

BOB DOLE



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DOLE SEEKS ASSURANCES ON CONTINUANCE OF EL DORADO REFINERY

WASHINGTON -- During debate in the Senate today on antitrust policies, Kansas Senator Bob Dole expressed concerns over the negative impact a proposed merger of two of the nation's biggest oil companies would have on Kansas.

Dole said he was deeply concerned about the possible closure of the El Dorado Getty refinery as a result of the proposed merger of Texaco and Getty Oil companies. Dole announced that he would be meeting with top officials from both companies to seek assurances that the refinery would continue to operate. The refinery and merger questions were discussed during the consideration of an amendment that would restrict mergers between top 20 oil companies.

The following is the text of Senator Dole's floor statement:

MR. DOLE: MR. PRESIDENT, THE AMENDMENT OFFERED BY THE DISTINGUISHED SENATOR FROM OHIO, TOUCHES ON A VERY SENSITIVE ISSUE IN MY STATE. THE PENDING MERGER BETWEEN TEXACO, THE NATION'S THIRD LARGEST OIL COMPANY, AND GETTY, THE NATION'S 14TH LARGEST, THREATENS TO HAVE A SEVERE IMPACT ON THE STATE OF KANSAS. IT IS IN THAT CONTEXT THAT I BELIEVE THE AMENDMENT JUST OFFERED HAS MERIT.

MR. PRESIDENT, THE FTC CONSENT ORDER IN THE TEXACO/GETTY MERGER REQUIRES AS A CONDITION OF APPROVAL THAT TEXACO DIVEST THE GETTY REFINERY NOW LOCATED IN EL DORADO, KANSAS AND THE RELATED PIPELINES AND RETAIL OUTLETS. WHAT THE FTC SEEKS IS TO ENHANCE COMPETITION IN THE MID-WEST BY REQUIRING THAT THE PACKAGE INCLUDING THE EL DORADO REFINERY BE DIVESTED IN SUCH A WAY AS TO ENSURE THE CONTINUATION OF THOSE ASSETS AS A VIABLE, ONGOING PETROLEUM REFINING AND MARKETING BUSINESS. THIS SENATOR HAS NO QUARREL WITH THAT OBJECTIVE.

BUT, THIS SENATOR IS CONCERNED THAT, AS LEAST WITH RESPECT TO THE REFINERY, THE OBJECTIVE MAY NOT BE ACHIEVED. I AM NOT YET CONFIDENT THAT A BUYER WILLING TO CONTINUE OPERATIONS WILL BE FOUND. AND, THAT IS A MATTER OF SERIOUS CONCERN. DIRECTLY AND INDIRECTLY THE REFINERY PROVIDES 1,000 JOBS IN A CITY OF 12,000 RESIDENTS. LOSING THE REFINERY WOULD BE A DEVASTATING BLOW.

MR. PRESIDENT, IN THE TEXACO/GETTY SITUATION I AM SEEKING ASSURANCES THAT MY STATE WILL NOT LOSE A REFINERY. I DO NOT HAVE THOSE ASSURANCES AS YET. THE COMPANIES INVOLVED ADVISE ME THAT THERE ARE INTERESTED BUYERS AND THAT THEY WOULD CONTINUE TO OPERATE THE REFINERY IF ALLOWED TO. I HAVE FURTHER MEETINGS SCHEDULED WITH COMPANY OFFICIALS TO SEE IF WE CAN PIN DOWN THOSE ASSURANCES. THE CONSENT ORDER SUGGESTS THAT THE OVERRIDING INTEREST OF THE FTC IS IN CONTINUING OPERATIONS AT EL DORADO AS A COMPETITOR WITH THE POST-MERGER TEXACO. NEVERTHELESS, I AM STILL TROUBLED BY THE THREAT THIS MERGER POSES.

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ACCORDINGLY, I HAVE GROWN CONCERNED WITH THE GENERAL ISSUE OF MERGERS BETWEEN THE LARGEST OIL COMPANIES. I HAVE NO DOUBT THAT IN CERTAIN CIRCUMSTANCES IT IS GOOD BUSINESS TO BUY PROVEN RESERVES RATHER THAN INVEST IN NEW EXPLORATION. I AM ALSO CONFIDENT THAT THE FEDERAL TRADE COMMISSION AND THE DEPARTMENT OF JUSTICE ARE DILIGENTLY ENFORCING THE NATION'S ANTITRUST LAWS.

NEVERTHELESS, I CAN'T HELP WONDERING WHETHER THESE MERGERS ARE GOOD POLICY. IS IT GOOD POLICY TO ALLOW MERGERS BY ENFORCING CONSENT ORDERS THAT MAY THREATEN THE ECONOMIC SURVIVAL OF SMALL COMMUNITIES? IS IT GOOD POLICY TO ALLOW OIL INDUSTRY CAPITAL TO FLOW TO SHAREHOLDERS IN EXCHANGE FOR KNOWN OIL RESERVES, RATHER THAN BEING INVESTED IN EXPLORATION AND DEVELOPMENT OF NEW RESERVES? THESE ARE SERIOUS QUESTIONS WORTHY OF OUR ATTENTION. I THINK WE OUGHT TO RAISE THOSE CONCERNS AND DEBATE THESE QUESTIONS ON THE RECORD. I AM CONCERNED ABOUT THE IMPACT OF THE MERGER IN MY STATE AND - IF THIS AMENDMENT MUST BE VOTED DOWN ON PROCEDURAL GROUNDS - AND IT IS NOT GERMANE - WE'LL HAVE AN OPPORTUNITY TO REVISIT THIS ISSUE AGAIN.