

SENATOR BERNARD-STEVENS: Senator Warner, you're recognized to speak on the motion.

SENATOR WARNER: Mr. President and members of the Legislature, this amendment is to call your attention to an issue which has been called to mine and some others' attention. The amendment deals with ethanol and, as you know, we have the legislation which 20 cents a gallon credit is allowed for ethanol production. And the issue has come up apparently in the last few months wherein the price of corn has reached the levels that it has that some of the alcohol that is produced or ethanol produced could be used, in fact some of it is now used, for other purposes as food entity I believe in some fashion. But the issue came up that as the costs go up, why, some of this production could be used for distilled spirits. And the question was raised that under existing law there would be no prohibition for paying the 20 cents per gallon credit for production of distilled spirits and there was some concern that people were aware of that. So the amendment is being offered to indicate that no credit shall be given on ethanol produced for or sold for use in the production of distilled spirits. Having said that, I should point out that it is a significantly different type of production controls that would be in place. Number one, I understand it has to be stainless steel tanks, not maybe one or two of the facilities in the state that would qualify for that. But more importantly, there are some very strict federal requirements that have to be followed in the production. If distilled spirits are used, I would indicate that with the adoption of this amendment I'm not sure if the...if the ethanol and the alcohol is shipped out of the state and is used for some other purpose how you would necessarily know it. But the purpose at least is to make it clear that conceivably some might be used for this purpose although I don't believe any is currently. But the amendment would at least state that credit is not to be given on ethanol that is sold or used for the production of distilled spirits. And the reason for offering the amendment is so that the public or the Legislature would be aware that without the amendment conceivably some of the current production could be utilized in this fashion. The argument against it, of course, would be that any use of corn for whatever purpose, whether it's for ethanol or for motor vehicles or for some other use it ought to be productive for the economy of the state to use up the bushels.