

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

Natural Resources Committee  
November 04, 2011

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[CONFIRMATIONS]

The Committee on Natural Resources met at 9:00 a.m. on Friday, November 4, 2011, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on confirmations. Senators present: Chris Langemeier, Chairperson; Ken Schilz, Vice Chairperson; Mark Christensen; Annette Dubas; and Jim Smith. Senators absent: Tom Carlson; Ken Haar; Beau McCoy. [CONFIRMATIONS]

SENATOR LANGEMEIER: Good morning and welcome to the Natural Resources Committee for our first set of hearings within the special session and committee appointments. We have six appointments before us today. My name is Chris Langemeier; I'm the Chairman of the Natural Resources Committee. I'd like to introduce my committee that's going to be with us today. To my far left, or your far right, we have Senator Jim Smith from Omaha, actually Papillion, I should say. I knew when I said it I was wrong. Senator Haar from Malcolm will be joining us momentarily; he had another meeting to conclude and then he will be joining us. Then we have Senator Ken Schilz from Ogallala who is the Vice Chairman of the committee. We have Laurie Lage who is the legal counsel to the Natural Resources Committee. To my immediate right we have Senator Annette Dubas from Fullerton. Then we have Mark Christensen from Imperial with us today. We'd like to welcome you. We always ask that everybody turn off their cell phone to give respect to the individual that is testifying before us. We have two pages that will be helping us today. We have Jessie Hare from Alliance; and she is a senior at UNL. Welcome. And we have Justin Trauernicht who is from Pickrell, Nebraska; and he is a senior at UNL as well. And we thank them for helping us through our hearing today. At the far end of the table we have Barb Koehlmoos; she is the committee clerk for the committee. As you come forward you will see on the table there's a green sheet. We ask that you fill that out as much information that is relevant to today. And as you come up to testify, please give that to Barb. It helps us keep an accurate record of today's proceedings. We do have six individuals and we're kind of on a shortened time schedule. And so we have two going to come to us via telephone; two that are here in person; and two that are going to be represented by another individual. So with that we are awaiting for our first one to dial in. And I'm a little ahead of schedule for them, so we got about a minute to wait and then we will start with Mr. Earl McNutt who is a new appointment to the Environmental Quality Council. Welcome to the Natural Resources Committee. We appreciate you coming to us via phone today. We've introduced you as a new member to the Environmental Quality Council. And at this time we'd like you to tell us a little bit about yourself and why you want to be on the council and what your interest in that is? [CONFIRMATIONS]

EARL McNUTT: (Via telephone) (Exhibit 1) Okay. Well, thank you, Senator. First of all I just want to apologize for not being able to be there in person today. It kind of all come up on kind of a short notice, so I opted to do it via teleconferencing due to travel distances and so forth. Anyway, but I guess with that I'll just give you a real quick

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overview of myself there. I've just been a long-time resident of southwest Nebraska, my entire life there, through my high school years, and school years. I went to a small high school in Hayes Center, Nebraska. And then after that I went to McCook Community College for a couple of years. After that point in time I did get married. My wife, Deb, and I, we've been married for 33 years now. We do have two children; a son that lives here in McCook, he's 28; and then a daughter who is 23 and going to...trying to finish up getting her Bachelor's in nursing down at Clarkson College there in Omaha there. As far as my employment, I'm kind of in a unique situation, I guess. I've been kind of...I do two roles for Red Willow County. I've been a road supervisor and an equipment operator for many years. And then also I'm a county commissioner for Red Willow County. And, obviously, I went through all the avenues to make sure that legally those...that it's something I could do. I've served as county commissioner now for 13 years. And it's been an excellent experience there. Through my process I've also been the west central district representative for the past five years. Then with that I've in turn had the opportunity to have a seat on the NACO board of directors for the last five years. I will have one more year, then I'll be termed out of that position. Through NACO I've been involved in a lot of different committees. Probably the most recent will be the 2020 committee study that you guys will be presented with very soon on what county government may look like in the future. I've also had the opportunity to take several different leadership courses through the organization. And then I guess I've always felt like when I decide to take on a project or be involved in something, I try to dedicate myself to that process. As far as any specific goals, I can't say I directly have any big highlights there. This summer Mr. Linder asked if I would consider being on the board. I guess we've had a long relationship within NDEQ over the past several years with Red Willow County because we've operated a household hazardous waste facility for probably 16, 17 years now and it's been funded pretty much, primarily through the organization there. That gave me a little incentive to be on the committee...or council. Then, of course, also with the water issues that we deal with here in southwest Nebraska. There's just some good general interest there. So that's just a real quick overview of myself and my job status. I guess if you got anything else I'd try to answer it anyway. [CONFIRMATIONS]

