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extent. Senator Baker, let me ask you to remind me of how the funding mechanism works here. Currently, the money that comes from the checkoff fund and the money that comes from the General Fund, they may go through another fund but eventually they go to some part of the Highway Trust Fund, do they not, in order to reimburse that system for credits, the credits that are given? Is that the way it works? Or go ahead and elaborate on the way it works.

SENATOR CUDABACK: Senator Baker, would you...

SENATOR BAKER: Yes, that is the way it works. Specifically, when this ethanol producer out there produces the ethanol, and this is up to 15 million gallons a year, he gets 18 cents per gallon on that ethanol in subsidy. They simply provide through metering, and that's part of the technical part of the Kremer bills. They provide a slip to the Department of Revenue that says we produced X number of gallons of ethanol; we want our credit. And that credit is in the form of a tax slip that they then take...that says you have \$1 million worth of credit. They take that to a fuel jobber, whether it's Sapp Brothers, Bosselman's or, you know, any of the jobbers in this state, and say we'll sell this to you and you give us the money. And then they, that jobber, takes the credit slip and...back to the Highway Trust Fund. It's rather complicated. Takes that back to the trust fund and says, I want my money, and then the EPIC Fund reimburses the Highway Trust Fund.

SENATOR BEUTLER: Okay. Is it correct that because the producers have an absolute right to the credits, if we do nothing at all until such time as the fund is in a deficit, if we put no General Fund money in and no more checkoff money in and just allow it to continue, the burden of the deficit will be borne by the Highway Trust Fund? Is that the way it would work?

SENATOR BAKER: No, Department of Revenue says they will not honor those certificates. If the money isn't in a trust...in the EPIC Fund, they will not honor those certificates. That jobber, of course, is going to know that, so he's not going to ever take it and pay for the ethanol producer. The ethanol producer is going to have this statement says he produced X