

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 20, 2010

[LB797 LB798 LB911]

The Committee on Natural Resources met at 1:30 p.m. on Wednesday, January 20, 2010, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB797, LB798, and LB911. Senators present: Chris Langemeier, Chairperson; Annette Dubas, Vice Chairperson; Tom Carlson; Tanya Cook; Deb Fischer; Ken Haar; and Ken Schilz. Senators absent: Beau McCoy. []

SENATOR LANGEMEIER: Good afternoon, everyone. Welcome to the Natural Resources Committee. I am Senator Chris Langemeier; I'm the Chairman of the Natural Resources Committee. I'd like to start off by introducing our committee members. We're going to start on this side. First of all, we have Senator McCoy who couldn't be with us today, but he'll be with us tomorrow. Senator Haar, I'm expecting to be here very shortly. We have Senator Schilz from Ogallala, Nebraska; we have Senator Annette Dubas from Fullerton, Nebraska, also the Vice Chairman of the committee; and as you can see, I have a number of the bills; she'll be running this shortly. Laurie Lage is the legal counsel for the committee. To my right, your left, we have Senator Deb Fischer from Valentine, Nebraska. To her right, we have Senator Tom Carlson from Holdrege, Nebraska; and then to his right, we have Senator Tanya Cook from Omaha, Nebraska. And then at the end we have Barb Koehlmoos, the committee clerk. As you come up today, we would like to have you...if you're here to testify, in the back of the rooms you're going to see a little green sheet in back on the corners in the tables. We ask that you fill that out and when you come up to testify that you would give that to our committee clerk upon arrival up to the front. Also if you're here today and you're not going to testify but you want to be on the record of having an opinion, either for or against any of these bills, there's also this sheet in the corners, as well, that you sign in and be of record so we'll have your name and your information and you'll be part of the record of being here and taking a stand on a bill. At this time...I have one note somewhere, we have today, we have two pages; we have Tony Pastrana from Colorado, he is a student, freshman at Union College here in Lincoln. And then we have Kiana Mathew from Omaha who's also a sophomore at UNL, will be joining us in a little bit. We've...she's helping another committee and she will join us late...in a few minutes. If you have anything you'd like to hand out, we ask that you bring us ten copies. If you don't have ten copies, we'll make them for you and pass those out. If you have something that you give us to look at, we're going to keep it. So if you have a picture or something you want the committee to see, but you want it back, I'd suggest that you just hold it at the committee stand because we will not give it back. With that, at this time I'd ask that you turn your phones off so we just don't disrupt the process as we continue to proceed forward. At this time we're going to get started and I'm going to turn it over to Senator Dubas. []

SENATOR DUBAS: Thank you, Senator Langemeier. Whenever you're ready. []

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 20, 2010

SENATOR LANGEMEIER: Which one are we doing first? []

SENATOR DUBAS: LB798. [LB798]

SENATOR LANGEMEIER: I should have said that before I left. My name is Chris Langemeier, C-h-r-i-s L-a-n-g-e-m-e-i-e-r. I've introduced LB798 to the Natural Resources Committee. It is dealing with the Nebraska Litter Reduction and Recycling Act. The Litter Reduction and Recycling Act was created by LB120 in 1979 to promote the protection of public health, safety and well-being and to maintain the economic productivity and environmental quality of the state and the conservation of our natural resources throughout implementation of a comprehensive litter recycling program. Funding is generated by an annual litter fee imposed on manufacturers, wholesalers, and retailers of products that commonly contribute to litter and engaged in business in the state and having annual gross proceeds of at least \$100,000. Funds are applied for and awarded to support this program to reduce litter and provide education and promoting recycling in Nebraska. Grants may be awarded to both public and private entities. The litter fee is \$175 per each \$1,000 of gross sales of a designated product only, which amounts to, in 2009, \$1.7 million. So what we're asking for in LB798 is to extend the deadline, it's about to expire, to 2015. And then we'll have another opportunity to reassess the litter program. With that, we have a number of people that are going to testify. I would take questions, otherwise, they will give you more explanation of how they use the funds. [LB798]

SENATOR DUBAS: Thank you, Senator Langemeier. Any questions? Seeing none, thank you. [LB798]

