

SCRAP TIRE ADVISORY COMMITTEE
MEETING SUMMARY

December 7, 2011
10:00 a.m. - 12:00 p.m.
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
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
Craig Detweiler	Entech	574-596-9243	craig@4entech.com
Mark Meyer	Shrader Tire and Oil	419-472-2128	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
John Becsey	Asphalt Pavement Association of Michigan	571-323-7800	jbecsey@apa-mi.org
Wayne Shotwell	Belle Tire	313-273-2195	wshotwell@belletire.com
Michael Demski	Deerpath Recyclers	269-783-1247	deerpath@deerpathrecyclers.com
Don Adams	Suez North America	989-305-2045	donald.adams@gdfsuezna.com
Henry Hamilton	Animat CA	586-268-3750	hamiltonassetsvcs@yahoo.com
Alisa Cosby(via conference call)	Tire Management	734-799-3164	flatrocktire@yahoo.com
Ron Brundidge (via conference call)	City of Detroit	313-224-3901	brundidger@detroitmi.gov

DEQ Staff			
Ann Vogen	DEQ-RMD	313-456-4663	vogena@michigan.gov
Rhonda Oyer	DEQ-RMD	517-373-4750	oyerr@michigan.gov
Rob Dickman (via conference call)	DEQ-AQD	231-876-4412	dickmanr@michigan.gov
Nadine Deak	DEQ-RMD	269-567-3592	deakn@michigan.gov
John Barak	MDOT	517-322-4967	barakj@michigan.gov

Welcome and introduction of participants: All attendees were reminded that the STAC is required under the statute and that the Director appoints the committee members. Concerns should be brought to the group through the appointed members.

All attendees were reminded that when enforcement issues are discussed, it should be done in general terms as it relates to statutory provisions and not refer to specific entities against which enforcement should be brought.

Condolences were expressed to Silver Lining and Environmental Rubber for recent losses.

DEQ Remarks on items of interest: None.

Previous meeting summary: The September 14, 2011, meeting summary was reviewed. No comments were made. They will be finalized and placed on the Web site.

Grant Updates: There were 35 cleanup grants given this year and all of the projects have been completed but waiting on some paperwork to be submitted. The 2012 Scrap Tire Grant Program is moving forward. The press release is pending and the deadline is January 30, 2012. For market development, the FY 2010 MSU project has been extended to this year due to design changes. Cass County finished there project and is in the testing phase. Saginaw County finished its 5 projects and they are also in the testing phase. For 2012, the applications were just placed on the Web site. The press release is pending. Deadline for Letter of Interest is January 30, 2012. No changes to Market Development this year.

It was asked how long the market development projects were going to be watched and would there be a report. Yes, there will be a final report on each project. They are doing standard testing that would be done on any road project. MSU will still be testing several years after installation since they are looking for the best mix for Michigan. In Cass County, MDOT did a normal road right next to the rubber-asphalt road. This was done around the same time so Cass County will be testing for 3-5 years.

Hauler and collection site registrations are due by January 31, 2012, as well so January will be a very busy month.

It was noted that Becky Beauregard will be back after the 1st of the year and will be the primary grant contact for both cleanup and market development.

Update on biomass fuels and TDF and EPA Identification of Non-hazardous Secondary Materials that are Solid Waste: EPA issued the 2nd final draft and definition of solid waste (377 pages.) A copy of the definitions was handed out. There was one significant change effecting TDF. All annually generated tires managed under state program or other program that keeps them away from other waste material will be considered to be managed as a fuel and not subject to definition as a solid waste. However no legitimacy criteria would be applied – don't have to compare TDF to wood to see if same chemical makeup. Tires taken from stockpile are a waste. They are solid waste until chipped/turned into TDF. The previous concern that fuel has to be processed to 2" and meet criteria (OK for cement kiln and power plant, not to wood burner) has been addressed and no longer an issue. There was also a change that all factory scrap and rejects will be viewed as fuel not as solid waste. Municipality Amnesty day gets a pass under the definition (people bring in tires from home not in contact with solid waste and therefore they are not considered solid waste). Processors won't have to segregate amnesty day tires. Key issue is what tires are being discarded vs. being actively managed. Discarded tires are considered solid waste. EPA has to take comments (60 – 90 days) on draft, review comments, make any changes, and then issue the final rule. It is likely that will happen some time next year (unless EPA asks for an extension). Therefore, it will likely be 3 – 4 years before changes take hold. For piles that will be cleaned within the next 3 years these changes won't make a difference. After that time processors will have to have two separate piles, one for fuel (actively managed) vs. one for solid waste (discarded).

