

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1493

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Yolanda Richardson
Operator's Signature

10/6/03
Date

2003 HOUSE AGRICULTURE

HB 1493

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

La Costa Rickford
Operator's Signature

10/16/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1493

House Agriculture Committee

Conference Committee

Hearing Date 2--06--03

Tape Number	Side A	Side B	Meter #
ONE	A		08 TO 53.9
ONE		B	00 TO 14.4
Committee Clerk Signature <i>Edward D. Clayton</i>			

Minutes:

CHAIRMAN NICHOLAS: Committee Members. We will open the hearing on HB 1493.

REPRESENTATIVE NELSON: I am offering an amendment for this bill. What the amendment does. First of all one of the problems that we have heard about those stations that offer only one grade of gasoline. This would be a burden to them. With that I have exempted all one pump stations from any requirement to offer ethanol blend. Further an ethanol blend would have to be offered in one of the grades of gasoline. It should help the dealer net work and it should help the public who would at that time have to opportunity if they choose to buy an ethanol product they would have the opportunity to at every pump in North Dakota. I don't even think it is a mandate anymore. It is just an opportunity for people to purchase an ethanol blend. That is a good first step to increase the use of ethanol. The education process has come forward. If ethanol is offered, I think people will buy it.

CHAIRMAN NICHOLAS: Representative Kelsch.

La Costa Richard
Operator's Signature

10/6/03
Date

Page 2
House Agriculture Committee
Bill/Resolution Number HB 1493
Hearing Date 2--06--03

REPRESENTATIVE KELSCH: Rep. Nelson. This is still a mandate.

REPRESENTATIVE NELSON: We could argue to the end of time what a mandate is.

Service Stations are currently mandated to have octane blends of 87 a minimum in ND.

I would choose to say that every station would offer an ethanol blend. No one is mandated to buy it. Just give the opportunity.

REP. MUELLER : What are other states doing.

REPRESENTATIVE NELSON: Minnesota is using or required to sell ethanol. With Exception of marine all blends have ethanol. This product is going to help this country. We have to many imports. All states have plants coming on line.

REPRESENTATIVE GULLICKSON: I support the bill. I am an advocate for this state and nation wide. It is central to our economy. Ethanol is central to that. We can place a priority on what we raise. Iowa is required has required amounts in there gas. Iowa has 11 ethanol plants. Minnesota has 14 plants. South Dakota has 8 plants and 3 additional coming on line. We can do some thing at the policy level to move this ahead.

REPRESENTATIVE KELSCH: Does South Dakota have a mandate.?

REPRESENTATIVE GULLICKSON: I don't believe they have a mandate. They have an incentive. It is a buy down on taxes. Has increased he use of ethanol in that state.

CHAIRMAN NICHOLAS: Commissioner Johnson.

COMMISSIONER JOHNSON: I am Roger Johnson, I am Agriculture Commissioner of North Dakota. I am here today in support of HB 1493 which relates to the sale of gasoline blended with ethanol. {{{{please read testimony.}}} I am fine with the amendments.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Roberta Richardson
Operator's Signature

10/16/03
Date

Page 3
House Agriculture Committee
Bill/Resolution Number HB 1493
Hearing Date 2--06--03

The last thing I would point out. This is an opportunity to promote new use for North Dakota products. This increases the piece of the pie. It is important for us to do it.

REP. BELTER : Your chart on net imports of oil. Do you have any statistics that if we were allowed to drill for oil in western ND and off shore and Alaska etc. Where we might be as to our imports.

COMMISSIONER JOHNSON: I don't know.

CHAIRMAN NICHOLAS: Next.

DOLUG GOEHRING. NDFB I am here representing the 26000 member families of North Dakota Farm Bureau. We support HB 1493 [][[PLEASE READ PRINTED TESTIMONY]]] WE recommend a DO PASS. Thank you.,

CHAIRMAN NICHOLAS: Excellent Testimony. Thank You. Next.

MARK SITZ;; We support this Bill and amendments. Mark passed out article on ethanol. He read article about the truth about ethanol. Represents Farmers Union.

CHAIRMAN NICHOLAS: Any additional testimony.

DONALD UGLEM: I have trouble with mandates. I am here to represent myself.

I don't think this a mandate. If we go back in history, when we took led out of gas, what was that? It was a mandate. Was it a good thing? Lets not get hung up on our mandates.

We need self sufficiency. We are tied to the middle east right now. I believe we should have a stronger bill. Thank you.

CHAIRMAN NICHOLAS: Additional support.

TODD KRANDA: I am here in support of this bill. I am representing Alchem. Unlimited.

