

Appropriation: Helium Fund and Operations

The *Helium Act Amendments of 1960*, Public Law 86-777 (50 U.S.C. 167), authorized activities to provide sufficient helium to meet the current and foreseeable future needs of essential government activities.

The *Helium Privatization Act of 1996*, Public Law 104-273, provides for the eventual privatization of the program and its functions. In FY 2001, the Helium program will consist of:

- continued storage and transmission of crude helium;
- complete disposal of helium refining facilities and other excess property not needed for storage and transmission of crude helium;
- oversight of the production of helium on Federal lands; and
- administration of in kind crude helium gas sale program.

The estimates assume that the helium program will continue to fund full implementation of the *Helium Privatization Act*.

SUMMARY OF REQUIREMENTS

(thousands of dollars)

Comparison by Activity/ Subactivity	1999 Actual		2000 Estimate		Uncontrol- lable & Related Changes (+/-)		Program Changes (+/-)		2001 Budget Requests		Inc(+) Dec(-) from 2000	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Helium Fund	65	0	65	0	0	0	0	0	65	0	0	0
Helium Fund	65	18,272	65	15,000	0	0	0	0	65	15,000	0	0
Offsetting Collections		-18,272		-15,000		0		0		-15,000		0
Operating Programs:												
Production & Sales	0	0	0	0	0	0	0	0	0	0	0	0
Transmission & Storage Operations	21	2,000	21	2,000	0	0	0	0	21	2,000	0	0
Administrative & Other Expenses	15	11,500	15	10,000	0	0	0	0	15	10,000	0	0
Closure	29	3,772	29	2,000	0	0	0	0	29	2,000	0	0
Capital Investment:												
Land, Structures & Equipment	0	1,000	0	1,000	0	0	0	0	0	1,000	0	0

Activity: Helium Fund and Operations

Activity Summary (000's)

Subactivity	1999 Actual	2000 Enacted to Date	Uncontrollable & Related Charges (+/-)	Program Changes (+/-)	2001 Budget Request	Change From 2000 (+/-)
\$	{18,272}	{15,000}	0	{0}	{15,000}	{0}
FTE	65	65	0	0	65	0

2001 PROGRAM OVERVIEW

The Helium Program will continue to meet the future helium requirements of essential Government programs. The New Mexico Amarillo Field Office will accomplish this objective through crude helium transmission and storage of Federal and private crude helium via the helium storage system, administration of the sale of crude helium (coordinated with the private helium industry so as not to disrupt the helium market), evaluation of helium resources, and administration of helium extracted from Federal lands. The helium storage system ensures that excess helium produced from natural gas processing plants connected to the pipeline network is conserved. In addition, the system encourages private producers of helium to conserve this non-renewable resource for future use. Federally-owned natural gas containing marketable helium reserves will be identified and contracted for sale or royalty to enhance conservation of crude helium already in storage.

In FY 2001 the program will continue to meet the needs of Federal customers through "in kind" crude helium sales to Federal helium suppliers. The income derived from crude helium sales, from private helium storage, and from fee sales/royalty payments for helium extracted from Federal lands will pay the full costs of the program.

The Helium Privatization Act of 1996, P.L. 104-273, made a significant change to the objectives and functions of this program. This legislation established revised guidelines for the helium program. Specifically, it directed BLM to:

- continue the storage and transmission of crude helium;
- sell the crude helium reserve over an extended period;
- oversee production of helium on Federal lands; and
- conduct National Academy of sciences Study on helium issues.

As Of October 1999, the legislation has resulted in the reduction of personnel from 173 (in 1997) to 61, cessation of refining functions, and initiation of orderly disposal of the excess property. Environmental assessments are underway.

Severance costs, annual leave reimbursement, and environmental cleanup costs will add to the funds typically required in a normal year. These costs are expected to be variable, depending on the effects of personnel reductions and on the results of environmental assessments of the

decommissioned production facilities. However, based on findings from Phase One Environmental Site Assessments, no significant environmental cost increases are expected.

Divestiture of the Amarillo and Exell plant sites will be influenced, in part, on the results of the Environmental Site Assessments.