

SCRAP TIRE ADVISORY COMMITTEE MEETING

June 19, 2013
10:00 a.m. - 2:00 p.m.
Lansing, Constitution Hall, Atrium North
Rachel Carson Conference Room

MEETING SUMMARY

Participants

Name	Affiliation	Phone No.	E-mail Address
Ada Takacs (via phone)	MDNR	989-275-5151	takacs@michigan.gov
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Bruce Bart	Cobalt	269-651-3081	bbart@cobaltrubber.com
Bud Dingus	Environmental Rubber	810-240-9833	bdingus@fortistar.com
Crystal Rogers (via phone)	City of Detroit		
Doug Carlson (via phone)	Liberty Tire	602-751-6039	dcarlson@libertytire.com
Gary Melow	Michigan Biomass	989-763-0672	Gary.melow@michiganbiomass.com
John Barak	MDOT	571-322-4967	barakj@michigan.gov
John Berscheit	Rieth-Riley	574-532-0032	jberscheit@reith-riley.com
Michael Blumenthal	Rubber Manufacturers Assn.	202-682-4882	mblumenthal@rma.com
Michael Demski (via phone)	Deerpath Recyclers	269-783-1247	info@deerpathrecycler.com
Steve Baird	Michigan Tire Inc.	313-283-6655	sbkb@wowway.com
Tim Olson	Olson Tire	989-621-1586	timrolson@hotmail.com
DEQ Staff			
Steve Sliver	DEQ- OWMRP	517-373-1976	slivers@michigan.gov
Ann Vogen	DEQ- OWMRP	313-456-4663	vogena@michigan.gov
Mike Marshall	DEQ- OWMRP	517-373-4738	marshallm7@michigan.gov
Nadine Deak	DEQ-OWMRP	269-567-3592	deakn@michigan.gov
Rhonda Oyer	DEQ- OWMRP	517-373-4750	oyerr@michigan.gov
Michelle Oberlin	DEQ-OWMRP	517-241-2924	oberlinm@michigan.gov
Rob Dickman (via phone)	DEQ-AQD	231-7753960	dickmanr@michigan.gov

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Rhonda Oyer opened the meeting and greeted the attendees. She advised that the meeting minutes from March 6, 2013 STAC Meeting were posted online.

Steve Sliver apologized for Liz Browne who could not attend due to a scheduling conflict. He thanked all of the committee members in attendance for their participation.

Rhonda Oyer spoke about the legislature's slow down. The DEQ is working on many other solid waste issues. Steve Sliver spoke on the ongoing effort within the department with the recycling vision. The Director is leading charge with stakeholders to assemble the MI program. This push came after the Governor's special message. Rhonda went on that the DEQ working on fee issues and the budget. Some beneficial reuse changes, grass to gas bill, diverted waste amendment (household hazardous waste), The Bottle Bill. The proposal from the STAC was sent to legislative staff. However, because agenda is full we do not anticipate 169 amendments to be moving forward soon. That is not to say we are not supporting them just that it will not be moving in near future. Steve Sliver relayed that Maggie Datema does not see a way to get it inserted into legislative arena at the moment, not that we do not want it to move just a difficult time. Hopefully the opportunity will arise in September to be introduced. Maggie will keep an eye out toward inserting this in the process if the opportunity arises. Ann Vogen reminded the STAC that the hold does not mean that it cannot be pushed by other representatives.

Rhonda addressed the STAC appointments. The Committee is appointed by the Director and has not been updated in some time. The plan is to expand participation to areas not represented to include Randy's Auto Salvage, Randy Whipple from the Grand Rapids District, Steve Baird, Michigan Tire, Inc. and some others. There have been some changes in membership. Craig Detweiler will move on and someone else will represent Entech. Dan from MWIA is changing to Chris Phillips. Kim Smelker from Granger will remain in an advisory capacity, but has been too busy to attend. Please look at list and submit recommendations to Rhonda ASAP so it can be sent to the Director.

Michael Marshall advised the committee on the status of the FY13 grants. Fifty-nine Cleanup Grants were awarded and the Market Development Grants are still in the approval process.

Gary Melow said that there are no real changes with biomass fuels. Eight biomass facilities in MI, 7 use TDF, and no changes foreseen. The facilities are running less than their permitted volume of TDF. Cost is still at an economically viable rate.

Michael Blumenthal said there is no update on the non-hazardous secondary material rule. They are waiting for a lawsuit against the EPA. The EPA Scrap Tire Work group, TDF committee will be conducting a webinar sometime in the future.

RMA projects are running into issues with Air Quality. Doug Carlson presented via the internet to demonstrate his opinion that the plants should not need additional permitting or exemptions.

Michael Blumenthal spoke about the Ontario Tire Stewardship. He was in Ontario last week and met with the OTS and Rubber Assoc. of Canada. They spoke about the effect of program on U.S. markets. Seems the program is failing and will collapse. The citizens do not wish to

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pay fees any longer. The Ministry of the Environment issued new legislation that within 2 years the current stewardship program will be dropped as well as the OTS and the fee. Scrap tire management will be the direct responsibility of the tire manufacturers and first importers. Free market system based on input by seller. A 1-for-1 tire proposal is currently what is believed to be the outcome. Specific details are not established as of yet. There will be a radical change on that program and U.S. markets. No TDF allowed in Ontario. He spoke with Andrew Horsman who said he has 2 years to get all end users in Ontario to produce rubber at market price not subsidized price. The second part of this is GENAN. They have finished building a ground rubber facility in Basetown, Texas. Capacity to process 10 million tires per year. They do not have that volume yet, but are bringing in ground rubber from Europe. They have 1,500-2,000 containers on the ground in US, with about 70,000 lbs. per container. Prices of ground rubber have dropped to about 10-13 cent. Market flood will ultimately place downward pressure from flooded market from infill to asphalt. Rhonda-will email legislation. It was asked if there was any reason this would not go through. It was stated that while this has not been passed it is a political decision and pretty much is done deal

It was stated that some thought that this might further affect Michigan markets and might cause some processors to be unable to remove sufficient material from their sites. If that occurs and they cannot show removal of 75 percent, bonding will be needed. When you get down to bonding costs are higher than landfill. When the OTS moves a large amount into Michigan it may be difficult to move commodity and make a cash bond required. The participant said bonding is simply not available. Various members of the committee refuted this and said they all held bonding at a reasonable rate.

It was also mentioned that the ASTM subcommittee is working on a standard for loose fill as playground material. It would use the 100-ppm standard for lead. The final standard should be issued in 3-4 months.

There was a reminder about the conference in October in Tempe, AZ regarding rubber modified asphalt. Federal Highways will be sending state DOT invitations shortly. Kevin Kennedy from MDOT will be their representative, and Mike Marshall will attend from DEQ.

Clarification on the bonding requirements for haulers in the draft legislative proposal was requested along with an indication on when it was thought these requirements would go into effect. It was stated that this is still a draft and could see further changes before it is enacted. It is anticipated that it will still be some time before this proposal could be enacted.

There was a discussion about having registrations be valid for three years as opposed to one. The timeliness of issuing the registration is a problem for the registrants. It was stated that if it were a multi-year registration, registrants would be willing to pay the \$200 per year fee (i.e. \$600 for a 3-year registration). Rhonda stated that she would discuss this idea with upper management and work on some draft legislative language if there was a decision to move in that direction.

The next meeting will be held on September 11, 2013 from 10:00-2:00 pm in the Rachel Carson Conference Room, Lansing.