SENATOR LANGEMEIER: Well very good. Are there any questions? I do have one. I just want to clarify is, on your occupation, you work for Red Willow County, correct? [CONFIRMATIONS]

EARL McNUTT: That is correct. [CONFIRMATIONS]

SENATOR LANGEMEIER: And you're a commissioner for Red Willow County? [CONFIRMATIONS]

EARL McNUTT: That's correct. [CONFIRMATIONS]

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SENATOR LANGEMEIER: Okay. Are there... [CONFIRMATIONS]

EARL McNUTT: And I guess to explain that a little bit, when I first decided to run for the commissioner position, I did, at that time, work real closely through the NACO attorneys and then also with Frank Daley from Accountability and Disclosure and he gave me some guidelines that I needed to follow. I know it's a pretty delicate position to be in, but I truly believe that I've sold myself into the process to the point where, you know, I just realized that when I took in on it was going to be a lot more hours in the work week anyway. [CONFIRMATIONS]

SENATOR LANGEMEIER: Sure. And are there are three commissioners?  
[CONFIRMATIONS]

EARL McNUTT: Yes, we just have a three-commissioner board out here.  
[CONFIRMATIONS]

SENATOR LANGEMEIER: Okay. Are there any other questions? Seeing none, thank you very much. You did a great job. And thanks for calling in and being part of the hearing. [CONFIRMATIONS]

EARL McNUTT: Well once again, I want to thank you for allowing me to do this by teleconferencing. I knew it was going to be a fairly quick process and I didn't...just wanted to save the 3.5 hour drive both ways anyway. So I appreciate your allowing me to call in anyway, so. [CONFIRMATIONS]

SENATOR LANGEMEIER: You bet. Thank you. [CONFIRMATIONS]

EARL McNUTT: No problem. [CONFIRMATIONS]

SENATOR LANGEMEIER: Bye bye. [CONFIRMATIONS]

EARL McNUTT: Bye. [CONFIRMATIONS]

SENATOR LANGEMEIER: You have heard the opening on the hearing for Mr. Earl McNutt to the Environmental Quality Council. Now we open it up. Is there anyone that would like to testify in support of the nomination? Mr. Dix, welcome.  
[CONFIRMATIONS]

LARRY DIX: Good morning, Senator Langemeier, members of the Natural Resources Committee. My name is Larry Dix, I'm executive director of the Nebraska Association of County Officials here today testifying in support of the appointment of Earl McNutt. I've known Earl probably the...pretty much the same 13 years, I think, that he testified that he's been a county board member. I would like to speak a little bit to his involvement on

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the NACO board. One of the things that, typically, we're always interesting in is when we have members on our board that they're active, they show up for the meetings, they don't miss things. I would...he would be here to attest that...in my memory I cannot recall at any time when Earl has ever missed a NACO conference call or board meeting. I think he'll do an excellent job on the committee that you're about to appoint him to. And with that I'd be happy to answer any questions you have. [CONFIRMATIONS]

SENATOR LANGEMEIER: Very good. Are there any questions for Mr. Dix? Seeing none, thank you very much. Is there anyone else that would like to testify in support, or proponent? Seeing none, is anyone care to testify in opposition? Seeing none, is anyone care to testify in a neutral capacity? Seeing none. That will close the hearing for the appointment of Earl McNutt to the Environmental Quality Council. We will now move to James Gohl. And I've got to participate in this. (phone) Jim, this is Chris Langemeier, can we have you call in now? [CONFIRMATIONS]

JAMES GOHL: Yes. Okay. I have the number here, I will call in. [CONFIRMATIONS]

SENATOR LANGEMEIER: Okay, thank you. He will call right back. This will be Jim Gohl. He is a reappointment to the Nebraska Oil and Gas Conservation Commission. Senator Schilz, is he from your district? [CONFIRMATIONS]