SENATOR LANGEMEIER: Thank you. [LB798]

SENATOR DUBAS: We have our first proponent for LB798. [LB798]

KATHY SIEFKEN: Good afternoon. My name is Kathy Siefken, S-i-e-f-k-e-n; Kathy with a K. I am the executive director of the Nebraska Grocery Industry Association and we are here today in support of this bill. One point that I would like to make clear is that this is a program that has been ongoing for over 30 years. It is not a tax increase, it is continuing of a program that works. My members pay the fees that are assessed and we gladly pay those fees. It makes funds available to environmentally concerned citizens out there that can apply for the grants, people out in the communities that can identify litter problems and they come up with ways to address those issues and take care of them. And we think it's a great program and we would like to see it continue. [LB798]

SENATOR DUBAS: Thank you very much, Kathy. Questions? Seeing none, thank you. [LB798]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 20, 2010

KATHY SIEFKEN: Thank you. [LB798]

JANE POLSON: (Exhibit 1) Good afternoon, my name is Jane Polson, that's J-a-n-e P-o-l-s-o-n and I'm the executive director of Keep Nebraska Beautiful. We are a statewide affiliate of Keep America Beautiful and there are 21 other local affiliates of Keep America Beautiful in the state. Those 21 affiliates, which include two regional affiliates, one is 13 counties and one is nine counties, collectively they service 90 percent of the citizens of the state. They do a lot of work with the funds from the Litter Reduction and Recycling Act and the grant program. They do public education, they go in to the classrooms and do hands-on education. They also organize a lot of cleanups. This past year they did 737 different litter cleanups or illegal dump cleanups, they've done a lot of those as well. And they also do a lot of recycling. Some of them actually run the recycling operation for their communities. And collectively, they recycled over 4.3 million pounds of materials in this past year. Additionally, they do a lot of collection events like household hazardous waste, pharmaceutical collections, electronic recycling collections, those sorts of things, and have kept a lot of good things from being landfilled through that program. Initially, there was a statewide litter survey done when this act was passed back in 1979, the study was done in 1980, that was a baseline for the measurement of litter in the state. And then about every five years after that there was a new study done. And the last one, I believe, well, I'll let the DEQ folks say for sure, because I didn't have that information with me, but generally each time it was done, litter was reduced about 72 percent from that initial survey. The Keep America Beautiful affiliates are required to do a measurement of litter each year in their service areas and it's something called a litter index required by Keep America Beautiful. And it's very consistent with that 72 percent reduction staying even or getting better each year. So we believe what they're doing is vital to keep litter out of our state. We're one of the cleanest states of all, as we go to national conferences and hear about others, and I think, largely, it's due to them being able to access these funds. The other thing that I want you to understand is how cost effective it is, because for every dollar the Keep America Beautiful affiliates spend to run their programs, there's almost \$37 returned to their communities and counties in donated time and donated services of the volunteers. So it's very, very cost effective. So I would just urge you, I have a handout to give you a little bit more statistics about some of the major highlights of what's being accomplished by the affiliates. But I would just really urge you to pass this bill on so that these great works that are being done through the Keep America Beautiful, as well as a lot of other entities that use these funds, can continue and we can continue to be a very clean state. I would take any questions. [LB798]

SENATOR DUBAS: Thanks. Thank you very much, Miss Polson. Do we have questions? Seeing none, thank you. [LB798]

JOHN LINDSAY: Senator Dubas, members of the committee, for the record my name is

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 20, 2010

John Lindsay, L-i-n-d-s-a-y, appearing as a registered lobbyist on behalf of the Nebraska Beverage Association, formerly known as the Nebraska Soft Drink Association. Well, we changed our name, we didn't change the products, we're still soft drinks. The..we're here in support of LB798. A little bit of a background; in 1978, on the ballot, there was a bottle bill initiative. During that campaign it became clear there was a problem with litter, but that the solution that was not...that a bottle bill was not the proper solution. After that campaign, which, by the way, the voters rejected the bottle bill about a 2 to 1 vote. But industry, working with the environmental groups, got together to say we all agree there's a problem, what can we do to address it? The Nebraska Litter Reduction and Recycling Act came about as those groups working together. We now have a model that, in which we have the community working together with the environmental groups, working together with business, to address reduction, I think, as Miss Polson has shown you, it works and it has been very effective in reducing litter. At the time, there was a sunset provision included, five-year sunset provision included to see will this program work? That sunset provision, I think, has been extended maybe five times, each time for about a five-year period. The...I think it's important to come back, kind of report to the Legislature that, yeah, the program is still working and everybody is still on board. And so we're here to ask the sunset provision be again extended. As payers of the fee as well, we think it's a program that works, the bang for the buck is clearly there. And we're in support of continuing a program that we're helping to fund and we would ask that the bill be advanced. I'd be happy to answer any questions. [LB798]

