

News from Senator

BOB DOLE



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DOLE INTRODUCES BILL TO EASE FUEL OIL CREDIT CRUNCH CAUSED BY OPEC PRICE RISES

WASHINGTON-- Senator Bob Dole (R-Kansas) has introduced a bill in the Senate which would ease the fuel oil credit crunch for consumers and heating oil dealers.

Dole, who is the Chairman of the Republican Task Force on Energy and Ranking Republican member of the Senate Finance Committee, has spent the past several weeks with fuel oil dealers, consumers, bankers and accountants.

"I believe I have come up with a measure that will help ease this crisis. The problem facing fuel oil dealers is one of cash flow, i.e., having sufficient money on hand to pay their own bills while waiting to receive payments due from customers. There are two factors which contribute to the cash flow problem. On the supplier side, dealers have to pay more for the product they buy, and they have to pay for it sooner without getting the cash discounts previously available to them. On the customer side, dealers are owed more for the fuel they sell, although they are not selling a larger volume, and their customers are having trouble paying in a timely manner," said Dole.

Specifically, Senator Dole's bill would do the following:

1. The first 90 percent of a loan to a bona fide fuel oil dealer would be guaranteed by the government.
2. Any fuel oil dealer who sold not more than 40 million gallons of heating oil during 1978 would be eligible.
3. Loans would be for working capital to allow dealers to stay in business or for acquisition capital to allow failing dealerships to be acquired.
4. The Small Business Administration would be responsible for administering the program and would design a special program to meet the unique needs of fuel oil dealers.
5. Fees would be charged to cover the administrative costs of the program, while monies necessary to cover the guarantees on defaulted loans would come from general revenues.
6. The program would be effective immediately upon passage, and the SBA would be directed to have the program in place within 60 days.
7. The SBA would be directed to establish a mechanism to ensure that loans would be available within 30 days of application.

In addition to this legislation, Senator Dole has sponsored, with Senator Abraham Ribicoff (D-Conn.) a tax credit measure to help middle income consumers with their fuel oil bills and, as ranking Republican on the Senate Finance Committee, has been involved in putting together a proposal to provide assistance in obtaining energy for lower income individuals.

"It is clear that we need to act quickly on these measures if we are to avert the potential for discomfort, or worse, this winter," said Dole.