

SPEAKER BAACK: The committee amendments are adopted. Anything further on the bill, Mr. Clerk? No, we should open on the bill. Senator...we're looking for Senator Schmit to do the opening on the bill. Senator Schmit.

SENATOR SCHMIT: Mr. President and members, LB 754 is a bill which has already been debated at some length and I think that there will be those who will add to it considerably during this course of debate here today. I hope that, as the bill moves, that we all understand more thoroughly the obligations and responsibilities that legislatures and governments get into once we embark upon this kind of a path. It was easy to talk about ethanol and its promotion in the early days. It was finan...the old gasohol committee was financed totally except for the first \$40,000 grant from the farmer contributed gasoline refund tax upon them. So the money was not taken generally from the General Fund. It came from the farmers' pockets so we can stand up here and extol the virtues of ethanol and its blending process and everything without having too much concern for our responsibility to the taxpayer. The program has evolved over the years and Nebraska has been a leader in that program I think far and away above most states. The federal government became involved and became quite interested and also joined in the various subsidy programs which were pioneered here in the State of Nebraska. We then began to draw upon the Highway Trust Fund to subsidize this program. Once we began to do that, we had, I believe, an even, I feel and I think all of you agree, an even greater responsibility to be certain that the program still maintained a public purpose. It's kind of ironic that in 1971 when we started this program there was no shortage of petroleum. Today we know the story and I think it is well that we did begin when we did and that we are as far along as we are today, but the program then evolved from one of which was a per gallon subsidy from the Highway Trust Fund to the Ethanol Authority Fund which is financed by a checkoff of tax dollars, part of it voluntary, part of it involuntary. Once again, anytime that this Legislature levies an involuntary tax we have a responsibility to supervise those funds very, very closely. We were not able, in the past years, since this fund has been created to encourage the construction of a plant although there have been some substantial efforts in that area. You will recall that a year ago I introduced a bill to abolish the Ethanol Authority because I was not pleased with some of their activity and what I considered to be a lack of a sense of