Page 4

House Agriculture Committee

Bill/Resolution Number HB 1493

Hearing Date 2--06--03

Alchem is the ethanol plant in the Grafton Area. We ask your support. We support the amendments.

CHAIRMAN NICHOLAS: Representative Belter.

REP. BELTER : The way this reads. This is for retail sales.

REP. MUELLER : Question of Kranda. You work with ethanol production. What will this bill do if it is adopted and passed in terms of increasing sale of ethanol at your plant and what affect it might have on your plant?

TODD KRANDA: I think the example of Minnesota is up to 90 percent and 60 percent in South Dakota. New plants coming on line will have a good affect.

CHAIRMAN NICHOLAS: We will accept opposition for this Bill.

DAVE MACIVER: I represent the Bismarck, Mandan Chamber of Commerce. Today I am here representing 22 other associations and businesses that have all signed this letter that I am going to pass out to you. We oppose mandates. We are not opposed to ethanol. What we are opposed to is mandates. In my mind and the people I represent this is a mandate. You are telling business what they must sell. That is a mandate. We talk about economic development in our state and the fact we want a business friendly environment yet we tell people that come here what they must sell. [[[please read letter as to Coalition Against Mandates]]]

CHAIRMAN NICHOLAS: Why do you think we are going to war in the middle east shortly? What do you think the primary reason is.

DAVE MACIVER: I do think we need to take Saddam out. Oil is an issue. It is not the only point.

Page 5
House Agriculture Committee
Bill/Resolution Number HB 1493
Hearing Date 2--06--03

CHAIRMAN NICHOLAS: In North Dakota, Agriculture is the number one industry. You are going to be the new chairman of GNDA. You are going to be out there representing hopefully the number one industry in the state. What are you going to do as chairman of GNDA to help enhance agriculture in the state? If we can't increase the ethanol production, biodiesel production and those types of things. How do you plan on doing it without a mandate.

DAVE MACIVER: First of all Mr Chairman, I will represent GNDA and its members and we will do everything possible to work with the various partnerships. Agriculture. Etc.

As I said I have nothing against Agriculture. I think mandates are wrong.

CHAIRMAN NICHOLAS. I hope as the GNDA PRESIDENT you can do better.

Any other questions committee members.

RUSS HANSON; I am with the North Dakota Petroleum Marketers Association.

[[[[[please see testimony]]]] We stand here opposed to bill. We are all for ethanol. Consumer choice is prevalent.

CHAIRMAN NICHOLAS: The corn growers are not here today. Can you tell me why you have put so much pressure on them that they are not here today. It is quite conspicuous here today. The group that will benefit most from this legislation. What are you going to do to move this agenda forward..

RUSS HANSON: We have talked to the corn growers a number of times as an association. We had the American Collation for Ethanol at our convention. And trade show to visit with the marketers to work with the ongoing education of a product. We feel we have talked to them. We have not put any pressure on them. My understanding in talking to them that they are focusing on getting a plant and going that route.

Page 6
House Agriculture Committee
Bill/Resolution Number HB 1493
Hearing Date 2--06--03

REPRESENTATIVE POLLERT: What is your position on the ethanol incentive bill.

RUSS HANSON: If you can find the financial resources to promote those plants. We are for it.

Ethanol is a good product. There are good advertising out there now promoting ethanol.

REPRESENTATIVE WRANGHAM: Do you feel retailers are justified in charging more for ethanol than other gasoline at the pumps?

RUSS HANSON: The price of the ethanol or mid grade is based on cost, price, taxes and marketing. Usually the higher octane has a little higher price.

CHAIRMAN NICHOLAS: I would like to touch on that. I have done some questions and it is my understanding that the retailers are making extra profit on ethanol and they are pocketing the profits.

MIKE RUDE: We oppose Bill because of mandate. I am co owner of to convient stores and a bulk operation in central ND. I want to make it very clear that I am not against the sale of ethanol at all gas outlets. I believe that mandates infringes on my right as a business owner to sell the products I choose. An ethanol mandate would also mean costly updates that many gas out lets in ND. In Garrison alone we would be looking nearly \$70,000.00 alone in order to handle the addition of another product at the pump. Our store is located on water. In the store in Garrison I would have to had tanks and pumps. I am for value added in North Dakota. We have few people looking for ethanol. Lets let consumers decide not government.

RON NESS: I am Executive Director of the North Dakota Petroleum Council. I appear before you today in opposition to this Bill. This is a national situation. We have over thirty two blends of gasoline. I participated in the interim agriculture hearings on this issue and virtually set side by side with the corn growers through the interim on this issue. The corn

