

March 26, 1979

LB 571

cost us to produce a gallon of alcohol from the new plant, say that if we could get them built in the next year or two years?

SENATOR SCHMIT: Well, Senator, if the price of corn and milo goes up as fast as the price of gasoline it will probably cost equivalent to the price of gasoline and otherwise it will be less.

SENATOR HEFNER: Okay, say two and a half dollar corn.

SENATOR SCHMIT: It would be probably a dollar fifteen cents a gallon.

SENATOR HEFNER: Okay, thank you, Senator Schmit. We will take this cost and then blend it with unleaded gasoline to a nine to one ratio and I think that with the price of gasoline going up that we will find that it will be feasible and we know that gasoline is going up. In fact, the OPEC nations are meeting today and intend to raise the price of crude oil so I think if we go ahead and build these plants that it will be feasible. We have another bill coming up, LB 361, that raises the gas tax one cent a gallon and this would, of course, go into the highway trust fund. At the present time we have nine and a half cents state gas tax and with another penny that would raise it to ten and a half which would be one of the highest in the nation. I strongly recommend that you oppose this measure.

SPEAKER MARVEL: Senator Kahle.

SENATOR KAHLE: I will pass and let someone else talk.

SENATOR KELLY: Mr. Speaker, members of the Legislature, Senator Loran Schmit of Nebraska is easily the national expert in gasohol. He is the father of the program. He has followed it and pushed it all the way and how proud we are of his endeavor and personally I am one of the strongest boosters but not on the gasoline tax, Senator Schmit. We are all well aware that gasohol started out to be a surplus grain, surplus commodity program to use damaged grain, surplus grain...

SPEAKER MARVEL: You have thirty seconds.

SENATOR KELLY: ...and put it into fuel, not to tax fuel so that we could make gasohol fuel. Now the Governor will approve in his public statements one cent increase on the gas tax in 1979. LB 361 should be the vehicle for that