



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 5, 2013

H.R. 527 **Responsible Helium Administration and Stewardship Act**

As ordered reported by the House Committee on Natural Resources on March 20, 2013

SUMMARY

H.R. 527 would authorize the Bureau of Land Management (BLM) to retain proceeds from the sale of helium from the Federal Helium Reserve to pay for the costs of operating the reserve. The bill also would require BLM to conduct domestic and global assessments of the supply of helium and to prepare several reports related to helium production on federal lands.

Based on information provided by BLM, CBO estimates that enacting H.R. 527 would increase net offsetting receipts (a credit against direct spending) by \$340 million over the 2014-2023 period; therefore, pay-as-you-go procedures apply. In addition, CBO estimates that completing the assessments and additional reports required under the bill would cost \$11 million over the 2014-2023 period, assuming appropriation of the necessary amounts. Enacting H.R. 527 would not affect revenues.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 527 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
CHANGES IN DIRECT SPENDING												
Estimated Budget Authority	-150	-105	-80	-55	-30	-5	25	20	20	20	-420	-340
Estimated Outlays	-150	-105	-80	-55	-30	-5	25	20	20	20	-420	-340
CHANGES IN SPENDING SUBJECT TO APPROPRIATION												
Estimated Authorization Level	5	5	*	*	*	*	*	*	*	*	10	11
Estimated Outlays	5	5	*	*	*	*	*	*	*	*	10	11

Note: * = less than \$500,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted during fiscal year 2013 and that the necessary amounts will be appropriated for each fiscal year.

Direct Spending

H.R. 527 would authorize BLM to retain proceeds from the sale of helium from the Federal Helium Reserve to pay for the costs of operating the reserve. Under current law, CBO expects that the agency's authority to retain those proceeds will end in 2013. After 2013, any funds necessary to operate the Federal Helium Reserve (and sell helium) would need to be appropriated by the Congress. Thus, under current law, any offsetting receipts from those sales would be contingent on the appropriation of such funds.

Because the legislation would authorize BLM to retain proceeds from helium sales to cover the costs of operating the Federal Helium Reserve after 2013, CBO estimates that enacting H.R. 527 would lead to additional helium sales, increasing net offsetting receipts by \$340 million over the 2014-2023 period.

Under the bill, BLM would be authorized to sell helium to private entities for commercial uses until the volume of recoverable helium at the Federal Helium Reserve is drawn down to a specified level. After that date, BLM would be authorized to sell helium only to other federal entities for medical and scientific uses. Based on information provided by BLM, CBO expects that commercial sales would cease at the end of 2019. Over the 2014-2019 period, we estimate that gross proceeds from the commercial sale of helium would total \$585 million and the costs to operate the Federal Helium Reserve would total \$160 million, resulting in a net increase in offsetting receipts totaling \$425 million.

Because CBO expects that BLM would no longer receive funds from the sale of helium to nonfederal sources after 2019, we expect that the agency would spend some of the remaining proceeds to fund the operation of the Federal Helium Reserve over the 2020-2023 period. Based on information provided by BLM, CBO estimates that the agency would spend about \$85 million over that period to operate the reserve.

Spending Subject to Appropriation

H.R. 527 would require BLM, in coordination with other agencies, to conduct assessments that would quantify the amount of helium resources in the United States and worldwide. The bill also would require the agency to complete various reports related to helium production on federal lands. Based on information from the Department of the Interior regarding the costs of carrying out similar activities, CBO estimates that conducting the assessments would cost \$10 million over the 2014-2015 period and completing the reports would cost less than \$100,000 a year over the 2014-2023 period, assuming appropriation of the necessary amounts.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 527 as ordered reported by the House Committee on Natural Resources on March 20, 2013

	By Fiscal Year, in Millions of Dollars												
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013-2018	2013-2023
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	-150	-105	-80	-55	-30	-5	25	20	20	20	-420	-340

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 527 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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