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LB 536

SENATOR CUDABACK: One minute.

SENATOR RAIKES: ...to the ethanol industry if they can survive and operate without the whims of General Fund monies, particularly in uncertain times as far as state revenues. So I offer this to you as a constructive proposal for the bill. Thank you.

SENATOR CUDABACK: Thank you, Senator Raikes. Senator Dierks, on FA239.

SENATOR DIERKS: Thank you, Mr. President. As I look at the formula that we're talking about here, the maximum that would be allowed under that formula for gallonage produced is 20 cents, and that's if corn is, I think, \$3.50 and the price of crude oil is at \$29, or something to that effect. And then it goes downhill from there. So what...then what in essence this would do would be it would just gut the financing in the bill and we just can't have that. So with that, I'm going to...and I wouldn't...I don't mind if Senator Raikes takes the rest of my time and try to explain to me where I'm wrong, Mr. President. I'd like to give the rest of my time to Senator Raikes, have him prove to me where I'm wrong, please.

SENATOR CUDABACK: Senator Raikes, you have about...one minute is gone of your five minutes.

SENATOR RAIKES: Okay. Thank you, Senator Dierks. I'll attempt, at least, to explain the rationale here. Under the current proposal, if you have corn at \$3.50 or more and oil at \$25 or less...or excuse me, \$29 or less, the production incentive is 20 cents, exactly the same as it is in this bill. So in that sort of a situation in which you find an ethanol plant, an ethanol production facility in the toughest conditions, the current proposal doesn't offer any more money than this one. What this one does is in conditions when the circumstances are better, when ethanol profitability is much higher, provides less incentives which again are less checkoff funds from agricultural producers, corn producers and sorghum producers, and also by-products users, than would be the case under the current proposal. So again, certainly there are cases