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FLOOR DEBATE

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the fact that you would not know it's coming, or that it came after some other action was put in place. This was actually part of the financing and the decision making on building plants, so I don't know if you could call it a windfall.

SENATOR CHAMBERS: Okay. At the time four years ago, when the incentives--I'll use your term--were put in place, were these four plants in contemplation when that legislation was enacted?

SENATOR CONNEALY: I think the floor discussion of it was that there were going to be two to three plants, but because of the fact that we've had a good incentive package, a very rich incentive package even you could say, and the fact that the ethanol market has grown dramatically, the use of ethanol fuels has grown everywhere in the United States, and particularly in California and in the nonattainment areas across the United States, that we were able to build more plants than we had hoped for in the first place.

SENATOR CHAMBERS: So then subsidies should not be necessary, should they? The marketplace should provide enough revenue for the ethanol industry to make it on its own. Isn't that true, if what you said is correct?

SENATOR CONNEALY: I think we're getting closer. I think the market for and the production of ethanol is actually becoming more mature and the fact that incentives are less of a determining factor. We're having plants being proposed to be built in the state of Nebraska and construction started without an incentive package, I think is proof of that.

SENATOR CHAMBERS: So then we don't really need to give this \$10 million in this bill at this time for things to go on as they are. Do we?

SENATOR CONNEALY: This is to pay for a debt that we incurred when we passed the bill four years ago. It's not a new incentive package. It won't build new ethanol plants or increase the production, per se. This is deciding to put some money in to fill a gap that's here now and that will be here in the future. There's a shortfall, about \$2 million this year and