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NEWS from U.S. Senator Bob Dole

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FOR RELEASE UPON RECEIPT

Washington--Senator Bob Dole returned to Washington from a round of 62 public meetings in Kansas, armed with "potent ammunition" with which to try to sell Federal Energy Administrator William Simon on the need for new regulations and a roll-back on propane prices.

Dole had conferred by telephone with Simon from Garnett, Kansas, and then met with him twice on his return to try to work out a method of reducing the propane prices being charged Kansans. The Senator told Simon that supply of propane was not the major problem in Kansas. "High price is the problem," he said. Dole had met in Lyons with Internal Revenue officials, propane dealers, consumers and storage facility operators.

Dole urged Simon to implement a regulation change to "put a stop to the outrageous price spiral which has been pushing propane prices through the roof in recent months." This change has been made and under the new regulations, propane prices will be increased only if, and only as much as, the actual cost of producing propane may rise. Previously oil companies were allowed to load onto the price of propane a disproportionate share of their total increased costs of refinery production for all petroleum products.

"While this regulation change is a step in the right direction," Dole explained, "it still does not take into consideration the fact that propane prices are already unreasonably high because of the effect of earlier regulations. I had hoped that a roll-back could be instituted without resorting to legislation, but it now appears that is out of the question. Therefore, I have prepared legislation, as I promised Kansans I would if it became necessary. The two-step plan I proposed would roll back propane prices to January, 1973 levels and would then permit prices to be raised only as much as the actual cost of propane has risen during the year since January of 1973."