SENATOR SCHILZ: No, he's from Mark's. [CONFIRMATIONS]

SENATOR LANGEMEIER: His application says his state senator is Ben Nelson. Welcome, Jim, are you there? [CONFIRMATIONS]

JAMES GOHL: Yes I am. [CONFIRMATIONS]

SENATOR LANGEMEIER: Well welcome to the Natural Resources Committee. We're here to have you introduce yourself and tell us a little bit about yourself in regards to your appointment to the Nebraska Oil and Gas Conservation Commission. And with that, tell us a little bit about yourself and why you've enjoyed serving on it and what you think you offer to stay on it for the future. [CONFIRMATIONS]

JAMES GOHL: (via telephone) (Exhibit 2) Okay. Good morning, members of the committee. I've been on the Oil and Gas Conservation Committee (sic) since, I believe, 2001, is probably when I was appointed the very first time. And I've enjoyed being on it. I think the commission is a very important part of the oil and gas business in Nebraska. And our main job is a regulatory...you know, we're a regulatory agency to enforce the rules and regulations as set forth by the state of Nebraska. I think one of the big things that we always do, of course, is to monitor the exploration and drilling and production in the state of Nebraska. And that is to safeguard the environment of the state is a great big part of that. And that...we take that very seriously. One of the other things that I

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believe is very important is to promote the oil and gas industry within the state of Nebraska. And I think we've taken great strides with that in the past ten years. The staff has greatly enhanced the Web site. We have a very user-friendly Web site. We've been told by a number of people from across the country that they really enjoy using that above other states. And there's a wealth of information on that Web site about past drilling and production in the state of Nebraska so they can do the research on it to perhaps come into the state and do some exploration. And we've seen that. And I believe going forward that is probably...probably one of the more important things. Also is to maintain that and continue to promote that. And I believe the oil and gas industry within the state of Nebraska can be...continue to increase and be a benefit to the state. I guess, you know, that's probably it in a nutshell. And, of course, I want to continue to enforce the rules and regulations of the commission and to safeguard environment and the groundwater and so on within the state of Nebraska also. [CONFIRMATIONS]

SENATOR LANGEMEIER: Okay, very good. Are there any questions from the committee? Mr. Gohl, I'll ask one. [CONFIRMATIONS]

JAMES GOHL: Sure. [CONFIRMATIONS]

SENATOR LANGEMEIER: On your occupation it says you are a business consultant for Central Operating, Inc. [CONFIRMATIONS]

JAMES GOHL: That's correct. [CONFIRMATIONS]

SENATOR LANGEMEIER: Is that an oil industry type company? [CONFIRMATIONS]

JAMES GOHL: It is. Central Operating is an operator of several fairly large oil fields within the state of Nebraska, mostly in southwest Nebraska, in the McCook area. I've been employed by Central Operating...actually I started with them, probably, little over 30-some years ago; and then I, basically, took a considerable leave of absence. I was never completely away from it, but I farmed and ranched all of my life, plus worked for Central Operating. And then the last eight or nine years I have discontinued the farming and ranching. I still live on the ranch, own the ranch. And there's oil production on the ranch also. And continued to work for Central Operating full time now as a business consultant. And I guess there to expand on that just a little bit, I feel I do bring...and I don't know if you have my resume in front of you or not, but I feel I bring a somewhat unique approach to the commission from two standpoints. One is, as a landowner and farmer and rancher and the other is from a standpoint of working for a production company. And I can see several different sides of different issues. [CONFIRMATIONS]

SENATOR LANGEMEIER: Well, very good. Very good. Are there any other questions? Senator Christensen would like to ask one. [CONFIRMATIONS]

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SENATOR CHRISTENSEN: Jim, thank you for coming in today. Just topical question, have you seen any problems with the pipelines in my district? I constantly get asked this question. I figure you're a great one to ask, as far as leaks and other problems that way. [CONFIRMATIONS]

