

SENATOR SCHMIT: Mr. President and members, this is an amendment which I have discussed with some of you and with many of you I have not had the opportunity to discuss it in detail. But this is an amendment which I told you I would bring and which I sent around to your desks several days ago which would amend some language of the ethanol legislation so that it would facilitate the ability of the Ethanol Authority to invest in a nonprofit public corporation. I want to make several points clear and then I will open myself up for questions. The bill...the amendment does several things. It strikes language that says that not more than five...\$3 million can be invested to fund ethanol research and development plants. It strikes the provision that limits ownership to 49 percent of the total entity. It strikes the 5 million or 10 percent, whichever is less, on capital costs and I believe there is one more provision. It adds that the Ethanol Authority can invest in a nonprofit corporation. I want to go back just a little way and explain to you the history of what has occurred here. It has been more than a year ago that I began to research the possibility that the plant at Hastings, which was then in receivership, might in some manner or means be acquired by the farmers of the State of Nebraska for the purpose of ethanol production and the development and research that might be of value in extending the ethanol industry, both in Nebraska and nationwide. The bid which we have...which I prepared and which was given on this plant, was not...was not a bid which was given off the cuff. It was based on a tremendous amount of research and understanding of everything that there was possible for us to know about the plant and the ability to put together a plan of operation that the FSLIC and the creditors see stands a reasonable possibility of working and being the best solution to that situation. When I first began to research this, it was apparent that there were two schools of thought. One was that the FSLIC had a white elephant on its hands and just wanted to dump it. The other was that the FSLIC had a very viable asset and wanted to make the most of it. Somewhere in between there it seemed to me was a true answer. And I think that at the present time the proposal that we put together is perhaps the best possible solution. The question is, why did I do it? Why was it done? It was done because I think it is important that we keep this very fine operating entity of the...and a very fine example of the ethanol industry operating as a research and development center and as a model for good operation here in the United States, both for the energy and ethanol and grain use, to