SENATOR DUBAS: Thank you very much, Mr. Lindsay. Questions? Seeing none, thank you. [LB798]

GARY KRUMLAND: Senator Dubas, members of the committee, my name is Gary Krumland, it's G-a-r-y K-r-u-m-l-a-n-d, representing the League of Nebraska Municipalities in support of LB798. We also think it's been a very successful program. It supported recycling and litter reduction programs and projects across the state, both in large cities and small communities from all over the state, so it's been very, very successful, not only in targeting the purpose, but also in distributing funds and grants around the state in various sizes of cities. So we do think it should continue and we do think the expiration date should be extended to five years as provided in LB798. [LB798]

SENATOR DUBAS: Thank you very much, Mr. Krumland. Questions? Yes, Senator Haar. [LB798]

SENATOR HAAR: Thank you. I'm all for recycling and I do it all the time. Do you have any idea, though, is there a break-even point, like for Lincoln, do we know how much they are spending versus how much that that brings in terms of selling those recycled goods? [LB798]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 20, 2010

GARY KRUMLAND: No, I don't have that information. I can see if we can find that. [LB798]

SENATOR HAAR: Okay. Either, in any case, I'm, you know, I support recycling, I'm just interested in the cost then. Thank you. [LB798]

GARY KRUMLAND: Yeah. Uh-huh. [LB798]

SENATOR DUBAS: Thank you. Other questions? Seeing none, thank you. Next proponent. Welcome. [LB798]

MORGAN MULLER: Thank you. Good afternoon. Thank you for the opportunity of providing this forum for us today. My name is Morgan Muller, M-o-r-g-a-n M-u-l-l-e-r and I'm speaking today on behalf of Keep Chadron Beautiful, one of the recipients of one of the grants that this bill funds. Looking at recycling from an economic standpoint at this time is probably not terribly effective. The money generated from the sale of recyclables is negligible compared to the money it takes to recycle them. However, as our economy advances, as recycling becomes more and more in our public lives, until it becomes second nature to recycle, without even thinking about it through education, these programs are extremely important and vital to our communities. Chadron is a small Panhandle community, 5,800 people, as well you know. We've been involved with Keep America Beautiful, Keep Nebraska Beautiful, for many years and, as I said, a recipient of one of these grants. In the past year, only Keep Chadron Beautiful, so this one small agency, has recycled 170,333 pounds of cardboard; 66,560 pounds of white office paper; 11,880 pounds of aluminum cans through a reverse vending machine; and in a newly introduced and not quite off the ground yet, program of steel can recycling, your soup cans, so to speak, 2,560 pounds; 18,801 pounds of electronics waste, which we all now know is quite hazardous to the environment and needs to be disposed of properly. This represents 125,000 tons of material that was not landfilled, that was, in some way, recycled back. They cleaned 100 miles of rural roadway in Dawes County. There were three community cleanup events; these are done in conjunction with the city of Chadron and the Nebraska National Guard unit there, of cleaning alleys, picking up old refrigerators, things of that nature. In those events, 12,676 pounds of debris was collected and recycled. There were 12 school presentation, educational events and five community presentations to various community groups promoting education as you make recycling second nature. On the other side of this is economic development, something that maybe isn't going to be...you wouldn't think of, necessarily, in a committee such as this. Right now we are well aware that the state has its budget problems, and certainly I respect that, I mean, there's going to have to be some hard looks taken at things this year. I don't want this to be one of those bills. As stated by the people before me and undoubtedly the statistical information you have, the bang for the buck here is good. All of the money, virtually, that comes from these is generated back into the Nebraska economy. In Chadron, as an example, it provides part of the salaries

