

The Dent-Higgins-Esty Amendment seeks to ensure the continued supply of helium for end users while requiring the Bureau of Land Management (BLM) to honor existing contracts for the supply and delivery of helium. This amendment affirms that the federal government will honor existing contracts that are set to expire October 1, 2015.

Dent-Higgins-Esty Amendment

- No provision of H.R. 527 will affect existing contracts between BLM and any persons that own:
 - Helium stored in the Federal Helium Reserve; or
 - A helium enrichment unit that is part of the Helium Reserve Fund
- Does NOT impact Congress' ability to authorize or take steps to improve the continued access of reliable and affordable helium to end-users prior to the Federal Helium Programs' October 2013 expiration

- Allows the continued access of this domestic resource for end-users by honoring agreements with private industry that effectively and efficiently refine helium for commercial use – not to stockpile.
- Serves the public interest of a continuous supply of helium while protecting private contract and property rights

Contracts Should be Read in their Entirety

- The Natural Resources Committee argues that contracts that run for a length beyond the authorizing period prescribed by the 1996 Helium Privatization Act expire upon the expiration of the Federal Helium Reserve's debt.
- Reading the contracts as a whole, not just section 3.2, shows that BLM had the necessary appropriations and authorizations **at the time** it entered into the most recent 5-year option contracts. Because the option was exercised, it should continue for the full 5-year period, ending 1 October 2015.

- The clear intent of the contracts is for them to expire on October 1, 2015. Nothing in paragraph 3.2 is inconsistent with this outcome. The result of the Committee bill, however, is to undermine existing contract rights, which would put the government on the hook for damages.

Property Rights Should be Upheld

- Helium refiners currently have approximately \$150 million in purchased helium stored in the Federal Helium Reserve. If H.R. 527 is enacted without our amendment, the refiners lose their ability to access this helium.
- By requiring the Secretary of the Interior to conduct semiannual open auctions prior to the conclusion of the existing contracts, H.R. 527 undermines the investment-backed expectations of these private firms.

Potential Economic Impact on Helium Refiners and Consumers of Failure to Extend Existing Contracts and Ensure a Continued Helium Supply

- The best estimates for the economic impact on Helium Refiners would be approximately **\$750-850 million**
- Importantly, if enrichment capabilities are halted with the enactment of this law, refined helium consumers would see 30% of the worldwide supply and 50% of the domestic supply become inaccessible.
- Without a valid contract, it will be physically impossible to move helium from the reservoir to end users.