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FOR IMMEDIATE RELEASE

WASHINGTON, D.C. July 29 -- U.S. Senator Bob Dole (R-Kans.) today cosponsored a resolution which favors the free market mechanism for determining the price of natural gas paid the producer. The resolution, introduced by Senator John Tower (R-Tex.), states that the current natural gas price as set by the Federal Power Commission is "too low to provide the necessary economic incentives to explore for new reserves of natural gas."

In a statement on the Senate floor, Dole said that the Federal Power Commission's regulation of the price of natural gas is self-defeating.

"Price-fixing was implemented to 'protect' the consuming public," Dole said, "but has instead discouraged natural gas exploration and development.

"While the establishment of a fixed price stimulated demand, it did not allow gas producers to compensate for increasing costs. As a result, producers were forced to cut back on exploration, and the United States now faces a dangerous and growing shortage of energy reserves. Failure to expand domestic natural gas production will compound present shortages which are certain to be aggravated by increasing demand for non-pollutant energy sources.

"Passage of the resolution would clearly indicate to the Federal Power Commission the Senate's desire that the natural gas producer be paid a price that will provide 'the necessary economic incentives to explore for new reserves of natural gas.'

"I urge expeditious action on this resolution."