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have a subsidy to get started, but we have something to look forward to in the future, so we need to remember that. Ethanol plants add value to our most abundant resource and benefit all parts of our state. If the U.S. ethanol demand triples in the next few years, like it is predicted, we must compete with other states to attract the new plants. Along with our location, grain production, livestock feeding and existing infrastructure, we must offer an incentive package. Right now we're producing about 1.6 million gallons of ethanol annually. Nebraska produces 360 million gallons of ethanol, representing 50 percent of our state's average annual gasoline usage. The use of the petroleum additive MTBE is being phased out due to the danger of contamination of ground water. The state of California and seven northeast states are projected to need another 1.2 billion gallons of ethanol to replace MTBE. The money invested by our state as ethanol incentives will be used to develop new sources of fuel for internal combustion engines. By using ethanol instead of a petroleum product, we are extending existing supplies of gasoline. More importantly, the use of ethanol will reduce the environmental costs that we are faced with due to past errors of the petroleum industry, and that has to do with MTBE contamination and leaking underground storage tanks. Nebraska is a prime location for these new plants, with our west central location, grain production, feeding and existing infrastructure. However, South Dakota, Missouri, Montana, Kansas and Wyoming currently offer production credits. We must be competitive with these credits if we're going to attract more ethanol industry to this state. And now is the time...

SPEAKER KRISTENSEN: One minute.

SENATOR CUNNINGHAM: ...I've talked...did you say time? No. Anyway, I'll quit there, but I hope to stress we really need ethanol in Nebraska, the usage. We have the opportunity to promote the plants now and we need to do so. Thank you.

SPEAKER KRISTENSEN: Senator Dierks.

SENATOR DIERKS: Thank you, Mr. Speaker. Members of the Legislature, first of all, I've got to...I've got to indicate my opposition to the amendment that Senator Bruning has. I