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**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

**Opening Statement by**  
**The Honorable Doug Lamborn**  
**Chairman, Subcommittee on Energy and Mineral Resources**  
**At the Oversight Hearing on**  
***“Helium: Supply Shortages Impacting our Economy,***  
***National Defense and Manufacturing”***  
**Friday, July 20, 2012 at 9:30 a.m.**

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I'd like to thank everyone for attending our hearing today. Today the Subcommittee is meeting to discuss the U.S. demand for helium, the impending closure of the BLM federal helium reserve and the impact this closure would have on the U.S. scientific, technical, medical and defense industries that rely on this critical gas.

Helium was a once disposal byproduct of the natural gas production process, however now it serves a variety of purposes in industries not only in the United States, but also around the globe. The U.S. government's helium supply was and remains vital to national security. Initially during World War I it was used by the army as an alternative to hydrogen in military aircraft and blimps. To ensure a helium supply would be secure and available to the government, in 1925 Congress created the Federal Helium Program, the heart of the program being a helium production and storage program operated by the U.S. government in Texas, Oklahoma and Kansas.

As military technology advanced, governmental need for helium decreased and by the 1990s having run almost unchecked for seven decades, the program was operating with over a billion dollar deficit. In 1996, Congress passed the Helium Privatization Act, that required the sale of the helium in the reserve to recoup the debt, with the idea being that as federal supplies decreased, American industry would begin to develop other sources of helium. Unfortunately, although the debt will be paid off next year, the alternative resources are not online. As a result, the closure of reserve will cause significant economic disruption with American manufacturers having no other significant source.

Access to a reliable supply of helium is vital to a numerous U.S. industries and the jobs that are dependent on them. It is also a vital component of products that every American depends on every day. Helium is essential to maintaining superconductive magnets on MRI machines, welding, LCD screens, medical lasers, rocket fuel, and nuclear reactors.

While countries like Algeria, Qatar and Russia continue to have active growing helium supplies, US supplies continue to decrease, forcing American companies to increasingly depend on these foreign countries to provide a basic element of their business.

Additionally, we are facing a global shortage of Helium – 3, an isotope of helium that is used by numerous industries, including energy and homeland security industries. H3 is a critical and important component in neutron detectors that secure the nation against smuggled nuclear and radiological material. In the years following the September 11 attacks, what was once a surplus of H3 created by our nuclear weapons program is now a dwindling supply. If alternative or additional supplies are not found, this shortage will have very real impacts on our national security. The impending shortage of helium and H-3 could have disastrous consequences for US industries that are dependent on helium to innovate, manufacture, and provide jobs for Americans.

Having identified these issues, the question is what is the solution? Clearly Congress cannot simply allow this huge economic dislocation and national security threat, when action can be taken on alternatives. However, neither can Congress simply continue along in the process that has resulted in this critical juncture.

This hearing will look at the consequences and help us understand the question of what can be done to avoid it. I'd like to thank our witnesses for joining us today and I look forward to your testimony.