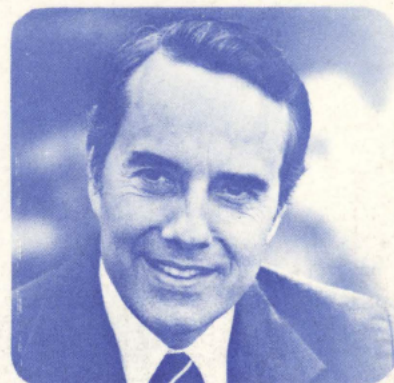


News from Senator

BOB DOLE



(R - Kansas)

2213 Dirksen Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 25, 1980

CONTACT: BILL KATS, BOB WAITE
(202) 224-8947, -8953

REPUBLICANS SAY SENATE PHASE-OUT OF 'WINDFALL PROFITS' BILL NECESSARY

WASHINGTON -- Thirty-nine Senate Republicans today wrote to Senator Bob Dole (R-Kan.), Republican leader in the windfall tax conference, urging that the Senate "not recede to the House on the phase-out of the so-called 'windfall profit' tax."

"This is an important show of strength in favor of what we in the Senate see as a critical portion of this legislation," Dole said. "The Senate phase-out provision does guarantee that there is adequate funding to meet conservation, alternative energy and transit projects, and energy aid for the poor. But we believe that once we reach these funding goals, it is not necessary to retain the 'windfall profits' tax as a permanent fixture. A continuing tax, like the House envisions, could have a dramatic effect on the share of capital diverted to the federal government."

Under the Senate version, the bill would be phased out at the rate of 3 percent per month once projected revenues reach 90 percent.

Following is the text of Senate Republicans' letter to Dole:

Dear Bob:

We are writing to express our collective concern that the Senate not recede to the House on the phase-out of the so-called "windfall profit" tax.

We strongly believe that the Senate's triggered phase-out is the single most important provision in the bill. The Senate phase-out mechanism guarantees the Federal Government a sum certain from the windfall tax. Consequently, the country can be assured of receiving the revenues needed to fund desirable conservation, alternative energy and transit projects, and to provide energy relief to the poor.

On the other hand, the Senate bill phase-out mechanism ultimately permits the tax to be terminated when the stated national revenue goals have been achieved. We ought not tax just for the sake of taxation or to punish an industry. While the Federal Government left uncontrolled has an unquenchable thirst for revenue, the Carter Administration has attempted to make a case only for \$142 billion in "energy-related" spending -- \$85 billion less than the Conferees have already agreed will be raised by the windfall tax.

In view of our strong feeling about this matter, we urge you to vigorously resist the House Conferees' efforts to delete the triggered phase-out concept from the bill. As you know, we already have serious reservations about a number of the actions already taken by the Conferees on this bill. Failure to adopt the Senate phase-out provision would obviously make it difficult for us to support the Conference Report when it reaches the Senate floor.