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NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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DOLE HELPS SERVICE STATIONS

WASHINGTON, D.C. -- Senator Bob Dole today announced that the cancellation of leasing contracts by oil companies with operators/owners of service stations is illegal and that refunds are to be given in cases where this has happened.

"Service station operators have in many ways borne the brunt of the energy crisis. They have suffered reduced profits through reduced sales volumes as well as the complaints of their customers," Dole said. "The cancellation of contracts by the major oil companies has put service station owners in a further profit squeeze. Hopefully, this clarification of the regulations will prevent this from happening further."

Dole asked the Federal Energy Office for a clarification of Phase IV regulations prohibiting the cancellation of leasing contracts. Many service station owners owning their own property or leasing the property from a third party have contacted the Senator to advise him of the termination of leasing contracts by the major oil companies. The effect of these cancellations has meant a decrease in revenue for service stations resulting in a further profit squeeze.

The FEO told the Kansas Senator that such cancellations are illegal. In the cases where service station operators who have contacted Dole on this matter, the FEO is notifying the oil companies involved that the cancellation is illegal and that refunds may be required.

FEO officials informed Dole that lease agreements between a gasoline manufacturer and gasoline retailer will be held to the terms and conditions as of May 15, 1973.

Due to the complexity and numerous types of leasing agreements, the Energy Office is continuing to study this matter and expects to issue further rulings in the future.

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