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 20, 2010

for three employees. In a community the size of Chadron, three jobs is a pretty big deal. In any community, nowadays, three jobs is a pretty big deal. To eliminate this, to allow it to sunset, those jobs likely would be gone, because funds are going to be hard to find. These educational programs, of course, would probably end. The things recycled, there's nobody to pick them up, there's nobody to be the driving force behind that program, probably will end, thus putting more stuff back in our landfills and retarding the growth of recycling in Nebraska. Therefore, in conclusion, I would urge you to pass this bill forward. Heck, I'd like to see that bottle bill brought back. I was one of the...on the one side that voted for that the last time around. Until the time comes when we don't even think twice about recycling, it's just the way it's done, these programs have to stay in place. I thank you and if you have any questions. [LB798]

SENATOR DUBAS: Thank you very much, Mr. Muller. Questions? [LB798]

MORGAN MULLER: Thank you. [LB798]

SENATOR DUBAS: Did you make the trip from Chadron? [LB798]

MORGAN MULLER: Actually, I guess, if I may, give you a little back story, I've been on the executive board of KCB for the past five years, I recently...I went through a job change, a little retirement, had to move to Plattsmouth, Nebraska. Still interested in the growth of Chadron, I served on the city council there, planning commission, so forth, still interested in that, and have something of a passion for recycling. I mean, this...I was...I designed the steel can program, the reverse vending machine, I was deeply involved in that; been deeply involved with KCB for quite some time, and know and care about the people there. A little concerned about the weather. On that end of the state, they actually didn't get what they were supposed to get, but since I was already here, and our weather was a little dicey, so I wasn't sure about that either, but since I was already here, where I still am, though I'm not active on the board right now, I can't be, I was available to make the trip, and frankly, had the weather been such, had I been on that end of the state, I probably would have also. [LB798]

SENATOR DUBAS: Well, thank you for your information. It definitely showed the relevance and the importance of this program. [LB798]

MORGAN MULLER: Thank you. [LB798]

SENATOR DUBAS: Senator Haar. [LB798]

SENATOR HAAR: Yes. For me, again, recycling is sort of an ethic of mine, but you brought up an interesting point, that recycling also saves having to build new landfills and expand landfills. [LB798]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 20, 2010

MORGAN MULLER: Absolutely, yes. [LB798]

SENATOR HAAR: I'd be interested, just if your group could, without taking a lot of time, could come up with some estimates of, you know, the cost of...that you're saving, the benefit, the cost benefit, of recycling as well. [LB798]

MORGAN MULLER: I actually did a newspaper article on that probably two and a half years ago, something like that, based on the tonnage fees that were assessed by the state of Nebraska on the solid waste agency out there at that time, so much money per ton has to be paid back. And I'm sorry, I don't remember those statistics off the top of my head. I will e-mail our executive director when I get home and try and get that information to you. [LB798]

SENATOR HAAR: Yeah, I'd appreciate that. [LB798]

MORGAN MULLER: But, say obviously, it's a lot, I mean, it does benefit the state certainly. [LB798]

SENATOR DUBAS: Other questions? Seeing none, thank you very much. [LB798]

MORGAN MULLER: Thank you. [LB798]

SENATOR DUBAS: (Exhibits 2-20) Next proponent for LB798. Do we have an opponent? Neutral testimony? I do need to read into the record, we do have several letters of support for LB798: James Moylan with the Nebraska Licensed Beverage Association; Keep North Platte and Lincoln County Beautiful, Amanda Marquette; Don Evans; DiAnn Nichelson; Misty Robertson and Mindy Hope; Keep Alliance Beautiful, Vickie Stenson-Mattox and Debra Dopheide; Keep Fremont Beautiful, Sue Reyzlik and Marilyn Gordon; Eileen Thornburg, Midland Lutheran College; Joan Mejstrik, Keep Schuyler Beautiful; Susan Hucke, Keep Chadron Beautiful; Linda Grell, Keep Beatrice Beautiful; Heidi Revelo, Keep Lexington Beautiful; Marlene Walker, Kimball; and Becky Schuddinck, Kimball and Derek Swedin. All letters of support. Senator Langemeier, would you like to close? [LB798]

