

News from Senator

BOB DOLE



(R - Kansas)

2213 Dirksen Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE
FRIDAY, JUNE 8, 1979

CONTACT: BOB WAITE, BILL KATS
202-224-8953, -8947

DOLE BILL WOULD FREE GASOHOL DEALERS FROM ECONOMIC REPRISALS

WASHINGTON -- A bill introduced Tuesday, June 5, by Sen. Birch Bayh (D-Ind.) and sponsored by Sen. Bob Dole (R-Kan.) "is an important step toward the widespread commercialization of gasohol because it would remove the spectre of economic reprisals by suppliers against branded service station dealers -- the major distributors of motor fuel in this country -- who want to sell gasohol," Dole said today.

The bill, the Gasohol Marketing Freedom Act (S. 1268), would amend the Petroleum Marketing Practices Act to prohibit gasohol sales by franchised dealers from becoming legitimate grounds for a supplier to terminate or refuse renewal of a franchise, and by prohibiting economic reprisals against retailers who distribute gasohol.

"To date, agricultural cooperative associations have been in the forefront of gasohol marketing initiatives," Dole said. "While I believe there are many explanations for this, one clear reason is that the major marketers of motor fuels in this country -- the 146,000 independent branded gasoline service station dealers -- cannot market gasohol without fear of economic reprisal from their suppliers because they are currently prohibited from selling any product to the public other than franchisor products.

"While I would very much like to see our farm coops stay in the gasohol business, I think it is essential that gasohol be freely sold, according to customer demand, in areas not served by our coops. This can only occur through the established marketing system for motor fuels -- the franchised, neighborhood service station dealer. In short, this bill would remove a major barrier now retarding gasohol sales and permit independent service station dealers to offer this attractive product to the public without fear of reprisal.

"Gasohol sales are continuing to increase, with plans for increasing domestic production of anhydrous alcohol, to meet the public's demand for gasohol, afoot in literally every region of the country. The grassroots response to gasohol sales has been very enthusiastic and the American public has been quick to grasp the many virtues of this fuel, one of the few means available to us to reduce dependence on foreign oil and compensate for local and regional spot shortages of petroleum products. Demand is currently outpacing supply.

"Due to the shortage of premium unleaded gasoline, there is a critical need to encourage companies which have the ability to produce ethanol for gasohol by assuring them an adequate supply of natural gas. Because of the lead time necessary to construct alcohol fuel production facilities, the clearest opportunity for increasing consumer access to gasohol now lies with re-activating our idle distilleries."

In addition to sponsoring the bill, Dole also signed a letter with several other senators sent to the Federal Energy Regulatory Commission urging the commission to consider its role in encouraging alcohol fuel production as it promulgates rules affecting the distribution of natural gas to alcohol distillers.