

SCRAP TIRE ADVISORY COMMITTEE
MEETING SUMMARY

September 14, 2011
10:00am - 12:00pm
Lansing, Constitution Hall, Atrium North
Rachel Carson Conference Room

Name	Affiliation	Phone Number	E-mail Address
Participants			
Bud Dingus	Environmental Rubber	810-240-9833	bdingus@fortistar.com
Alan Huffman	Huffman Rubber	517-568-3353	huffmanrubber@voyager.net
Brian Radtke	Silver Lining Tire Recycling	734-324-4800	silverlining@wyan.org
Gary Melow	Michigan Biomass	989-763-0672	Gary.melow@michiganbiomass.com
Michael Blumenthal	Rubber Manufacturers Association	202-682-4882	Michael@rma.com
Dan Mullins	CMMR	989-465-0200	
Rebecca Mullins	CMMR	989-465-0200	rebecca@cmrubberrecycling.com
Andrew Horsman	Ontario Tire Program	416-626-9185	ahorsman@ontariots.ca
Craig Detweiler	Entech	574-596-9243	craig@4entech.com
Mark Meyer	Shrader Tire and Oil	419-4722128	Mark.meyer@shrader.biz
Tom Frazier	MTA	517-321-6467	tom@michigantownships.org
Bruce Bart	Colbalt Holdings LLC	269-6251617	bbart@colbartrubber.com
Eric Rule (via conference call)	Michigan Retailers Association	517-372-5656	errule@retailers.com
DEQ Staff			
Liz Browne	DEQ-RMD		
Ann Vogen	DEQ-RMD	313-456-4663	vogena@michigan.gov
Rhonda Oyer	DEQ-RMD	517-373-4750	oyerr@michigan.gov
Rich Brim	DEQ-RMD	517-373-9154	brimr@michigan.gov
Rob Dickman (via conference call)	DEQ-AQD	231-876-4412	dickmanr@michigan.gov

Welcome and introduction of participants: There was a discussion that the committee was not the venue for talking about what people charge for scrap tire removal or other pricing issues. There should be nothing discussed that can give the appearance of being anti-competitive.

DEQ Remarks on items of interest: There are some changes being considered in Licensing and Regulatory Affairs that may impact DEQ procedures but not the Scrap Tire Program directly. An environmental committee report is expected to be out in October. Another work group has been proposed that may impact the Scrap Tire Program.

Due to an air quality fee reduction the Air Quality Division is being impacted, that reduction along with inadequate concessions from the state labor unions may result in employee layoffs that could adversely impact DEQ staffing levels.

Previous meeting summary: The June 8, 2011, meeting summary was reviewed. No comments were made. They will be finalized and placed on the Web site.

Ontario Tire Stewardship: Andrew Horsman from the Ontario Tire Stewardship Program was invited to discuss the concerns in regard to impacts their Program has on surrounding states. Their Program's goal is to develop Ontario based markets for crumb rubber. They do not have tire derived fuel or landfill incentives for scrap tires. They have agreements with their processors that require the processor to prove their pricing and practices are in compliance with trade laws. The Tire Stewardship Program is not the government but they can stop incentives being given to processors who do not comply with their agreements. There are no incentives for scrap tires that are brought into the Province from other Provinces or states.

Andrew stated that he expected that the Ontario Program would evolve as the market for crumb rubber changes. There are no restrictions on bringing crumb rubber into the Province.

The money for the incentive Program is supplied by "stewards." They are companies that generate and supply tires. The onus is on the creator and supplier of tires in the Province to provide financial support for their Program. They contribute to the stewardship Program based on a per passenger tire price of \$5.84 and truck tire amount of \$14.65 per tire. There are also transportation incentives based on how far the tires have to be transported in order to get to an appropriate processor.

Grant Updates: There were 35 grants given this year with 18 sites completed. Many of the sites this year were community cleanups sponsored by various municipalities. There was \$3,000 allotted per municipality for scrap tire removal. Every eligible applicant had grant funds allocated. The 2012 Scrap Tire Grant Program is moving forward. The DEQ is about a month behind in sending out cleanup and market development grant applications.

