

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

April 21, 1999 LB 605

plan and do produce. We don't look at the business plan, but they have to produce to get the money. And buying market share, I think if you look around...the gasoline market, to me, if I may say it, is fickle. It can go around Lincoln and find eight to ten cents difference in price everywhere, and I can't believe lowering the price of ethanol two cents, in some stations, is going to make that much difference.

PRESIDENT MAURSTAD: One minute.

SENATOR WEHRBEIN: And I can buy gasoline going home, ethanol, two cents cheaper and I can pay six cents more. In fact, I've been led to believe that wholesale prices are...hardly...is about the same for gasoline, either regular or ethanol. So it's used as a marketing tool. The wholesale is about the same. The retailers are the one that change the price. So, by buying down two cents somewhere, is not...is, in a fickle market as it appears to me, and maybe that's the wrong word, but it's going...it...I don't think it's going to make that much difference permanently. And let the private industry do their thing. Let's use this money wisely. That's all it's about. It doesn't extend, it doesn't expand, in fact, it reduces a little bit the corn checkoff. The other alternative was to quit it a year earlier, which would be this year. That's also what's in my bill. But this program came forward courtesy of Senator Stuhr and Senator Schrock. I bought into that. If there's some expansion out there that makes sense, I would say let the money go.

PRESIDENT MAURSTAD: Time. Thank you, Senator. Senator Kremer.

SENATOR KREMER: Thank you, Lieutenant Governor and members of the body. I think we would all agree that the consumption is price driven. We tried an experiment at the co-op station in Aurora a couple years ago where they lowered the price of ethanol by two cents and the consumption jumped from 20...50 percent to about 75 percent. Right now it's always even and the consumption is about 50/50. And then they lowered...they raised the price above, with the blend, above the regular gas and consumption dropped down to 20 or 25 percent. Most of the pumps that are charging more right now, the stations, at the pump are three to four cents more for the blend than there are...than it