

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

April 3, 2001

LB 75, 536

I have to disagree with that, and I'm a supporter of ethanol. I...LB 536, I'm a cosigner of that bill to promote the ethanol production. I think I'd like to see that bill amended into this one, be what I'd like to do, but it's not my bill. But if you're going to say that we're aligning ourselves with big oil, I think it's 180 degrees from there, in all honesty, Senator Bruning. Big oil will have us around the neck if we pass this bill. They have a market that they...it's mandated that we use...they provide us 85 octane and we're going to be at their mercy. This bill is designed on hope that they will produce 85 octane fuel at the refineries; the hope that the pipe line companies will transport it up here and not charge us too many cents a gallon more. Even Senator Connealy, I think in his last statement, said that it might be one to two cents a gallon less than 87 octane. We forgot to bring into this mix, this discussion, that another factor that enters in here is the price of the raw ethanol. Price of raw ethanol is simply...reflects demand, and last winter, all the way from last fall actually through February, the price of ethanol hovered around a dollar seventy-five to a dollar eighty cents a gallon for the raw ethanol, meaning hundred percent ethanol. So if you take that dollar eighty cents a gallon and blend that in with fuel that's costing a dollar forty cents a gallon, obviously you're going to raise the price of that blend four cents a gallon. That's just...it's been that way since last fall and, as I said, just last Friday it's finally gone down. The price of ethanol has come down to the price of 87 octane no lead, so that factor has not been mentioned. And I don't "begret" the alcohol...the ethanol producers from making that profit. The demand was there; they raised their price; they sold the product. That was free market operating at its best and I don't "begret" them for that. If they can get two dollars a gallon out of their ethanol, so be it. It's going to increase the price of ethanol-blend fuel in Nebraska, but they're going to be making a ton of money, these ethanol producers. I think if I have time the next time I speak, I will hand out a chart showing the price of ethanol and anybody who is a corn producer I think is going to have to admit the price of corn has not gone up to follow the price of ethanol. Why? There is a lot of corn. That's market factor, supply and demand. But the demand for ethanol went up so their price went up to a dollar and eighty cents a gallon,