

pay the production credit to a plant already in existence for that purchase. This amendment that I am offering in LB...or AM2056 is somewhat a compromise because there are those who feel that we should pay nothing for existing production. Others feel that we should pay the full 20 cents as we passed a year ago. My amendment, as written, would compromise that to a 10-cents production credit for the existing production that is in place today. The amendment goes further on to establish a 20-cents production credit for production which was not in existence on the effective date of this act. That is to say that if Chief Industries that runs that plant at Hastings or any other plant that either expands or builds new production, which produces more ethanol, would receive the entire 20 cents credit for that new production. Also, we address the issue of prohibiting a producer of ETBE from receiving a production credit but retain the 50 cents income tax credit for producers of ETBE. The folks who are working on ETBE products are not interested in the production credit concept, but do support the 50 cents income tax credit. We are saying through this amendment that you can't double-dip. You can't get both. You have to choose. You either get the 50 cents income tax credit, which they would like to have, or you choose the production credit. In this case, if they were forced to choose, the company producing ETBE or working on producing ETBE would be interested in the income tax credit but we are saying you can't have both, you can't double-dip. And, finally, probably the most controversial part of this amendment, except for the production credit, would be prohibiting any new investment by the ethanol board unless a final application has been approved prior or by April 1 of 1991. That is to say that if this amendment would be adopted, the ethanol authority could no longer take an equity investment or make equity investments in any companies coming into the state that want to build plants in the state. The controversy surrounding the ethanol board has typically revolved around this issue of equity investment. My feeling is let's get the ethanol authority out of the equity investment side. Let's leave them in with production credit. Let's pay for that which is being produced in Nebraska, but let's not go willy-nilly with our funds here, which are around \$18 million, and spend it on potential production that may never come into being, expend these funds in areas that there is a lot of question of whether several of the proposals now being considered by the ethanol authority are actually financially feasible ones, and to spend the money on equity investment is probably a mistake and has proved to be a tremendous problem within the authority, and I