JAMES GOHL: No, I haven't, Senator Christensen. And, you know, along those lines, I'm sure you folks know, probably, how we on the commission feel about the Keystone XL pipeline, for example, and any other pipeline. We have many pipelines around the state and I have had some even on my own ranch here. And some of them are gathering lines that take oil from the well to the tank. And other is a transport pipeline that actually takes oil out of state, ends up in Oklahoma with it, as it hooks up with other pipelines. But...and that pipeline is probably 30 years old and then there's some older that I know of, but, you know, I'm not going to say there's never ever been a leak. I don't...there's never been one on my ranch. But, you know, that oil when we transport it, it's good clean crude oil. And good clean crude oil is pretty much biodegradable. I've seen where around a well, for example, where you may have spilled a little bit of oil or something like that and actually a crop can grow right through oil...where oil has spilled. It's the...in our area around here, it is the salt water that is the contaminant that is produced with the oil. Once the salt water is removed, the oil is good. [CONFIRMATIONS]

SENATOR CHRISTENSEN: Thank you, I appreciate that. I just want to make sure I was representing my district correctly. Thank you. [CONFIRMATIONS]

JAMES GOHL: Yeah, and I hope I answered your question correctly. But I have not seen, you know, we have a...there's a Platte pipe...pipeline that carries crude oil and I'm not sure the exact route of it, but I do know it goes through the Maywood, Nebraska, area and up in that high line area up there. I'm sure you're probably familiar with it. But to my knowledge I don't know if I've...I'm sure there may have been a leak from time to time, but I don't...to my knowledge I don't even know of one. [CONFIRMATIONS]

SENATOR CHRISTENSEN: Thank you. [CONFIRMATIONS]

SENATOR LANGEMEIER: Senator Schilz would like to ask a question. [CONFIRMATIONS]

JAMES GOHL: Sure. [CONFIRMATIONS]

SENATOR SCHILZ: Thank you, Chairman Langemeier. Good morning, sir, thank you for getting on the phone this morning. [CONFIRMATIONS]

JAMES GOHL: Sure. [CONFIRMATIONS]

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SENATOR SCHILZ: My question to you is, I represent the southern panhandle area, I have a lot of oil and gas interests there. Can you tell me, in your opinion, what is the largest hindrance for expanding oil and gas exploration...or oil exploration in southwest Nebraska? [CONFIRMATIONS]

JAMES GOHL: The largest hindrance...um, (laugh) probably money, (laugh) or fear of losing money. [CONFIRMATIONS]

SENATOR SCHILZ: Okay. Let's go behind that one. [CONFIRMATIONS]

JAMES GOHL: I think...I think just time, you know, and history. Historically, Senator Schilz, you're probably familiar with what's going on in northeastern Colorado and southeastern Wyoming right now with the Niobrara exploration, the horizontal drilling and some of those things. And I think eventually that is going to spill over into southwest Nebraska. And a little of it has been tried on a very, very minimal basis. But I think, you know, where it's being worked on right now is probably fairly lucrative and I think as those leases and things are taken up and dry up, not literally dry up, but the availability of those leases are no longer there. I think that will spill over, probably, into Nebraska. And I know already some leases in Nebraska, and I think you've seen the Board of Educational Lands and Funds have seen it in their auction too that some leases, you know, in the western panhandle have brought some fairly notoriously high prices. So I think it's coming. It's just time. And Nebraska, you know, has not been as lucrative as some of the other states. But I think it's still there and it will show up. It's just going to take a little bit longer for it to spread out there. [CONFIRMATIONS]

SENATOR SCHILZ: Sure. Thank you. [CONFIRMATIONS]

JAMES GOHL: Sure. [CONFIRMATIONS]

SENATOR LANGEMEIER: Are there any other questions? Seeing none, Jim, we thank you for calling in and participating via phone. And we're concluded with your introduction. We thank you very much. [CONFIRMATIONS]

JAMES GOHL: I might make one comment if I may. [CONFIRMATIONS]

SENATOR LANGEMEIER: Okay. [CONFIRMATIONS]

JAMES GOHL: And I know what you're all in session down there for right now, and I wish I could have been there, but I do feel, and the commission does feel that, you know, support of the Keystone XL pipeline is badly needed. And we're certain it's going to be built and maintained in a way that, you know, the state of Nebraska and all of the United States will benefit from it. And we just don't see a problem...problem with it...any, you know, oil. And the water in the aquifer is not going...not going to be a problem, you

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know, it's not going to mix. And so we just think it's a win-win situation.  
[CONFIRMATIONS]

