

as I have understood it, Senator Vrtiska, is that with the price of corn at the level it is, which I...you know, it has pluses and minuses, but then that makes the selling price of ethanol for motor vehicles less competitive as a fuel and so other alternative uses for that production is being explored, and I think currently in some cases it's being used, but I'm not aware of any being used for distilled spirits at this time because of the production requirements are significantly more restrictive.

SENATOR VRTISKA: Well, just one other question, Senator. while you're up. Was there any...do you know of any discussion on this part when the original bill was passed, to create the ethanol market?

SENATOR WARNER: I simply do not recall, Senator Vrtiska. There may have been some discussion along those lines, although I don't recall. I do not recall, and I have not gone back and checked.

SENATOR VRTISKA: Well, I...I guess I certainly rise and support your amendment simply because I think the main purpose...I recognize it may create...have some effect on the price of corn, but I doubt it every much, the amount that'd be used, and so I guess that...it's always my impression that we put this incentive on for the purpose of using it for alcohol and so, therefore, I think that's where it should remain, so I support the amendment. Thank you.

SENATOR BERNARD-STEVENS: Thank you, Senator Vrtiska. Senator Klein followed by Senator McKenzie.

SENATOR KLEIN: Thank you, Mr. Chairman. I have one more comment, and I really do think we...before we pass that amendment, we'd better have a legal opinion as to whether or not we can get out of paying that credit because I...I don't...I'm afraid that we can't. The other thing is if this becomes a new industry for the state, so be it. I think that's great. Next year let's set up a program and tax the heck out of it.

SENATOR BERNARD-STEVENS: Thank you, Senator Klein. Senator McKenzie.

SENATOR MCKENZIE: Thank you, Mr. President and members of the body. Senator Vrtiska, to answer your question, during debate