

Sam Richardson
1-800-432-2498
Topeka 357-6201



1137b

NEWS from U.S. Senator Bob Dole

FOR RELEASE: 7 a.m. 10-10-74 (Friday)

(R.—Kans.)

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

WICHITA, Kan. (Special)—U.S. Sen. Bob Dole (R.—Kan.) has urged the nation's energy chief to remember the "suffering and sacrifices of many Americans last winter" before approving new propane pricing regulations.

Attempting to head-off another winter of exorbitant increases in the prices of propane, Sen. Dole has urged Federal Energy administrator John Sawhill to demonstrate "a human kind of concern for American consumers, especially for rural residents and for elderly people with fixed incomes."

Sen. Dole, in communications with Sawhill, charged the Federal Energy Administration would be shirking its responsibility of keeping propane prices at a reasonable level if new regulations become law. Sawhill's Federal Energy Agency submitted regulation revision proposals Sept. 5 and 10.

The senator suggests those revisions would permit increases in product costs passed on in the price of propane to be based on the value of the liquids removed from the natural gas stream.

"To a profit-oriented businessman," Sen. Dole said, "the value of his product is the best price he can get. In the absence of competition under price regulations, this provision would permit a repeat of the exorbitant prices from last winter. Such a repeat would be unacceptable."

Sen. Dole has advised Sawhill that, between September of 1972 and January of 1974, the price of propane skyrocketed fourfold. Seventy per cent of Kansas propane is from natural gas and the price of this primary source obviously did not increase by a multiple of four, he emphasized.

"Prices comparable to those of last winter would also be disastrous to the retail propane industry," Sen. Dole said. He said that in his state, the retail industry became the whipping boy for the high prices charged by most major producers.

"Most Kansas retail dealers attempted to keep honest and reasonable profit margins and take care of the propane requirements of their customers while --at the same time-- trying to cope with complex federal regulations and obtain an adequate amount of product in order to stay in business," Sen. Dole told Sawhill.

"For this customer loyalty and responsible attitude, many dealers were rewarded with Internal Revenue Service inspectors scrutinizing records for violations of regulations few people could understand. A repeat of this situation must also be avoided."

###