SENATOR LANGEMEIER: Okay. [CONFIRMATIONS]

JAMES GOHL: That's all I have to say. [CONFIRMATIONS]

SENATOR LANGEMEIER: Well again, thank you very much for your participation and thanks for calling in. [CONFIRMATIONS]

JAMES GOHL: Thank you, Senator, and thank you committee. [CONFIRMATIONS]

SENATOR LANGEMEIER: Very good. You've heard the opening on the nomination...confirmation for Jim Gohl to the Nebraska Oil and Gas Conservation Committee (sic). It is a reappointment. We'll now take anyone that would like to testify in support, or proponent. Seeing none, is there anyone that would like to testify as an opponent? Seeing none, is there anyone that would like to testify in neutral capacity? Seeing none, that will conclude the hearing for Mr. Jim Gohl to the Nebraska Oil and Gas Conservation Commission. We'll now move to Mr. Vern Powers, who is a new appointment to the Environmental Quality Council. And he is with us here today. And we appreciate that. Welcome. [CONFIRMATIONS]

VERN POWERS: (Exhibit 3) Thank you, Senators. Thanks for having me today. My name is Vern Powers. I am currently the mayor of the city of Hastings, Nebraska. I'm also a large business owner in the state of Nebraska, and we sell products in all 50 states and 40 foreign countries. As you see by my resume there I've got 200 employees of my own. And also with my mayor duties I have another, roughly, 500; so I've got, roughly, 700 employees under my guidance. My mayor duties include every facet of political government in the city of Hastings and the county of Adams. And also I oversee and give directions to Hastings Utilities, which is a 300-mega watt, coal-fire...two coal-fired power plants. We also have...we run gas, sewer, and water in the city of Hastings. I'm a graduate of the University of Nebraska-Lincoln. I've lived in Los Angeles; I've lived in Phoenix; I've lived in Denver. I live in the Lockland area of Hastings right now. I also own a house in Paradise Valley, Arizona, which I spend part of my time there. I offered my name to Governor Heineman who had talked to me about this position a couple of times. Hastings has had a lot of NDEQ and EPA oversight over the years. I think everyone is pretty familiar with the things that have happened in Hastings. And I think my experience over...yesterday was the start of my fourteenth year of elected office and over that time I've dealt with a lot of different issues that our city has dealt with, as far as regulatory issues. And I think I bring a perspective from my business...my businesses I own, plus also my elective service to maybe help give some guidance on oversight of environmental quality issues. We have to walk a fine line between enforcement and fixing...finding solutions to the problems we have. And I'd like



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to help the NDEQ maybe transform itself in the next few years into more of a--let's all work on final solutions. They do the best they can with some of the guidance they're given by their senators and by the U.S. Congress and Senate. But eventually we need to find a final solution for ammonia problems, for coal emission problems, for chemical spills of all kinds. And I think they're great employees. They're wonderful, intelligent, smart people, and I think we can go teaming up with our university, the Peter Kiewit engineering school, which I work a lot with. I work a lot with the chemistry and the biology department of the University of Nebraska. I think we have a...we can all come together, you know, in an incredible fulcrum here in the next few years to find solutions which not only affect small towns, the small counties, but that can...we can help Omaha. Eventually maybe we can do things that will affect Denver, and L.A., and Dallas. When our emissions, no matter how you put it, when our emissions affect someone downstream, we have to be cognizant of that. We also have to temper it with how our citizens can afford those kind of things. My town right now, with the new legislation that President Obama has requested the EPA do, we're talking a \$50 million to \$100 million rebuild of one of our coal-fired generators in Hastings. And how does a town afford that? We have a potential water treatment plant that we're going to be requested to build in Hastings. That could be \$20 million to \$30 million. How do we amortize that over our citizens? We have a sewage discharge issue we're working with EPA...with NDEQ now. In the end that could be \$50 million to \$100 million. And those costs are very painful for our cities to come up with. All of our cities are dealing with the ammonia issue. So I'd like to maybe help them from a business perspective say, maybe we should get the university in here; maybe we should get MIT or Stanford to come in here and help us craft a solution that will...we can spend the money one time and maybe for the next 50 to 100 years we don't have to do that again. So that's the perspective. I don't have an axe to grind. I think they're great people. I'm ready and willing to start working with them. I think it's going to be an exciting partnership and I guess I'm looking forward to it. [CONFIRMATIONS]

