

July 16, 2012

Chairman Doc Hastings  
House Committee on Natural Resources  
1324 Longworth House Office Building  
Washington, DC 20515

Chairman Doug Lamborn  
Subcommittee on Energy and Mineral  
Resources  
1333 Longworth House Office Building  
Washington, DC 20515

Ranking Member Edward Markey  
House Committee on Natural Resources  
1324 Longworth House Office Building  
Washington, DC 20515

Ranking Member Rush Holt  
Subcommittee on Energy and Mineral  
Resources  
1333 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Hastings, Chairman Lamborn, Ranking Member Markey, and Ranking Member Holt:

As a broad coalition of industrial, scientific and medical stakeholders, we are writing to express our support for legislation to complete the privatization of the Federal Helium Reserve. Helium is a critical element used in numerous applications in our medical, industrial and scientific communities. Legislation is urgently needed to maintain a reliable domestic supply and minimize market disruptions while successfully transitioning out of government ownership. Hundreds of thousands of jobs depend on reliable access to and stable pricing for helium.

Helium plays a vital role in a wide array of products in the industrial manufacturing, commercial, medical and government markets. Key uses include MRI scanners, semiconductors, fiber optic cable, space exploration, scientific research and welding. It is a non-renewable resource that naturally occurs in only a few places globally, and any reduction in supply could dramatically impact our markets and the availability of these and other important products and services. It is therefore imperative that a stable domestic resource of helium is sustained to keep our markets operating smoothly.

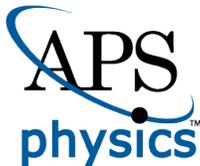
U.S. entities acquire much of their helium from the Federal Helium Reserve at the Bush Dome just outside of Amarillo, Texas. While operations stretch back to the 1960s, the Helium Privatization Act of 1996 was the last time that Congress considered this issue. When this statute expires in 2014, a significant portion of current global supply will no longer be accessible. In practical terms, this will happen sometime in 2013 when operating funds are projected to cease.

The result of inaction will be to take 30% of the world's supply off the market, causing enormous dislocations in the affected industries and ripple effects beyond them – patients forced to travel long distances to find working MRIs, semiconductor manufacturers and other industrial and commercial businesses uncertain where they will turn for essential helium, creating new dependencies on unstable foreign sources. Essential scientific research could suffer major adverse impacts.

We urge you to authorize the continued management of the Reserve to ensure maximum helium recovery and value to the U.S. Treasury and taxpayers while completing the privatization process begun in 1996. Such legislation does not need to authorize or require any new appropriations. Instead, it will keep the federal helium program revenue positive through continued crude helium sales from the federal stockpile. It will create certainty and stability in the helium markets for all stakeholders, federal and private alike.

In closing, we'd again like to reiterate the urgency of the situation and need to protect our economy and national security from unpredictable supply sources across the globe. Congress can help ensure a smooth transition to a fully private, safe supply of domestic helium that is available for many years to come.

Sincerely,



Materials Research Society

