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LB 75

Senator Connealy wants to do is reduce the number of gasoline blends...not blends, grades, to two. One would be the ethanol blend which is the lowest octane. The second would be premium. What happens to regular? It is no longer on the screen. I say again no refinery needs to be concerned about shipping subgrade gasoline into Nebraska because with this bill the refiner can send in 87 octane regular and that's the only gasoline that will be available to carry the ethanol. I'd like to ask Senator Schrock a question.

SENATOR CUDABACK: Senator Schrock, are you available? He is. Senator Schrock, will you respond to a question?

SENATOR CHAMBERS: Senator Schrock, if you were selling a product and there are two versions of it, one version brings you more money; Version A brings you more money than Version B. Which version would you market?

SENATOR SCHROCK: I would market the one that brought me the most money.

SENATOR CHAMBERS: I knew that, and that's the...thank you. I just wanted to get your attention because you probably wonder why I asked that question. If we have a refinery producing a fuel, and we're told that 85 octane is cheaper and will bring a lesser profit, why would a refiner produce and market 85 octane when to the same target market the refiner can sell 87 octane, which is regular, at a higher price? The refiner is going to ship into Nebraska 87 octane regular. It simply cannot be sold under the terms of this bill, but it will be the only fuel available to enhance with ethanol. So regular will come into the state, but it cannot be sold because it has no ethanol blend. When you blend in the ethanol, it raises the octane to 89. Since ethanol blend must be the lowest octane that regular that comes into the state at 87 octane cannot be sold. It cannot be sold. The only purpose that it can be used for is alcohol or ethanol enhancement, or you enhance it with ethanol so that you can then sell it. So no refiner that I can envision would be sending subgrade...

SENATOR CUDABACK: One minute.