SENATOR LANGEMEIER: Very good. Are there any questions for Mr. Powers? Did a great job. [CONFIRMATIONS]

VERN POWERS: Thank you. [CONFIRMATIONS]

SENATOR LANGEMEIER: Seeing no questions, we'll let you off the hook. [CONFIRMATIONS]

VERN POWERS: Okay, thank you. [CONFIRMATIONS]

SENATOR LANGEMEIER: We might all come visit you in Arizona, but...(laughter)  
[CONFIRMATIONS]

VERN POWERS: Just let me know, it's got extra rooms. [CONFIRMATIONS]

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SENATOR LANGEMEIER: Might be snowing here before long. You've heard the opening for Mr. Vern Powers in his new appointment to the Environmental Quality Council. Is there anyone that would like to testify in support, or proponent? Seeing none. Is there anyone who testify in opponent? Seeing none. Seeing anyone testify in a neutral capacity? Seeing none. That concludes your hearing. And again, thank you very much, we appreciate you talking the time to come down and visit with us. Our next one is Doctor Ron Sheppard and he was going to be here, but we had a little change this morning. Mr. Mike Linder is going to tell us a little bit about Mr. Sheppard. He is a new appointment to the Environmental Quality Council. Welcome. [CONFIRMATIONS]

MIKE LINDER: (Exhibits 4 and 5) Good morning, Senator Langemeier, members of the committee. My name is Mike Linder, last name L-i-n-d-e-r. I'm director of Nebraska Department of Environmental Quality. And Doctor Sheppard, as you mentioned, is a new appointment. I have not met Doctor Sheppard, but we're extremely excited to have a physician...the physician category on the Environmental Quality Council has been difficult to find somebody that has both the interest and the time to serve. And all indications are that Doctor Sheppard is going to be a great fit. And so we really look forward to that kind of input on the council. Doctor Sheppard did send a letter that I'll read into the record if that's okay. [CONFIRMATIONS]

SENATOR LANGEMEIER: Yes. [CONFIRMATIONS]

MIKE LINDER: It's a letter dated November 3, from Ronald Sheppard, M.D., Callaway, Nebraska, addressed to Senator Chris Langemeier. And it reads: Because of unexpected and tragic circumstances I am unable to be present at the confirmation hearing. I was born in New Jersey, but fortunately I have been a Nebraskan since 1974. I received a BS degree from Rutgers University in 1967, and my MD from the New Jersey College of Medicine in 1971. I completed a Rotating O internship at the University of New Mexico in Albuquerque, New Mexico, in 1972. I practiced medicine in New Jersey from 1972 to 1974. I have been privileged to live and practice medicine in Callaway, Nebraska, since September, 1974. Since being a farm boy in New Jersey, which is not an oxymoron, I have appreciated good animal husbandry and sound land management practices. It has been impossible for me not to be cognizant of the human imprint on our environment. I have attended 15 Water Environment Federation Technical meetings over the past 20 years which has greatly enhanced my appreciation for worldwide environmental problems. I am hopeful that my training and experience as a physician will be of assistance to the council as we address environmental issues and how they affect public health. Sincerely, Ronald J. Sheppard, Callaway, Nebraska. And that's the letter. I'd be happy to try to respond to any questions. [CONFIRMATIONS]

SENATOR LANGEMEIER: Are there any questions? Pretty easy on you. Seeing no questions. Thank you very much for coming in. [CONFIRMATIONS]

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MIKE LINDER: Thank you. [CONFIRMATIONS]

SENATOR LANGEMEIER: Had an unexpected event. You've heard the opening on the appointment of Doctor Ron Sheppard. Is there anyone who would like to testify as a proponent? Seeing none. Is there anyone who would like to testify as an opponent? Seeing none. Is there anyone who would like to testify in a neutral capacity? Seeing none. That will conclude the hearing for Doctor Ron Sheppard for a new appointment to the Environmental Quality Council. Our next one is Tim Else. He is being appointed as a reappointment to the Nebraska Ethanol board. And I know he is with us. Welcome back. [CONFIRMATIONS]

