under this subsection from persons who have entered into enforceable contracts to purchase an equivalent quantity of crude helium from the Secretary.

"(3) Duration.—This subsection applies during the period—

"(A) beginning on the date of enactment of the Helium Stewardship Act of 2013; and

"(B) ending on September 30, 2014.

(b) Phase B: Auction Implementation.—

"(1) In general.—The Secretary may offer crude helium for sale in quantities not subject to
auction under paragraph (2), at such times, at not less than the minimum price established under paragraph (7), and under such terms and conditions as the Secretary determines necessary—

“(A) to maximize total recovery of helium from the Federal Helium Reserve over the long term;

“(B) to maximize the total financial return to the taxpayer;

“(C) to manage crude helium sales according to the ability of the Secretary to extract and produce helium from the Federal Helium Reserve;

“(D) to give priority to meeting the helium demand of Federal users in the event of any disruption to the Federal Helium Reserve; and

“(E) to carry out this subsection with minimum market disruption.

“(2) AUCTION QUANTITIES.—For the period described in paragraph (4) and consistent with the conditions described in paragraph (8), the Secretary shall annually auction to any qualified bidder a quantity of crude helium in the Federal Helium Reserve equal to—
“(A) for fiscal year 2015, 10 percent of the total volume of crude helium made available for that fiscal year; and

“(B) for each subsequent fiscal year, a percentage of the total volume of crude helium that is 10 percentage points greater than the percentage available for the previous fiscal year, but not to exceed 100 percent.

“(3) Federal purchases.—Federal users may purchase refined helium with priority pipeline access under this subsection from persons who have entered into enforceable contracts to purchase an equivalent quantity of crude helium from the Secretary.

“(4) Duration.—This subsection applies during the period—

“(A) beginning on October 1, 2014; and

“(B) ending on the date on which the volume of recoverable crude helium at the Federal Helium Reserve (other than privately owned quantities of crude helium stored temporarily at the Federal Helium Reserve under section 5 and this section) is 3,000,000,000 standard cubic feet.
“(5) **SAFETY VALVE.**—The Secretary may adjust the quantities specified in paragraph (1)—

“(A) upward, if the Secretary determines the adjustment necessary—

“(i) to minimize market disruptions that pose a threat to the economic well-being of the United States; and

“(ii) only after submitting a written justification of the adjustment to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives; or

“(B) downward, if the Secretary determines the adjustment necessary to increase participation in crude helium auctions or returns to the taxpayer.

“(6) **AUCTION FORMAT.**—The Secretary shall conduct each auction using a method that maximizes revenue to the Federal Government.

“(7) **MINIMUM SALE PRICE.**—The Secretary shall establish minimum sale and auction prices under subsection (a)(1) and paragraphs (1) and (2) using, if applicable and in the following order of priority:
“(A) The sale price of crude helium in auctions held by the Secretary under paragraph (2).

“(B) A confidential survey of qualifying domestic helium transactions conducted by a qualified, independent third party.

“(C) The volume-weighted average price of all crude helium and bulk liquid helium purchased, sold, or processed by persons in all qualifying domestic helium transactions.

“(D) The volume-weighted average cost of converting gaseous crude helium into bulk liquid helium.

“(E) Any amount received by the Secretary from extracting or disposing helium on Federal land (after the date that is 1 year before the date of enactment of the Helium Stewardship Act of 2013) under section 3 or any other provision of law.

“(8) TERMS AND CONDITIONS.—

“(A) IN GENERAL.—The Secretary shall require all persons that are parties to a contract with the Secretary for the withdrawal, acceptance, storage, transportation, or delivery of crude helium to disclose, on a strictly confiden-
tial basis and in dollars per thousand cubic feet—

“(i) the volume-weighted average price of all crude helium and bulk liquid helium purchased, sold, or processed by persons in qualifying domestic helium transactions; and

“(ii) the volume-weighted average cost of converting gaseous crude helium into bulk liquid helium.

“(B) CONDITION.—As a condition of sale or auction to a refiner under subsection (a)(1) and paragraphs (1) and (2), effective beginning 90 days after the date of enactment of the Helium Stewardship Act of 2013, the refiner shall make excess refining capacity of helium available to parties prevailing in auctions under paragraph (2) at commercially reasonable rates.

“(9) USE OF INFORMATION.—The Secretary may use the information collected under this Act—

“(A) to approximate crude helium prices; and

“(B) to ensure the recovery of fair value for the taxpayers of the United States from sales of crude helium.
“(10) Protection of Confidentiality.—

The Secretary shall adopt such administrative policies and procedures as the Secretary considers necessary and reasonable to ensure the confidentiality of information submitted pursuant to this Act.

“(c) Phase C: Continued Access for Federal Users.—

“(1) In general.—The Secretary may offer crude helium for sale to Federal users in such quantities, at such times, at not less than the minimum price established under subsection (b)(7), and under such terms and conditions as the Secretary determines necessary to carry out this subsection.