Update on biomass fuels and TDF: Genesee Power is now approved to burn scrap tires at the rate of 30 to 60 tons of material per day.

There are three federal statutes that impact tire derived fuel use: the EPA's definition of solid waste, and the two air quality rules. All three are currently in court. The Rubber Manufacturing Association has sued EPA, as have others, in

regard to EPA's solid waste definition. The other rules are stayed, but due to be rewritten. It is likely that these rules will be back in court after rewrites.

EPA biomass regulations allow 20 percent of scrap tires made from natural material to be used as a biomass credit. EPA is being sued over this regulation. Congress is considering prohibiting EPA from enacting certain new regulations. EPA's budget is also under scrutiny.

There was a discussion about the renewable energy letter from the PSC, which states that a gasification or plasma arc facility may receive a credit for busing renewable energy under the biomass regulations.

Updated Q & A document: Changes to the Scrap Tire Question and Answer document were discussed. Three items have been changed and/or added. The first item, 6.3 of Part II of the document now allows interest accrued on a cash bond being held by the department, to be used toward additional bonding at a scrap tire collection site, if required. Previously the interest could not be used for additional bonding.

Per item 22 of Part 1 of the document, retreaders can now apply to become exempt from bonding requirements, if they meet all of the end-user requirements as defined in Part 169.

The DEQ has been unable to get an accurate number of tire retreaders and the amount of scrap tires retreaded in the state. A poll of various companies to determine how many tires are being retreaded is planned. It was stated that the DEQ could also check with retread suppliers to see who their customer base is. When a list of retreaders is obtained, the DEQ could then send out a mailing notifying them of the end-user exemption.

Lastly, per item 23 of Part 1, intermodal shipping containers do not require bonding if they are being used to transport scrap tires. However, if the containers are not being used to transport scrap tires and remain stationary at a site (i.e., being used for storage) they would be subject to Part 169 bonding requirements.

Lists of Facilities: At the time of the meeting the tire Web site has some outdated information, particularly the Lists of Facilities. This is due to database changes. It was hoped that updates would be completed by the end of September.

Best practices for community scrap tire drop-off sites: Ideas for creating a "best practices" document were discussed. It was also discussed that changes to the grant information could cover these issues without creating a separate document. Suggested changes were to allow a community a longer time frame

to keep the tires at the drop off location, so as to make it easier for haulers to keep transportation costs to a minimum. Also it was suggested that a paper application be made to the DEQ as to when community drop offs are to be held. The cost of transportation for these events is a big concern for haulers and processors.

Other grant changes: It was also discussed that side-by-side comparisons of different products be conducted to compare tire material, used as mulch on playground or in roadways, etc., with traditional material to determine which material is most cost effective, longest lasting and safer, to name a few comparables. If third party comparisons can be obtained then that information could be placed on the states Web site. It was suggested that a market development grant might be possible for use in side by side comparison trials.

Legislative changes in the Michigan Motor Vehicle Code extending the current \$1.50 fee for funding the Scrap Tire Program until 2015 were made. The changes should be passed by October 1, 2011.

Draft potential Legislative changes: Proposed Revisions to Part 169 were distributed and the following item was discussed:

- A change to Section 16903(4) of Part 169 was suggested that would require a written agreement between the owner and operator of a collection site to indicate who the responsible party for the site is. This must be submitted with a collection site application.
- Grant funding for enforcement initiatives was suggested.
- Stronger penalties for retailers that fail to use registered haulers.

Rubber Aggregate and Rubber Modified Asphalt Conference: RMA will be holding a conference in Austin, Texas, in November, pertaining to tire derived aggregate in roads and another focused on rubber modified asphalt. One of the sessions at the rubber modified asphalt conference will focus on how to set up a new program using rubber modified asphalt and another state (Nebraska) discussing how they "did it."

Next meeting date is Wednesday, December 7, 2011, from 10:00 a.m. - 2:00 p.m. in the Rachel Carson Conference Room.