

BOB DOLE



(R - Kansas)

SH 141 Hart Building, Washington, D.C. 20510

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CONTACT: WALT RIKER,
SCOTT RICHARDSON 202/224-6522

DOLE CONTINUES TO PRESS FOR ASSURANCES ON EL DORADO REFINERY;
LETTER FROM TEXACO CHAIRMAN OPTIMISTIC, BUT DOLE SEEKS MORE

WASHINGTON -- In a personal letter to Kansas Senator Bob Dole, Texaco Chairman John McKinley stated that his company believes "it will be able to find a reputable firm that is financially strong enough to purchase and operate" the El Dorado Refinery whose future has been threatened by the planned merger between Texaco and Getty Oil companies.

However, Dole said he would continue to closely monitor developments at the refinery and would not rest until the future of the facility was ironclad.

"I am pleased the chairman has responded to my concerns by personally reaffirming Texaco's commitment to maintain the refinery as a fully operational facility consistent with the Federal Trade Commission's consent agreement. Nevertheless, I will continue to take a wait and see attitude. It is encouraging that the company appears to be concerned for the plant and its employees as much as I am, but there is a long way to go before we can feel 100% secure about the continuance of this vital facility," Dole said.

The following is the text of the Texaco letter:

Please let me take this opportunity to review with you the implications of the Texaco-Getty Merger on Kansas. I realize that you have expressed specific concerns relating to the sale of the El Dorado Refinery which has been required by the FTC Consent Order.

Texaco believes it will be able to find a reputable firm that is financially strong enough to purchase and operate the refinery. As you know, the El Dorado system is designed to serve, in large part, the Mid-West market. The 90,000 BPD refinery is an efficient plant, producing a full slate of petroleum products, with a high gasoline yield. A number of substantial companies already have expressed a strong interest in purchasing these properties, which have been operated profitably by Getty.

We are highly confident that we will be able to sell the refinery together with the pipelines and marketing facilities that support it. It will be sold to a 3rd party who will continue to operate it as an ongoing refinery, transportation, and marketing entity. I can commit to you that the sale will be consistent with all the requirements of the FTC Consent Order.

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The FTC order requires that the El Dorado refinery and related facilities be continued "as an ongoing, viable petroleum marketing business." The Commission must approve the terms and conditions of any potential sale to ensure full compliance with the consent order. I believe that the FTC mandate provides maximum protection for the continued operation of the refinery.

Several other concerns have arisen relevant to the future of the Refinery. These include future crude supply arrangements and the potential impact on gasoline markets. We do not foresee problems in this area. Kansas producers will continue to have a transportation cost advantage over more distant producers. There is no reason why they should not continue to supply the plant's crude requirements at posted prices.

With respect to the other crude requirements of the Refinery, we believe there are ample supplies available in the marketplace through purchases and exchanges. Texaco is publicly committed to providing continued supply arrangements with independent marketers, both branded and unbranded. We will attempt to ensure that any future operators will continue these commitments.

I'd like to reaffirm that the welfare of Getty employees is extremely important to us. The Merger Agreement specifically addresses employee benefits in a detailed, protective manner. The document provides that for two (2) years following the Merger, Getty employees will have benefit plans which in the aggregate, will be no less favorable than their current plans. It is my personal commitment to ensure a smooth transition and minimize the effect on employees.

We are in the process of developing plans and procedures concerning the sale of the El Dorado Refinery. I will be pleased to keep you advised with respect to significant future developments. Likewise, every effort will be made to ensure that all employees are kept informed of important developments in the weeks and months ahead.

Dole also indicated he is looking forward to the upcoming March 26 Senate Judiciary Committee hearings on antitrust policy.

"We are obviously witnessing an increase in merger activity, most notably in the oil industry, and before we get too far along, Congress ought to carefully review the Justice Department's merger guidelines," Dole said.