“(2) Federal purchases.—Federal users may purchase refined helium with priority pipeline access under this subsection from persons who have entered into enforceable contracts to purchase an equivalent quantity of crude helium from the Secretary.

“(3) Effective date.—This subsection applies beginning on the day after the date described in subsection (b)(4)(B).

“(d) Helium Production Fund.—

“(1) In general.—All amounts received under this Act, including amounts from the sale or auction
of crude helium, shall be credited to the Helium Production Fund, which shall be available without fiscal year limitation for purposes considered necessary by the Secretary to carry out this Act (other than sections 16, 17, and 18), including capital investments in upgrades and maintenance at the Federal Helium System, including—

“(A) well head maintenance at the Cliffside Field;

“(B) capital investments in maintenance and upgrades of facilities that pressurize the Cliffside Field;

“(C) capital investments in maintenance and upgrades of equipment related to the storage, withdrawal, transportation, purification, and sale of crude helium from the Federal Helium Reserve; and

“(D) any other scheduled or unscheduled maintenance of the Federal Helium System.

“(2) EXCESS FUNDS.—Any amounts in the Helium Production Fund described in paragraph (1) that exceed the amounts that the Secretary determines to be necessary to carry out paragraph (1) shall be deposited in the general fund of the Treasury.
“(e) MINIMUM QUANTITY.—The Secretary shall offer for sale or auction during each fiscal year under sub-
sections (a), (b), and (c) a quantity of crude helium that is the lesser of —
“(1) the quantity of crude helium offered for sale by the Secretary during fiscal year 2012; and
“(2) the maximum total production capacity of the Federal Helium Reserve.”.

SEC. 6. INFORMATION, ASSESSMENT, RESEARCH, AND STRATEGY.

The Helium Act (50 U.S.C. 167 et seq.) is amended—
(1) by repealing section 15 (50 U.S.C. 167m);
(2) by redesignating section 17 (50 U.S.C. 167 note) as section 20; and
(3) by inserting after section 14 (50 U.S.C. 167l) the following:

“SEC. 15. INFORMATION.
“(a) TRANSPARENCY.—The Secretary, acting through the Bureau of Land Management, shall make available on the Internet information relating to the Federal Helium System that includes a description of—
“(1) refinery capacity and future capacity esti-
“(2) ownership of helium held in the Federal Helium Reserve;

“(3) the volume of helium delivered to individual buyers through the Federal Helium Pipeline;

“(4) pressure constraints of the Federal Helium Pipeline;

“(5) an estimate of the projected date when 3,000,000,000 standard cubic feet of crude helium will remain in the Federal Helium Reserve and the final phase described in section 6(c) will begin;

“(6) the amount of the fees charged under section 5;

“(7) the scheduling of crude helium deliveries through the Federal Helium Pipeline; and

“(8) other factors that will increase transparency.

“(b) REPORTING.—Not later than 90 days after the date of enactment of the Helium Stewardship Act of 2013, to provide the market with appropriate and timely information affecting the helium resource, the Director of the Bureau of Land Management shall establish a real-time reporting process (including reporting over the Internet) to provide data that affects the helium industry, including—
“(1) annual maintenance schedules and quarterly updates, that shall—

“(A) be available on the Internet, to the maximum extent practicable; and

“(B) include—

“(i) the date and duration of planned shutdowns of the Federal Helium Pipeline;

“(ii) the nature of work to be undertaken on the Federal Helium System, whether routine, extended, or extraordinary;

“(iii) the anticipated impact of the work on the helium supply;

“(iv) the efforts being made to minimize any impact on the supply chain; and

“(v) any concerns regarding maintenance of the Federal Helium Pipeline, including the pressure of the pipeline or deviation from normal operation of the pipeline;

“(2) for each unplanned outage, a description of—

“(A) the beginning of the outage;

“(B) the expected duration of the outage;

“(C) the nature of the problem;
“(D) the estimated impact on helium supply;

“(E) a plan to correct problems, including an estimate of the potential timeframe for correction and the likelihood of plan success within the timeframe;

“(F) efforts to minimize negative impacts on the helium supply chain; and

“(G) updates on repair status and the anticipated online date;

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

“(A) publication of the minutes of each meeting between the Bureau of Land Management and the Cliffside Refiners Limited Partnership, including attendees and their affiliations, on the Internet site of the Bureau not later than 1 week after the meeting; and

“(B) indication in the minutes of any action taken that could affect the supply or operating status related to the Federal helium program; and

“(4) current predictions of the lifespan of the Federal Helium System, including how much longer
the crude helium supply will be available based on current and forecasted demand and the projected maximum production capacity of the Federal Helium System for the following fiscal year.

"SEC. 16. HELIUM GAS RESOURCE ASSESSMENT.

