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Fuel-alcohol backers see profitable future

By Randy Christy

The potential of fuel-alcohol to improve Nebraska's economy has been a controversial issue since alcohol plants were built here in the late 1970s.

Proponents of fuel-alcohol, or ethanol, indicated there are many factors that make the future of the industry look bright.

"It is in the-best interest of the country to find alternative energy sources," Mark Poeschl, of the Nebraska Gasohol Committee, said. "Ethanol is here and accepted in the market place."

Ethanol is produced from grain, usually corn, by a three-step process of cooking, fermenting and distilling. Variations in this process can be seen in the different types of alcohol plants.

Smaller farm-sized plants can only produce 190-proof ethanol, which cannot be mixed with gasoline. The larger commercial plants have the capability to produce 200-proof ethanol which is used in the mixture of 10 percent ethanol and 90 percent unleaded gasoline. This 10/90 mixture produces "the super-unleaded" fuel currently marketed.

coming more available and changing the name from gasohol to super unleaded has caused the growth spurt of ethanol beginning in March of 1982." Poeschel said.

There were 95 million gallons of gasohol sold in Nebraska in 1982. The Nebraska Gasohol Committee projects 1983 figures will be around 170 to 180 million gallons.

These figures encourage backers of the fuel-alcohol industry. Yet, not everyone shares in this enthusiasm.

Loyd Fischer, a UNL agricultural economist said he believes the industry has some major problems.

"It has to make you a little nervous to base an industry on government subsidy," he said. "When government eliminates the subsidy, the industry goes down the tubes.'

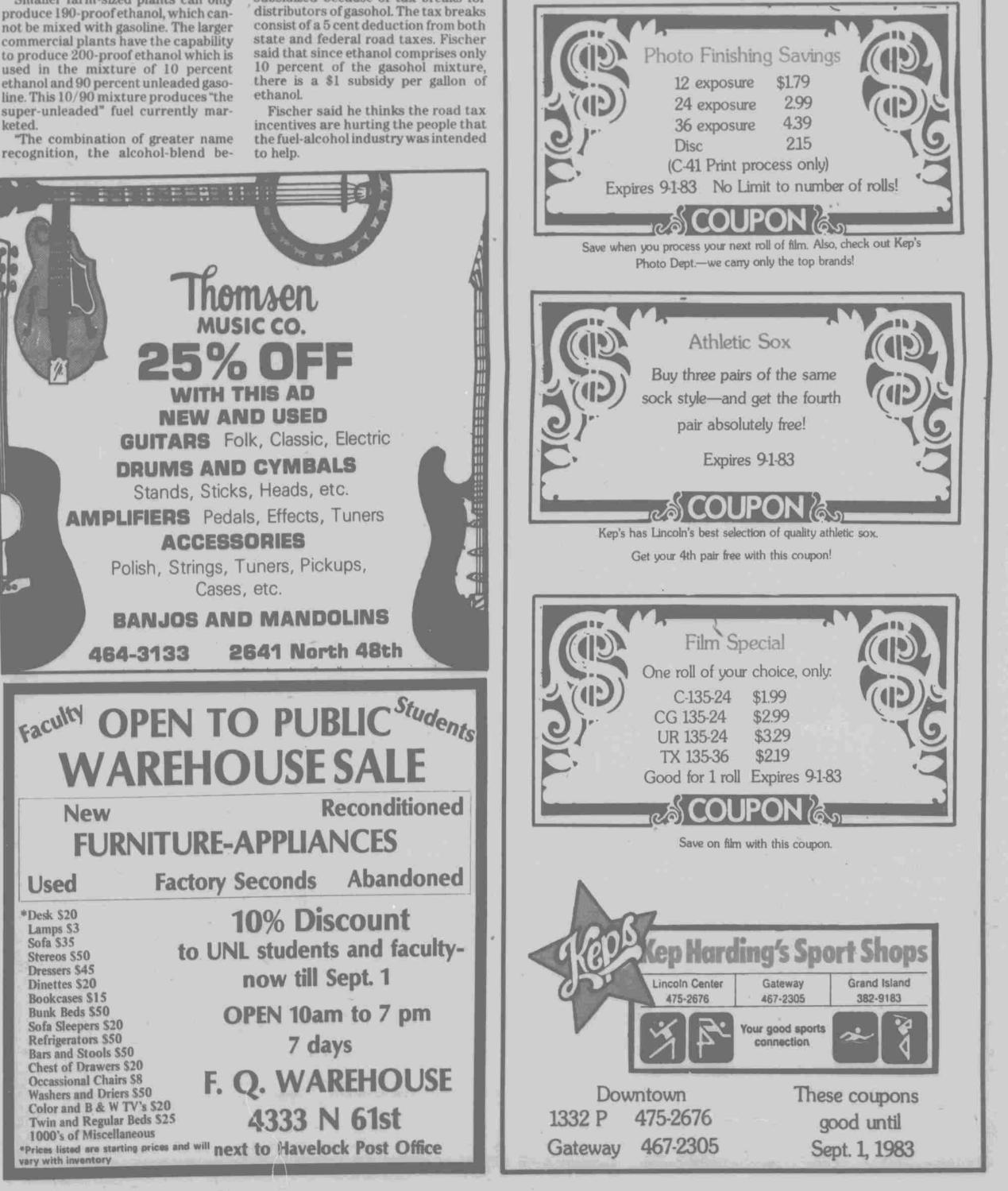
Fischer said the industry is oversubsidized because of tax breaks for distributors of gasohol. The tax breaks there is a \$1 subsidy per gallon of

the fuel-alcohol industry was intended to help.





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Page 15