Legitimacy criteria originally referred to the fuel the burner was designed to handle (Was boiler designed to burn wood? What happened if you add TDF?). Under the current draft, this is no longer an issue. Anything that has been used as a fuel will be considered a fuel. Because a number of facilities have been using wood with tires, EPA will say this is acceptable and these facilities can continue using tires. No petitioning will be needed. However, then wire free standard is still there and tire processor will have to pull wire out. Application of the boiler MACT standards depends on if tires are solid waste or not. Industry and environmental sectors agree on the proposed rules. There are still several lawsuits, both industry and environmental community has sued EPA over the proposed rules. Between now and April should have better understanding of what changes will be.

Follow up on Retreader discussion - market number: The Scrap Tire Program triennial report is due by December 29, 2012, and there is a need to get better numbers on retreads. Based on the number of tires Belle Tire retreads, the numbers the state has been reporting are low. Belle Tire has offered their expertise and help in getting better number.

It was brought up that proposed legislation in Michigan that would charge a \$5.50 fee on each retreaded tire to fund clean up the states roads made an international tire magazine. Ninety percent of the rubber on the road comes from truck tires. Of this 90 percent industry shows 50 percent is from retreaded tires and 50 percent from new tires. Defect rates for new semi tires and retreads are close. There would be more of a benefit to have tire care and maintenance programs funded rather than litter cleanup since there are two main reasons for the rubber ending up on the road. 1. Accident, (driving over an object); 2. Tires are underinflated (maintenance). A better use of time and money would be to clean up road hazards and make sure drivers check air pressure in their tires.

RMA also offered to provide assistance and contacts for retread numbers. Another method suggested to get numbers on tires retreaded in Michigan would be to contact companies that are selling tread rubber. They should be able to provide information as to how much they sell. Every truck tire sold in the United States is expected to be retreaded and is designed to be retreaded. Higher grade truck tires have bead to bead steel and are designed for 3-7 new treads.

Lists of Facilities: DEQ has put the updated commercial collection site and commercial hauler lists on the Web site and is working on getting updated processor and end-user lists put on the Web site as well.

It was also mentioned that the DEQ is looking at setting up a tire webinar (What can do, When regulated, When exempt, etc.) that can be viewed by anyone in the industry and would help make some information available to the public. It was also mentioned that a Waste Data System tutorial would be useful to teach the public how to get information out of the database through queries.

Discussion of tires being disposed of by auto shredders: For years most auto shredders have taken tires off vehicles prior to shredding and throw the tires into piles. Now most of the tires are gone because they end up in auto fluff and are landfilled. Tires could come back into the market and go to a higher end use if they didn't get shredded with the vehicle and landfilled. Is it worth the fight to ban tires from shredders? Most shredders don't really want tires. Since shredders are already taking mercury switches, etc. off the vehicle they may just look at taking tires off themselves. Twenty percent of the discarded tires go through auto dismantling. Many felt it would be beneficial to start having a dialogue with auto dismantlers and that starting such a program to divert tires would be a good idea. It was discussed that we may want to have a meeting

with auto dismantlers and maybe get ARA involved. It was suggested that the DEQ make auto shredders aware of pertinent regulations, show there are companies out there that can handle tires, explain they have options and they can figure out what works best for them. Sometimes fluff tests as hazardous waste so all would have to go to a hazardous waste landfill including the weight of the tires. It was suggested that the DEQ look at the educational component rather than a ban on tires going to auto shredders. It was suggested that the DEQ contact our counterparts at Illinois EPA. It was also suggested that the DEQ send inspectors around to see how many tires are on each site. RMA was going to follow up with the shredder arm as well.

There was a brief discussion of markets for tire material vs. landfilling (movement to prevent landfilling as a disposal option). Again, it was suggested that the DEQ should look at the educational component first.

Discussion concerning enforcement against illegal haulers/operators:

