

# BOB DOLE



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FOR IMMEDIATE RELEASE  
WEDNESDAY, MAY 7, 1980

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## DOLE DISAPPROVES OF NEW GAS PRICING STRUCTURE

WASHINGTON -- Senator Bob Dole (R-Kan.) joined fellow Senator Richard Stone (D-Fla.) in warning that adoption of a natural gas incremental pricing scheme would lead to increased energy instability and economic hardship for consumers. The two voiced their dissatisfaction with the scheme in a resolution of disapproval of Phase II of the Natural Gas Policy Act of 1978, which provides for incremental pricing to most interstate industrial gas users. The resolution was introduced today.

"An independent study by Wharton Econometric Forecasting Associates projects that inflation between 1980 and 1990 will average nearly one percent higher each year due to incremental pricing," Dole said. "Additionally, the GNP could experience a reduction of \$35 billion by 1985 and over one million jobs would be lost by 1990 as a result of Title II.

"For economic reasons alone, this pricing scheme would increase our inflation spiral and add to the decreased earning and spending power of the consumer. Having to displace gas with imported oil is contrary to the comprehensive national energy policy that this Congress, and nation, have been working hard to achieve in the past months. The sheltering of the residential customer from higher heating costs will never be instituted, as we have witnessed the ceiling price for natural gas prices rise to 225 percent since 1978."

Dole and Stone both urged the Senate to adopt a disapproval before May 9, when the rules for Phase II under the policy act are issued.

"Title II should not be implemented," Dole said. "The complicated pricing system under the Natural Gas Act has added to the administrative responsibility and bureaucratic red tape of the Department of Energy, FERC, gas industry companies, and industrial gas users.

"Incremental pricing will result in the displacement of natural gas with foreign oil in the industrial sector. At a time when this nation is attempting to gain some degree of energy independence from the OPEC cartel, I see the incremental pricing scheme as contradictory to the many energy measures providing for synfuel development and increased domestic development passed this Congress."