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NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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DOLE PLANS SENATE MOVE ON OIL

WASHINGTON, D.C.--Senator Bob Dole today said he will introduce an amendment to exempt small independent oil and gas producers in Kansas and elsewhere if a repeal of the depletion allowance is added to the tax rebate bill in the Senate.

"Proponents of repealing the depletion allowance simply do not understand the independent oil industry," Dole said. "There is tremendous risk in drilling oil wells which makes the depletion allowance necessary. In 1973, for example, over 81% of the wells drilled in Kansas were dry. The vast majority of new wells in our State, and the entire country, are drilled by independents. Without the depletion allowance, a large portion of our petroleum exploration, and a vital competitive element in the industry, would dry up. With repeal of the depletion allowance, there would also be a risk of higher unemployment--in Kansas alone, 8,000 workers are directly employed in oil and gas production and thousands more jobs are indirectly linked to oil and gas production."

Dole voiced optimism that liberals would not bring up the depletion allowance repeal when the tax bill is considered because many--Democrats and Republicans--agree that the oil measure should be considered with a comprehensive energy program and that it would be irresponsible to vote on such an important issue before hearings have been held. Dole said he has drafted an exemption, covering producers smaller than 3,000 barrels per day, in the event a repeal amendment is introduced on the Senate floor.

The Kansas Senator also said he had joined a caucus of 50 Congressmen from energy producing states who will work for legislation protecting the interests of their states. A major goal of the caucus is to block proposals by the New England caucus and other groups that would discriminate against Midwestern and Western states. The policies suggested by these groups would place a disproportionate share of the increased energy costs on gasoline. Since Midwestern and Western states use more gasoline per person, while New England uses more fuel oil per person, adoption of their policies would place the bulk of increased energy costs on Westerners and Midwesterners.