There was a discussion regarding the problems encountered with illegal haulers. People have been working with local municipalities, police, etc. Illegal haulers are taking grade, looking for good tires. Local authorities won't do anything if they don't catch the haulers in the tire store pen. There have been attempts to educate the local authorities that these haulers have to be registered and that they are stealing. It was suggested that the locals need more education on laws administered by the DEQ. Illegal haulers and illegal operators of used tire stores have no sales tax ID, no licenses, no DBA, etc. Auto recyclers are a new source of tires to the illegal operators. An example was given of the police found 300 tires in the person's backyard, but couldn't prove the tires came from a particular facility. Person did get a local ordinance violation. Legal sites have seen personnel of national accounts helping load tires into an illegal hauler's vehicle. There is a concern that haulers are issued hauler registrations and then use them for illegal activities. The following approach was suggested: Identify a hauler into two different categories. Retailer – hauls less than 200 scrap tires at a time, and commercial – hauls greater than 200 tires at a time and are contracted with generators. The retailer category should be the ones to post a bond since the smaller haulers are more likely to be doing illegal activity. Big commercial trucks are hard to do illegal activity. It was also felt generators should have some type of bond since some pens hold 1,000 tires. Generators should be responsible for all tires they generate. Generators should be forced to have performance bond and have all scrap tires go to a licensed contracted commercial hauler not a retail hauler. If caught illegally disposing of tires, the state could go after the generator bond. For customers taking back tires, there would have to be an exemption certificate filled out by the customer. If retailer claims they sell a lot of take offs, an exemption certificate would be needed that they would have to sign to certify that the tires were scrap but went back into stock. Then check records if generate 800 and have manifest for disposal of 600 should have exemption certificates for 200.

Another suggestion was for processors to quit selling grade off as used tires; increasingly becoming a liability. This has increased shredding capacity by 65 percent for one processor and eliminated bad elements buying grade offs. It was suggested that retailers be made aware that they will be liable for used tires and make grants available for surveillance camera installation. DEQ was asked to take enforcement against the illegal haulers. DEQ will discuss with scrap tire staff at their next meeting and draft a letter to help educate retailers.

Rubber Modified Asphalt 101 Workshop: There was a discussion of the proposed Rubber Modified Asphalt Workshop. It was suggested that it be made convenient for the major target audience and be centrally located. It was suggested that MDOT could attend for free, County Roads should pay a nominal fee (want them to have to pay something so have a financial investment. If free and something better comes along don't want them not showing.), Legislators could attend for free. It was suggested that the EPA Region 5, counterparts in Ohio, Illinois, Ontario, etc. be invited. Sponsors could set up booths to help pay for it (selling them ad space.) MSU and DEQ teaming up to put this together with the goal of answering questions about the use of the material and to dispel myths. There was a discussion regarding having processors purchase blocks of tickets for scholarships.

Suggested speakers were discussed. There is a need to have MDOT, contractors, another state that has frost, Cass County, Saginaw County, MSU, and RPA give presentations on their experiences. There is a need to keep the focus fairly local, but it should have a national flair. Additional speakers suggested included the Ontario Ministry of Transportation, Robert Rae from Nebraska, someone with a national perspective on hot blends, and hot mix. The asphalt association expressed interest in speaking at the workshop. Michigan is in a road crisis and solutions need to be cost effective (if cost 10 percent more than conventional pavements needs to give more than 10 percent better performance). Northern Indiana is putting more rubberized pavements in residential and parking lots, etc. There are concerns with long term potential, what do we do with products we are making at the end of their lives? The suggestion was brought up for processors to form a Michigan Scrap Tire Processor Association.

It was mentioned that the first week in October 2012 there will be a Rubber Recycling Conference (RMA & Ontario group).

Draft potential Legislative changes: The draft of the potential revisions to Part 169 was discussed continued with the following items discussed:

- Section 16902(2)(a)-change to add an exemption from hauler bonding for hauler owned and operated by a compliant processor

- Section 16903(4)-re-worded to further clarify that a written agreement between the owner and operator is needed if the operator is supplying the required bonding
- Section 16904b-re-worded to clarify scrap tires are regulated under Part 115 & Part 169 when not managed in compliance with Part 169
- Section 16905(1) & (6)-add an exemption from hauler bonding for hauler owned and operated by a compliant processor
- Section 16908(2)-discuss if can consider enforcement initiative grants
- Section 16909-discuss adding stronger penalties on retailers using an illegal hauler

Section 16908(2) and Section 16909—rather than do enforcement initiative grants per se, it was suggested that grants for enforcement include surveillance, equipment, and training. There is a need to educate local police through training and provide the money for surveillance and equipment to allow for local enforcement. It was suggested that the DEQ look at what CalRecycle has done in this area. It was also suggested that revenue generating penalty tickets may encourage local enforcement. If the local unit of government is allowed to keep a portion of what is collected, they are more likely to enforce it. Florida enforces through a tough litter law with criminal penalties. DEQ will discuss with its criminal enforcement staff the best approach.

The next meeting date is Thursday, March 8, 2012, from 10:00 a.m. - 2:00 p.m. in the Rachel Carson Conference Room. Other meeting dates include June 6, 2012, and September 19, 2012.