

1068



# **NEWS** from **U.S. Senator Bob Dole**

(R.—Kans.)

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

FOR IMMEDIATE RELEASE  
THURSDAY, AUGUST 8, 1974

CONTACT: JANET ANDERSON

## DOLE WELCOMES NEW PROPANE PRICING RULE

WASHINGTON, D.C.--Senator Bob Dole said today that a new propane pricing rule announced by the Federal Energy Administration "was a welcome improvement on existing rules and should help forestall any repetition of last year's outrageous propane price spirals."

The new regulation, actually an amendment to FEA's existing "Special Propane Rule" issued last January, provides that "The percentage of increased cost of crude petroleum which may be apportioned to propane may now not exceed the percentage that propane produced from crude oil is to all products produced from crude oil"

In other words, the new rule is intended to stabilize propane prices by permitting price increase only when they are directly justified by increase in the actual cost of propane production.

Dole had called for such a pricing rule last January in a letter to then Federal Energy Administrator William Simon. The Energy Office acted at the time in response to the request from Dole and others in Congress but did not go as far as Dole had urged.

The new regulation, which took effect on August 1st, appears to satisfy Dole's request for a requirement that the regulations be changed "to permit increases in the price charged for propane only when they are directly associated with increased propane production costs." The new regulation is expected to prevent refiners from trying to make up a disproportionate amount of cost increases by artificially loading the price of propane so as to keep the price of other petroleum products down.