

authority to attract the kind of applications that were necessary to build a plant. The passage of the Clean Air Act by the federal government has made it possible for an equitable type of investment in new production. I believe, at the present time, there may still be problems with the equity investment procedure but I am willing and open to discuss those. And I know that the Ethanol Authority is concerned from their own position and I met with them on a number of occasions and met with individual members of the board and the staff and they are, of course, as concerned as we are that the equity investment be handled in a very businesslike manner. To their credit, they have had millions of dollars at their disposal and they have, I think, made only one investment. I do not know how successful that has been, perhaps not the best, but it was a small investment and certainly I do not criticize them if that investment was not as prosperous as it might have been. But I want to say that I still believe that at the present time there are more than six applications pending before the Ethanol Authority for investment, equity investment of funds. I believe that we have, at least in part, fulfilled our commitment to the purchaser of the plant at Hastings. I believe that the purchaser of the plant at Hastings, if it economically possible to make money in new capacity, can do so for less investment per gallon than a new plant. There were plans to expand that...

SENATOR CONWAY: One minute.

SENATOR SCHMIT: ...and if that plant expands, that new production will be eligible for the...both the equity investment and the production credit, the same as any other entity that comes into the state. I believe this is an amendment which is consistent with the original intent back 20 years ago. It is consistent with the intent of all subsequent bills. It is consistent with the intent of LB 1230 of '86 and of LB 1124 of 1990. I know that it is difficult to understand all of the problems that are associated with this type of an industry but, ladies and gentlemen, we have made progress. I have never claimed to be the only author of this kind of legislation. The Nebraska Legislature and Governor Exon, 20 years ago, set out on a program of ethanol development which was the bellwether for the nation.

SENATOR CONWAY: Time.

SENATOR SCHMIT: I can honestly say that without that bill