

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

March 29, 2000

LB 1234

same price, comes out of the same tank. Big oil has absolutely nothing to do with the encouraging or discouragement of retailers to sell this. This has been a marketing option with retailers. They have had a superior product. I buy ethanol itself. It's a superior product. That's why, even though it was selling for a penny or two a gallon less, they were pricing it higher than no lead. It's a superior product; that was a marketing decision they've made and they felt they could command a bigger...a higher price on the ethanol. They have since been called in on it and we're one of them. And here we are again, I'll probably have the retailers mad at me, but for the most part, they have passed on this savings now to the customer in cheaper prices for ethanol. We do not address that in this bill. The retailers are who are controlling the price of ethanol, and the ethanol manufacturers. It is not big oil. In fact, if we go along with this bill as it is without the amendment, we are going to be captive to big oil to provide us that 85 octane fuel. They produce very little of it. They see that we have a mandate in Nebraska, and if you think for one second they're going to help us out on price when they see a captive market for a minor product of the refineries, of this 85 suboctane fuel, you're dreaming. Today, if this bill passed today without the amendments and we had 87 octane ethanol and 87 octane no lead, the two 87 octane fuels, the only difference being a 10 percent ethanol in the one because we start with 85 octane, it'd be three cents higher today than no lead. That's the market today. I don't know what we can do in the future, what it will do in the future, but if we pass this bill today, your 87 octane ethanol would be three cents a gallon higher to the retailer, and how we price, it's up to them. We're not addressing pricing in this bill, no way. We talk about taking away a product, we're taking away a superior product. If we don't adopt this amendment we're debating now, we're going to force the people selling the 89 octane no lead...ethanol, 89 octane ethanol, we're going to force them to stop selling that superior product and lower it to an 87 octane product, and then they will be offering, as we said, the 87 octane ethanol and the 87 octane no lead with the price of 85 octane no lead three cents higher a gallon today on the wholesale market, we've defeated our purpose. The retailers are going to get their backs up. They are going to say no, no to this. They will price ethanol wherever they darn well please