



NEWS from
**U.S. Senator
Bob Dole**

(R.—Kans.)

New Senate Office Building, Washington, D.C. 20510 (202) 225-6521

684

FOR IMMEDIATE RELEASE - January 17, 1974

DOLE URGES PROPANE PRICE REG CHANGES

La Crosse, Kan. -- Senator Bob Dole said today that he will ask for an immediate change in the federal regulations governing propane prices. Dole said initial reports he has received from Internal Revenue Service investigators checking on propane price complaints in Kansas at his request, indicate to him that a change in the regulations may be the only way to obtain relief from the propane price spiral.

"The high costs being charged for some propane," Dole said, "burdensome as they are, are apparently allowed for by existing regulations. I am today contacting the Federal Energy Administrator, William Simon, urging a revision of the regulations. The consumer is faced with mounting prices and the retailer, in many cases, is himself having difficulty coping with his increased wholesale costs."

At present, regulations permit oil companies to add to their propane prices a disproportionate share of their total increased costs of production for all products. Dole says he is proposing a change to prohibit this, so that any increase in the price charged for propane would have to be in proportion to actual increases in propane production costs.

"I have, last week, proposed a roll-back on propane prices", Dole said, "and I now urge the Federal Energy Office as a minimal first step, at least, to change the regulations so that only the added cost directly associated with the production of propane can be added to its price. Effectively, I believe, this will help stabilize propane prices and discourage any further increases. At the same time, I will continue to urge a roll-back -- at least a temporary one -- to see Kansans through the remainder of the winter months."

Yesterday, Dole asked IRS investigators to check into the propane price situation in Kansas. Dole had found wide variation in prices being charged for propane and in some cases, price rises of 300 or 400 percent. Dole will meet with them Thursday night in Lyons at 6:00 p.m. in the Lyons Kansas Hall to receive there a more detailed report.

####