

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

April 21, 1999 LB 605

is designed to produce greater demand at the pump, at the consumer level, for ethanol, benefitting presumably the producers, benefitting presumably the rest of us because it will enhance clean air, benefitting the ethanol producers themselves because there will be greater demand for their product, and benefitting those who provide the feedstock for ethanol production because there would be more demand for the grain. And hopefully that those are broad-based benefits, extending across the state of Nebraska, both to those persons who use ethanol as a matter of choice and to the rest of us who benefit by their choice and to the producers at all levels. Now I think that that is a completely rational policy choice for us to make. It is one that we can make without costing the grain producers additional funds. We can use existing dollars that we believe will be surplus dollars in the EPIC Fund. We can utilize those dollars until they are gone and evaluate the success of the program. What we are suggesting to you is that the incentive program, that was designed to sunset, sunset. Now, we have heard that it is desirable to continue the production incentives because those are what are necessary to cause the producers to continue their efforts, and we're further told that not necessarily is the market for those products in the state of Nebraska but may be in the state of California. And we're told that the production credits are necessary because you...

PRESIDENT MAURSTAD: One minute.

SENATOR WICKERSHAM: ...have to "incent" production by lowering costs. We've also heard in the discussion that the producers are already receiving potentially significant benefits out of LB 775 and that the production credits that we would allow to sunset are a doubling up. Now, you have a clear policy choice. You can create demand for the product by lowering its price and creating a demand pull, or you can continue the existing policy and try to push production of ethanol out to the point where you could not refuse to use it, I guess, is perhaps the policy that's being suggested to you. I hope that you stick with the committee amendments. They are, I believe, a good and appropriate policy for the state of Nebraska to pursue at this time.

PRESIDENT MAURSTAD: Thank you, Senator Wickersham. The only