

Joint Staff Amendment to S.783, the *Helium Stewardship Act of 2013*

Section-by-Section Summary

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). Requires the annual publication of a standard schedule of fees. 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. Requires a schedule for the transportation and delivery of helium that ensures timely delivery of auctioned helium and non-allocated helium sold as well as priority pipeline access for in-kind sales for Federal users. Directs the Secretary to consider any new applications for access to the Federal Helium Pipeline.

Sec. 5 Sale of Crude Helium

Establishes a four-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 and in-kind prices 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. Refiners would have to make excess refining capacity available to others at commercially reasonable rates as a condition of their continued participation in helium allocations and 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.

Phase D: Disposal of Assets: Requires the disposal of all facilities, equipment, and other real property held by the U.S. in the Federal Helium System by January 1, 2023 and no earlier than 2 years after the start of Phase C.

Amounts in the Helium Production Fund in excess of the amounts necessary to carry out the revised Federal Helium Program will be returned to the Treasury with \$51 million directed to debt reduction and any additional excess funds to be used to reduce the Federal budget deficit.

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 open market and in-kind prices, aggregated projections of excess refining capacity, helium ownership, crude helium delivery volumes and schedule, pressure constraints, projected date of Phase C commencement, and amount of fees. Further requires timely and public reporting of maintenance schedules, unplanned outages, meeting summaries, and other matters.

Helium Gas Resource Assessment: Authorizes the U.S. Geological Survey to complete 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. 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 helium; a determination of a date for the implementation of Phase D; an assessment of the effects of increases in price of refined helium and methods and policies 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 Prior Agreements

Ensures this Act will not affect or diminish the rights and obligations of existing agreements as of the date of enactment, except to the extent those agreements are renewed or extended after that date.

Sec. 9 Regulations

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

Sec. 10 Amendments to Other Laws

Authorizes a one-year extension of the Secure Rural Schools and Community Self-Determination Act, where payments to counties are to be made at a 5% reduction from the level of payments made in 2013. Provides \$50 million in funding to address deferred National Parks Service maintenance and requires that those Federal funds be matched, on a dollar-for-

dollar basis, by non-Federal sources. Provides \$50 million for the remediation of abandoned wells on Federal lands. Restores \$60 million in payments to states certified under the Abandoned Mine Lands program for FY2014. Reduces the royalty rate for soda ash production on Federal lands to 4% of the value of the soda ash for two years from the date of enactment. Provides \$5 million in authorization offsets for studies and research programs authorized in Sec. 6.