SENATOR LANGEMEIER: Thank you, Chairman Dubas, I just want to reiterate, you've seen the people come before you that pay the tax and the people that use it that support this program. And I'm going to give you one little example. My wife happens to be on the board of Keep Schuyler Beautiful, so we live this in my house every day. As a matter of fact, I'm sure she's watching it on-line as we speak. Schuyler...Keep Schuyler Beautiful enacted a program at our basketball games and our football games that they purchase gummy worms and they provide those at the concession stands and any of the little kids that bring a clear bottle back to the concession stand get a gummy worm. And so you will find after a football game or a basketball game, there is no trash for the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 20, 2010

staff of the schools to pick up. They pick it up because they could bring it back and that's got the kids into the mind-set of recycling and there's a reason, not just throw it in the trash, because there's plenty of trash cans sitting around those events as well. But they bring them back and recycle them. So, that's all I have for that. Thank you. [LB798]

SENATOR DUBAS: You're welcome. I guess that will close the hearing on LB798 and we will move on to LB797, change the duties of the Nebraska Power Review Board. Senator Langemeier. [LB798]

SENATOR LANGEMEIER: Thank you, Chairman Dubas and members of the Natural Resources Committee. I bring you LB797 on behalf of the Nebraska Power Review Board. The Nebraska Power Review Board is required to produce a condition-certain report every year. LB797 would allow the Power Review Board to, at their discretion, produce this report. And so, that's all I'm going to talk about in the beginning, because the Power Review Board representative is going to follow me and give you a little example, as we all sit here each year, we get these reports come across our desk and we typically circular file them. And in the idea of recycling, it would be nice to save them some money and not continue to produce that report with the same data we had in it last year. So with that, I would take any questions, otherwise I will let you hear from those that are affected by this report. [LB797]

SENATOR DUBAS: Questions for Senator Langemeier? Thank you. Proponent for LB797. Welcome. [LB797]

TIM TEXEL: Senator Dubas, members of the committee, my name is Tim Texel, T-i-m T-e-x-e-l; I'm the executive director and general counsel for the Nebraska Power Review Board. My board authorized me to testify in support of the amendments set out in LB797, and the Power Review Board appreciates Senator Langemeier submitting this bill for the board. Currently, as mentioned, state law requires the board to prepare a report every year for the Governor and the Legislature describing the status of five conditions in the electric industry that would indicate that retail competition in the electric industry may benefit Nebraska's ratepayers. The board would like to remove the annual reporting requirement and make preparation of the report and holding the hearing that's associated with it discretionary. The board believes that the lack of public interest in the subject matter and the time and expense involved would warrant this change. And just a little background, if I may, first so you know a little bit behind the report, this bill was enacted in 2000 when many states were enacting or moving toward allowing retail competition in their electric industry. A number of those states implemented retail competition by stating that on a date certain, set out in statute or regulation, that retail competition would begin. Many in Nebraska were concerned that in order for retail competition to work, that certain infrastructure needed to be in place first and several conditions should be met. A proposal recommended as part of a process to study Nebraska's electric industry known as LR455 named after a legislative resolution in the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 20, 2010