“(a) IN GENERAL.—Not later than 2 years after the date of enactment of the Helium Stewardship Act of 2013, the Secretary, acting through the Director of the United States Geological Survey, shall—

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

“(A) complete a national helium gas assessment that identifies and quantifies the quantity of helium, including the isotope helium-3, in each reservoir, including assessments of the constituent gases found in each helium resource, such as carbon dioxide, nitrogen, and natural gas; and

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

“(2) in coordination with appropriate international agencies and the global geology community, complete a global helium gas assessment that identi-
fies and quantifies the quantity of the helium, including the isotope helium-3, in each reservoir;

“(3) in coordination with the Secretary of Energy, acting through the Administrator of the Energy Information Administration, complete—

“(A) an assessment of trends in global demand for helium, including the isotope helium-3;

“(B) a 10-year forecast of domestic demand for helium across all sectors, including scientific and medical research, commercial, manufacturing, space technologies, cryogenics, and national defense; and

“(C) an inventory of medical, scientific, industrial, commercial, and other uses of helium in the United States, including Federal uses, that identifies the nature of the helium use, the amounts required, the technical and commercial viability of helium recapture and recycling in that use, and the availability of material substitutes wherever possible; and

“(4) submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representa-
tives a report describing the results of the assess-
ments required under this paragraph.

“(b) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section such sums as are necessary.

“SEC. 17. LOW-BTU GAS SEPARATION AND HELIUM CONSERVATION.

“(a) Authorization.—The Secretary of Energy shall support programs of research, development, commercial application, and conservation (including the programs described in subsection (b))—

“(1) to expand the domestic production of low-Btu gas and helium resources;

“(2) to separate and capture helium from natural gas streams; and

“(3) to reduce the venting of helium and helium-bearing low-Btu gas during natural gas exploration and production.

“(b) Programs.—

“(1) Membrane Technology Research.—The Secretary of Energy, in consultation with other appropriate agencies, shall support a civilian research program to develop advanced membrane technology that is used in the separation of low-Btu gases, including technologies that remove helium and
other constituent gases that lower the Btu content of natural gas.

“(2) HELIUM SEPARATION TECHNOLOGY.—The Secretary of Energy shall support a research program to develop technologies for separating, gathering, and processing helium in low concentrations that occur naturally in geological reservoirs or formations, including—

“(A) low-Btu gas production streams; and

“(B) technologies that minimize the atmospheric venting of helium gas during natural gas production.

“(3) INDUSTRIAL HELIUM PROGRAM.—The Secretary of Energy, working through the Advanced Manufacturing Office of the Department of Energy, shall carry out a research program—

“(A) to develop low-cost technologies and technology systems for recycling, reprocessing, and reusing helium for all medical, scientific, industrial, commercial, and other uses of helium in the United States, including Federal uses; and

“(B) to develop industrial gathering technologies to capture helium from other chemical processing, including ammonia processing.
“(c) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section such sums as are necessary.

“SEC. 18. HELIUM-3 SEPARATION.

“(a) Interagency Cooperation.—The Secretary shall cooperate with the Secretary of Energy, or a designee, on any assessment or research relating to the extraction and refining of the isotope helium-3 from crude helium at the Federal Helium Reserve or along the Federal Helium Pipeline, including—

“(1) gas analysis;
“(2) infrastructure studies; and
“(3) cooperation with refiners.

“(b) Feasibility Study.—The Secretary, in consultation with the Secretary of Energy, or a designee, may carry out a study to assess the feasibility of establishing a facility to separate the isotope helium-3 from crude helium at—

“(1) the Federal Helium Reserve; or
“(2) an existing helium separation or purification facility connected to the Federal Helium Pipeline.

“(c) Report.—Not later than 1 year after the date of enactment of the Helium Stewardship Act of 2013, the Secretary shall submit to the Committee on Energy and
Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report that contains a description of the results of the assessments conducted under this section.

“(d) **Authorization of Appropriations.**—There is authorized to be appropriated to carry out this section such sums as are necessary.

**SEC. 19. FEDERAL AGENCY HELIUM ACQUISITION STRATEGY.**

“Not later than 2 years after the date of enactment of the Helium Stewardship Act of 2013, the Secretary (in consultation with the Secretary of Energy, the Secretary of Defense, the Director of the National Science Foundation, and the Director of the National Institutes of Health) shall submit to Congress a report that provides for Federal users—

“(1) an assessment of the consumption of, and projected demand for, crude and refined helium;

“(2) a description of a 20-year Federal strategy for securing access to crude helium;

“(3) an assessment of the effects of increases in the price of refined helium and methods and polices for mitigating any determined effects; and
“(4) 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.

(a) Section 4 of the Helium Act (50 U.S.C. 167b) is amended by striking “section 6(f)” each place it appears in subsections (c)(3), (c)(4), and (d)(2) and inserting “section 6(d)”.

(b) Section 8 of the Helium Act (50 U.S.C. 167f) is repealed.

SEC. 8. REGULATIONS.

The Secretary of the Interior shall promulgate such regulations as are necessary to carry out this Act and the amendments made by this Act, including regulations necessary to prevent unfair acts and practices.