TIM ELSE: Thank you. Good morning. [CONFIRMATIONS]

SENATOR LANGEMEIER: Tell us a little bit about yourself and your reappointment. Tell us what you've enjoyed about being on the Ethanol Board and a little about what you see for the future. [CONFIRMATIONS]

TIM ELSE: (Exhibit 6) Okay. Yes. My name is Tim Else. I'm 54; born and raised in Thayer County, Nebraska; currently residing there with my wife, Karen, and our son Isaac (phonetic) who is ten. I have three older children who are all married and are currently off of my payroll at least. Four grand...three grandchildren, expecting...or just found out this last weekend to expect another one next spring. So, we're excited about that. On the education side of things, graduated from Hebron High School; moved on to UNL and got a BS in Ag Econ in December of '79. I guess also, sort of on the education side of things, I'm a graduate of the Nebraska LEAD Program which is a great experience and I'm very proud of. After college I started farming, I guess, with two different farming operations before I was able to get started on my own. And presently my brother and I have a diversified farming operation in and around Thayer County there consisting mainly of corn, soybeans, wheat, a little bit of alfalfa, cow/calf herd, and this year a new experiment of double crop sunflowers after wheat, so that's something new for us. As far as being on the Ethanol Board, I've been on for two terms now. And it's been a great experience. You might say I've been there in some of the best times and also some of the worst with the production increasing by leaps and bounds and then also the debacle, you might say, in 2008 with the...some plant bankruptcies and things like that. Todd and Steve and the staff, those guys do all the heavy lifting, you might say. I just enjoy coming to the meetings, learning more about the ethanol industry as a whole. And if I can give my two cents worth at any point, that's what I try to do. As far as focus, I really don't have any specific personal goals, I mean as a whole, it's been...at first, when I was first appointed, it was...let's get more plants. And that was accomplished. Now it seems like the focus is changed to defending ethanol to...and also trying to just increase public awareness of it, public acceptance of it, and working with the plants and trying to alleviate any issues they may have as far as permitting or

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anything like that. So, once again, I don't really have any specific thing to focus on here in the next four years, but just as a grain producer, of course, it's great that we have the ethanol industry in our state that we do. And I'll do whatever I can to help support it.  
[CONFIRMATIONS]

SENATOR LANGEMEIER: Very good. Are there any questions? I do have one question, Mr. Else. We go through these appointment process and we're always looking for...and you get it because you're a reappointment and you're here, but you talked about the staff does a good job with the ethanol board. And they've educated you. We'll always have a concern that who's running who, whether it's the staff running and we have rubber stamp from our board members or something like that. Where do you go out and get other knowledge to help you as a member of this board? Other than your farming activities and the board itself. Where do you search for more information?  
[CONFIRMATIONS]

TIM ELSE: I guess that's a good question. I do read as much as I can, whether it's just the paper or any ethanol publications that I receive. We do sell some corn to ethanol plants. We do buy some distillers from them. So I sort of get a perspective in the brief conversations that we have on that end. I guess that's...you know, talk to other farmers, I guess. That's maybe not the best inside information as far as the industry as a whole, but I guess I don't think that you have to worry about the staff leading the board. The board is pretty outspoken, the board that we have now. And offers their input quite regularly. So maybe I didn't answer that quite right, but that's... [CONFIRMATIONS]

SENATOR LANGEMEIER: You know there is no answer. We just try and make people think about that a little bit. [CONFIRMATIONS]

TIM ELSE: No, that's good food for thought. [CONFIRMATIONS]

SENATOR LANGEMEIER: It's always easy as you get on a board because they seem to be the experts. And I'm not picking on the ethanol board, it just came to me actually. As we're in these sessions...when we're in session, this is all a little more, we're kind of tied up in pipeline stuff so, be real honest with you, that's still spinning in the back of my mind. But, anyway, I just challenge the people that want to be on these boards is to make sure that the people in these positions as staff do a great job, do an excellent job. But we always encourage you to go out and make sure you find other sources out there that might lend some kind of other opinion. So encourage you. [CONFIRMATIONS]

TIM ELSE: Well I would add that the Ethanol Board is somewhat unique in that the fact that they have members from all different aspects of the industry, be it the oil side of things, the labor side of things, the cattle side of things, and also the three different...grain side and general farming. So just the board as a whole has...brings a lot of different things to the table. So it's very well rounded; and I guess one of the best

