

House Committee reviews success of Helium Stewardship Act

July 8, 2015

On July 8, the House Natural Resources subcommittee on Energy and Mineral Resources held a hearing reviewing the 2013 Helium Stewardship Act's (HSA) implementation. The Helium Stewardship Act charges the Bureau of Land Management (BLM) with auctioning off some of the helium held in storage by the federal government to raise money and provide stability in the helium market. The hearing reviewed the results of the first federal helium auction, which earned the federal government substantial revenue for the helium, but angered private sector consumers.

To enable private market competition, the Act allows refiners to buy raw helium from government storage, process it, and then sell it. It also allows helium merchants to buy the raw helium from the federal government and create "tolling" agreements with refiners where refiners use excess capacity in their refineries to process helium. This mechanism, while allowing those without the refining ability to bid on raw helium, leads to tension between refiners and merchants. Tolling agreements are essential for allowing merchants to produce helium; without access to refineries, merchants cannot use the helium from the federal government. At the auction, eleven of thirteen plots of helium were bought by two refiners, signaling a failure of the HSA to provide adequate competition. Everyone agreed that a steady supply of helium is vital to the science community. Dr. William Halperin stressed that fluctuations in the price of helium have the ability to disrupt scientific research by pricing researchers away from helium's unique cooling properties.

Sources: AGI reporting, E&E News

Updated August 17, 2015