1990s, I believe the late 1990s, and that's where that name came from. The proposal was to use a condition-certain approach instead of a date-certain approach. Under the condition-certain approach, specific conditions were identified and monitored that would indicate when retail competition might be helpful and the necessary infrastructure was already in place so that retail competition was, in fact, feasible. So while other states were moving quickly to implement retail competition by an arbitrary calendar date, Nebraska's Legislature, I think wisely, decided to move cautiously, monitoring whether the infrastructure and electric rates would indicate retail competition was both feasible and beneficial. Thus far, the results in the states with retail competition have been mixed at best, and generally have not been favorable for rates or ratepayers in those jurisdictions. Many of the states that implemented retail competition have moved toward repealing it or in reinstating the price caps that were part of their initial programs. Most of the states with retail competition, I think, have found that as the price caps were lifted, retail rates began to rise in some states dramatically. So currently, I'm not aware of any states that are considering retail competition at this time and that's part of what my board and I believe demonstrates that the interest in retail competition in Nebraska, in fact, around the country, has waned considerably since this report was initiated. The legislation that would be amended in...by LB797 was created in order to identify and monitor the conditions in Nebraska's electric industry, that, as I said, would indicate if retail competition would benefit Nebraska's ratepayers. The legislation provided for an annual hearing to receive public comments on the conditions that indicate whether retail competition would benefit our ratepayers, and what steps should be taken to prepare for retail competition. It also sets out five criteria to monitor, those are in the bill, I won't go through those now, but they're in the statute. The technical experts from the industry make up the five technical groups that correspond to each one of those conditions and prepare their particular section. And then the report is reviewed by a review group comprised of all interested parties with varied backgrounds and interests. There were governmental entities; environmental groups; public power entities; business organizations and we had representatives from each sector of the industry, each type of customer, commercial, industrial, agricultural, residential. Those have been somewhat difficult to keep interested too. Since we initiated this, the first couple years everybody wanted to be on that group. In the recent years, pretty much the public power industry and I will give credit to AARP and the League of Women Voters have been very active and very helpful in this process, always attending our review group meetings. But the rest of the group has been much more difficult to find interested parties that want to participate in our review group. The board retains a consultant to coordinate and compile the report. And for the past several years, the board has been concerned that the amount of work that the industry's experts are performing may not be justified any longer, especially after this year where three of the five criteria have been met, when our largest utilities in Nebraska joined the Southwest Power Pool. So that met another criteria dealing with regional transmission organizations. So after this year, the report would really only consist of the last two criteria, comparing Nebraska's wholesale prices to those in the region and activities in other states and at the federal level on

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 20, 2010

deregulation and retail competition. We've held hearings for nine years now and no member of the public, to my recollection, has ever attended to provide comments, to give you an idea. I think there have been some people that attended, but nobody really wants to give formal comments on the record. They were more attending to see what other people would say. So there haven't...certainly, the last several years there hasn't been anybody. I open the hearing and I wait for five minutes and I close the hearing and nobody comes. So it's kind of an exercise in futility and that's part of why we're asking for this. I think the report has been very useful and very interesting, but as I said, the interest in it now has waned to the point where it's justified not to do it every year. After considering those factors, the board decided to ask the Legislature if we could have permission to not do it every year and instead, at our discretion. Certainly if the Governor or this committee would want a report done, you know, they'd be available. The statute would still be there and we could prepare that report if you thought it is warranted. The board thought that was important, instead of just repealing it, so that if the parties were interested we could do it. I think as one note I would make, that our consultant and the people involved as we get further away from the people who have prepared it, it might mean that we would need to hire a consultant if we'd do it eight years or ten years down the road because all the people now who help prepare it, including myself, may not be there. Hopefully they would be, but the further away we get, but just wanted to mention that. The board did discuss this with the Nebraska Power Association prior to doing it and the NPA was in agreement. I believe they have somebody that will testify after me. I'm not aware of any opposition to these changes; certainly nobody has contacted me about it, if they do have any concerns. And finally, I'd just like to note that the changes in LB797 would also save the ratepayers some money. The board's contract with this consultant for the current contractual period that runs October 1, 2009, to September 30, 2010, is \$16,272 and that's in your fiscal note. So we're asking to reduce our budget by \$16,400 total. The account, the way the accountants told me I needed to do it, was break it up since we overlap the fiscal periods, but that's the total amount we'd be reducing it. So that just helps out that little bit of the ratepayers. To our budget, that's slightly over 4 percent of our current budget for this fiscal year, to give you an idea of the amount to our budget it is. But I think that's helpful in these fiscal times to do that, when it makes sense to. So the board would complete the current report for 2010. That would plan to be our last report for a while, as I said, until it's warranted or until we get a request to do one. So the board, in conclusion, would just ask to have the committee act favorably on this and advance it to General File. And if you have any questions, I'd be glad to try and answer those.
[LB797]

SENATOR DUBAS: Thank you very much, Mr. Texel. Questions? Seeing none, you did a great job. Thank you. [LB797]

TIM TEXEL: Thank you. [LB797]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 20, 2010

SENATOR DUBAS: Next proponent for LB797. [LB797]

