

SCRAP TIRE ADVISORY COMMITTEE MEETING

December 8, 2010
 9:00am - 12:00pm
 Lansing, Constitution Hall, Atrium North
 Rachel Carson Conference Room

MEETING SUMMARY

Name	Affiliation	Phone Number	E-mail Address
Participants			
Bud Dingus	Environmental Rubber	810-240-9833	bdingus@fortistar.com
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On Phone			
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DNRE Staff			
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Welcome by Rhonda Zimmerman and introduction of participants.

Liane Shekter Smith provided an update on the DNRE reorganization and budget. The recombination of the Departments was moving along, however with the change in administrations it was announced that the Departments will begin to separate again next year, returning to the DEQ and DNRE. We are unsure how this will play out, but our day-to-day work will not change, just the letterhead. The Division is losing 44 employees to retirement; management is putting together a retirement response plan to figure out how many positions will be

filled. Julie Vallier will be retiring from the scrap tire program and discussions are taking place of how to fill her obligations.

Liane also provided an update on the budget. Last year we completed 2 rounds of clean up and market development grants, this year we will have less funding available for grants. Some of the grant funding will be used to pay for a solid waste settlement, although it will not impact staffing levels and it appears as though grants will still be able to be funded. The \$1.50 scrap tire fee is set to sunset on December 31, 2012. We will need to request the Legislature to extend this sunset in the future. A committee member asked how the scrap tire grant money can be used for a lawsuit settlement when it is protected in statute- there is a state law that allows any fund source to be used in the case of litigation settlement.

Management has met with the new Director, Dan Wyant, who noted some programs may be reduced, but what we will keep doing we will do well.

Previous meeting summary: The June 9, 2010 meeting summary was reviewed. No comments were made. They will be finalized and placed on the website.

PTE weight equivalent: Rhonda asked the committee if using a 20lb/PTE weight equivalent is still relevant as many other states are using 22.5/PTE weight equivalent. Tires in piles right now are most likely approximately 22.5 lbs for passenger and light truck tires. Truck tires have gone up to an average of 120 lbs. We are proposing to use the new weights for the FY12 grant cycle. We will look at how to incorporate this as far as how much the Department will pay per PTE or per tire. Some other states have changed their measurement, others go by weight only. We haven't considered changing in the past because many of our stockpiles are older and are most likely at the 20lb weight. It is expected that tire weights will reduce in 5 years or so due to the expense of raw materials; tires will keep getting smaller and will be made of other types of materials. Some manufacturers will be using more Kevlar, others will begin using less steel in different ways. It was asked if these changes will change other applications such as tires used in TDF and air quality or asphalt. There should be small positive changes in emissions from TDF and a slightly more noticeable improvement in emissions from asphalt applications. Decreased weight in the future may impact the program as the Department moves towards community cleanup days.

Scrap Tire Cleanup and Market Development Grants: Rhonda provided an overview of the cleanup grant applications that have been received: they mostly consist of medium sized piles (approximately 20K-30K tires in the piles) as well as community cleanup days. Rhonda also provided an update of the Scrap Tire Market Development grants. 9 Letters of Interest were received from the FY11 round totaling \$1.5 million. Five were road projects, one was microwaving, and the rest were products. It was noted that the microwave technology hasn't been proven anywhere in the country on a full production scale, It was also noted that one of the proposed by-products, carbon black, is actually carbon char which

requires much more additional processing to make into a useable product. Additionally, oil is not produced it is another product that will require additional processing to be a useable product. The technology does exist for these systems; however it is not economically feasible. There are operational plants in the US, they are working but they are not commercially viable in this economy. It was added that 38 eligible cleanup applications were received and 19 were cleanup day applications. The announcement should be made by mid-February.

Biomass fuels and TDF: Gary Melow gave an update on the biomass crop assistance program- \$250,000 was spent in the first quarter which was supposed to be used for 4 years. As a result the list of eligible products was reduced, causing a loss of interest; therefore there will be a much smaller impact on TDF markets. There has been a renewed interest at DELEG for biomass jobs (digesters, etc) there could be an increased demand for TDF as technologies expand.

EPA identification of non-hazardous secondary materials that are solid waste: Michael Blumenthal gave an update- the definitions are sitting with the Office of Management and Budget (federal). RMA staff is meeting with government officials to discuss the impact on tires with this possible change. It is accepted that tires currently in abandoned piles will be considered solid waste. The result of this change of definition will be that any facility using these tires will need to comply with Part 129 air regulations (municipal waste incinerators).

The proposed change that is most concerning is rough shred will be called a solid waste, which would also require facilities using this material to comply with Part 129. If this change is made cement kilns will stop using tires. The most controversial issue is the requirement that tires be "processed" in order to be burned as TDF. There are three potential classifications of processing that have been proposed. Michael has met with EPA to discuss the current standard for TDF (2x2 clean cut chip with 10% steel- which means all bead wire is removed, remaining steel is embedded in the chip). One of the potential classifications would be completely wire/metal free.

Final draft definitions should be out sometime this month (around the 15th) and final definitions should be out by January 14, 2011. If the EPA indicates TDF should be completely wire free it will kill TDF. The EPA is also re-writing Most Achievable Control Technology (MACT) standards. These standards may include a provision that any fuel must be weighed before it is used in combustion, not many facilities have this capability.

Scrap Tire End-Use; Estimated Usage and Capacity Information: Becky provided an update of the annual end use table that is produced by the Department. It is not complete; however preliminary information looks as though TDF and crumb applications have risen slightly, while all other uses have slightly fallen. The table should be finished in the next few weeks and circulated to tire staff; from there it will be approved by management and released publicly.

Michael Blumenthal provided a national update on markets indicating that TDF and other uses have fallen nationally while crumb, playground material and mulch have risen. Nationally RMA will be conducting a national conference the first week of November 2011. Locally, RMA has offered to meet with individual states to discuss different markets. The RMA will pay for venue, speakers and the host state needs to bring in the audience. The RMA has found that the best use of market development grants has been to work with end users to incorporate tires into their product. Other states have researched what companies in the state manufacture products from rubber and plastics and approach these companies with grant application. States extend grant applications for testing/research and development.

Discuss potential Legislative changes: Will have a draft out to group and have additional discussions at the March meeting.

RCC Workgroup update: Rhonda provided an update of the Resource Conservation Challenge (RCC) workgroup: it is unknown if the EPA will continue to support the RCC workgroups. Rhonda also attended the Scrap-to-Profit conference about various uses of tire derived aggregate. A DVD is available and can be downloaded from YouTube, or checked out from Rhonda if interested. Rhonda noticed a common theme that industry is looking for a dependable good product (chip, crumb) to use in products. Prior to the conference there was a state regulators meeting as well as an RCC meeting.

Discussion of DNRE improve capability to use performance bonds for sites: The reasons the Department can call a bond are: remove tires from cleanup site, respond to fire emergency at collection site, or to respond to fire at cleanup site. Staff would like to change the ability to call a bond if tires are cleaned from site but not as a result of a court action. The committee did not express concern, will include it in the draft legislative changes to use bond without having to go to court.

Next meeting dates will be Wednesday, March 9, 2010 from 10:00 am- 2:00 pm in the Rachel Carson Conference Room.