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things about being on the board is sometimes the...maybe even the evening before the meeting where you just get to simply talk to those different individuals and learn what they do, learn their viewpoint on ethanol as a whole and it's usually some very stimulating conversation. [CONFIRMATIONS]

SENATOR LANGEMEIER: And that right there might be your answer.  
[CONFIRMATIONS]

TIM ELSE: Okay. [CONFIRMATIONS]

SENATOR LANGEMEIER: Very good, very good. Are there any other questions? Seeing none. You did a great job. Thank you very much for coming in.  
[CONFIRMATIONS]

TIM ELSE: Thank you. [CONFIRMATIONS]

SENATOR LANGEMEIER: Yep, we need you to fill that out, give that to Barb. You've heard the opening on the reappointment of Mr. Tim Else to the Nebraska Ethanol Board. Is there anyone that would like to testify as a proponent? Seeing none. Is there anyone that would like to testify as an opponent? Seeing none. Anyone in a neutral capacity? Seeing none. That will conclude the hearing for Mr. Tim Else to the Nebraska Ethanol Board. Our next hearing will be for Steven Hanson. And he is a reappointment to the Nebraska Ethanol Board. And he could not be with us today. So we have a designated, last-minute spokesman. [CONFIRMATIONS]

STEVE SORUM: (Exhibits 7 and 8) Stand in. Good morning, Senator Langemeier and members. I appreciate the opportunity to read Mr. Hanson's letter. He is not able to be here and he sends his apologies for that, but he would like me to...has asked that we read this. I am asking to be reappointed to the Nebraska Ethanol Board.  
[CONFIRMATIONS]

SENATOR LANGEMEIER: Can I stop you first? I need you to tell us your name.  
[CONFIRMATIONS]

STEVE SORUM: OH, I'm sorry. My name is Steve Sorum, S-o-r-u-m. And I am on the staff of the Ethanol Board. [CONFIRMATIONS]

SENATOR LANGEMEIER: Very good. Thank you. [CONFIRMATIONS]

STEVE SORUM: From Mr. Hanson: I am finishing my first four-year appointment to the board, serving as secretary, vice chairman, and now as chairman. I feel I have contributed to the accomplishments of the board in the past and look forward to the next four years, if reappointed. We raise wheat, corn, soybeans, and market our own calves

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through our feedlot. Our calves are fed wet distillers grain from an ethanol plant in which I am an investor. I have a diverse agricultural background that I am able to draw upon in the course of my service to the Ethanol Board. I am a strong advocate for ethanol production and use in Nebraska, as I believe it to be one of the greatest economic development tools for rural Nebraska. It has positive effects for all Nebraskans from livestock to grain production to tax base additions and everything in between. Thank you for your consideration, Steve Hanson. [CONFIRMATIONS]

SENATOR LANGEMEIER: Very good. Are there any questions? Seeing none. I will ask you one question... [CONFIRMATIONS]

STEVE SORUM: Sure. [CONFIRMATIONS]

SENATOR LANGEMEIER: ...just because I'm going to. Steve, as an employee for the Nebraska Ethanol Board, can you tell us has he...has Mr. Hanson been coming to the meetings and participating? [CONFIRMATIONS]

STEVE SORUM: He has indeed. He has been a very strong participant. I think Tim used the word "outspoken." That's...our board is outspoken and Mr. Hanson is maybe chief among those folks. [CONFIRMATIONS]

SENATOR LANGEMEIER: I know many of your board members, so I can attest to that myself. So with that, are there any other questions? Seeing none. Thank you very much, we appreciate it. [CONFIRMATIONS]

STEVE SORUM: Thank you. [CONFIRMATIONS]

SENATOR LANGEMEIER: That's the opening for Mr. Steven Hanson who is a reappointment to the Nebraska Ethanol Board. Is there anyone that would like to testify as a proponent? Is there anyone that would like to testify as an opponent? Seeing none. Is there anyone that would like to testify in neutral capacity? Seeing none. With that, that will conclude our hearings for Mr. Steven Hanson and our confirmation hearings for the day. [CONFIRMATIONS]