JAY HOLMQUIST: Chairman Dubas, members of the committee, my name is Jay Holmquist, it's J-a-y H-o-l-m-q-u-i-s-t. I'm the general manager of the Nebraska Rural Electric Association testifying today in favor of LB797 on behalf of NREA and also the Nebraska Power Association, which represents all the state's electric utilities. Our employees of all the NPA members have been involved in producing this report. And this process, actually, began back in 1996 when we first started looking at the issues, so it's gone on for quite a while. The last couple three years, we've kind of discussed amongst ourselves and with the Power Review Board about whether it was worth continuing the annual report and finally this year we pretty much reached agreement that it was time to move on to other things. Retail competition is not the hot issue anymore in the electric industry. Obviously, there are other fish to fry. So we support making this a discretionary report. If conditions in the electric industry change to the point where retail competition starts to look like it might be a good idea for consumers again, then at the committee's direction, or the Governor's direction, or the Power Review Board on its own motion can restart the study process. We think that's the appropriate way to deal with this issue. So I urge you to advance the bill to General File. Also want to thank Chairman Langemeier for introducing the bill for the Power Review Board. I'd be happy to answer any questions. [LB797]

SENATOR DUBAS: Thank you, Mr. Holmquist. Questions? Seeing none, thank you. [LB797]

JAY HOLMQUIST: Thank you. [LB797]

SENATOR DUBAS: (Exhibit 21, 22) Next proponent for LB797? Opposition? Neutral? We do have two letters of support for LB797, Richard Michel with the International Brotherhood of Electrical Workers and Andy Pollock with the Nebraska Energy Export Association. Senator Langemeier, would you like to close? All right, waive closing on LB797. And now we will go to LB911. [LB797]

SENATOR LANGEMEIER: Madam Chairman and members of the committee, I am Chris Langemeier, C-h-r-i-s L-a-n-g-e-m-e-i-e-r, Langemeier. I'm here to introduce LB911. This particular committee passed, Senator Dubas introduced and we passed LB246 last year which was a contract with BioNebraska to study the bioindustry in the state of Nebraska. As part of that negotiation, I was duly charged with a contract with BioNebraska and as each of you know me pretty well, we scrutinized that pretty hard before I was willing to sign the contract. With that, it took us a couple of months to get that done. That report was due to be back to us by June 30, 2010. With LB911 I'm asking you to extend that to September 30, three months, to give BioNebraska time to complete that report. And that's all LB911 does. And I want to thank them and their cooperation and working out that contract with us. And also during that time of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 20, 2010

negotiation, we came up with a number of sponsors to help fund that project and so, actually, our fiscal requirement as a state was lowered considerably. And so I want to thank Senator Dubas in that process. But we do need to extend that out so they can complete that report on time. [LB911]

SENATOR DUBAS: Thank you, Senator Langemeier. Questions? Senator Carlson. [LB911]

SENATOR CARLSON: Thank you, Senator Dubas. Any particular reason? It just is taking longer than anticipated, not any hitches or anything? [LB911]

SENATOR LANGEMEIER: Well, when we first...no, no hitches in that regard. When we started the process, it was kind of a contract that was very, very open and it just said, hey, we're going to study this and give you a report. I was not willing to sign that in that general terminology. I asked for a kind of a step-by-step process of how this was going to work within that contract before I just cut you a check. And so they...we did, we negotiated my staff, as well as accounting and the Executive Board's staff, we worked through it, we kind of got a time line, when they were going to report back to us as far as their progress, at least back to me, and so it took a little more time to get through that process. [LB911]

SENATOR CARLSON: Okay. Thank you. [LB911]

SENATOR LANGEMEIER: And also there was a commitment out there that they were going to raise some funds and so I wanted to make sure they raised their funds. And they did. As a matter of fact, we got their check for \$100,000 in our office yesterday that we will give to accounting, or it has been. I'm told it has already been delivered. [LB911]

SENATOR DUBAS: Thank you. Other questions? Seeing none, thank you. [LB911]

SENATOR LANGEMEIER: Thank you. [LB911]

SENATOR DUBAS: Are there any proponents for LB911? Any opponents? Neutral? Senator Langemeier, would you like to close? Senator Langemeier waives closing. And that concludes the hearings for today. (See also Exhibit 23.) Thank you for coming. [LB911]