SCRAP TIRE ADVISORY COMMITTEE MEETING

February 4, 2009 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	810-789-1222	bud@fortistar.com
David Worthams	Michigan Municipal	517-908-0303	DWorthams@mml.org
	League		
Don Adams	Viking Energy	231-775-2772	dadams@mcbainpower.com
Gary Melow	Primary Fuels	989-875-3822	garym@primarypower.com
Michael Blumenthal	Rubber Manufacturers	202-682-4882	Michael@rma.org
(on phone)	Association		
Tim Olson	Olson Tire	989-773-7978	timrolson@hotmail.com
Rebecca Mullins	C.M. Rubber Recycling	989-465-0200	rebecca.mullins@permalife.com
Dan Mullins	C.M. Rubber Recycling	989-465-0200	rebecca.mullins@permalife.com
Tom Frazier	Michigan Townships	517-321-6467	tom@michigantownships.org
	Association		
DEQ Staff			
Ann Vogen	DEQ-WHMD	313-456-4663	vogena@michigan.gov
George Bruchmann	DEQ-WHMD	517-373-9523	bruchmag@michigan.gov
Julie Vallier	DEQ-WHMD	517-335-4924	vallierj@michigan.gov
Nadine Deak	DEQ-WHMD	269-567-3592	deakn@michigan.gov
Rhonda Oyer	DEQ-WHMD	517-373-4750	oyerr@michigan.gov
Zimmerman			
Rich Brim	DEQ-WHMD	517-373-9154	brimr@michigan.gov
Rob Dickman	DEQ-AQD	231-775-3960	dickmanr@michigan.gov
Rob Schmeling	DEQ-UP District	906-346-3545	schmelir@michigan.gov
(on phone)			
Steve Sliver	DEQ-WHMD	517-373-1976	slivers@michigan.gov

Welcome by Rhonda Zimmerman and introduction of participants. George Bruchmann commented on the state of the state and budget proposals that will be discussed next week.

Approval of September 10, 2008 draft meeting summary: no comments on the meeting summary. It will be posted on the website as a final document.

Scrap Tire Cleanup and Market Development Grants: There is only one open FY08 scrap tire cleanup grant which is the City of Detroit. The FY08 market development grant project is only partially set up. The FY09 cleanup grants have

been approved by the Administrative Board. The press release announcing the grant awards will go out next week. The three FY09 market development grant applications will be reviewed next week.

Market Development Grant Complaints: The DEQ has received several complaints about the market development grant application. The complainant felt there should be a list of end markets for scrap tire products included in the application, and information on what types of materials (chips, crumb rubber) would qualify for what markets. The STAC agreed that the purpose of the MD grant is to develop the markets, not to provide those to applicants. No changes to current practices were recommended. Viking indicated that they could increase the amount of material they burn if they switched to wire-free crumb, but it would double the cost.

How is the economy impacting the tire industry? Since Holcim is closing down their plant, they are not taking tires from other sources. Are there other places to absorb the 2 million PTEs? There is some concern regarding fuel cost associated with transporting scrap tire material to other processors. Current processors/end users could absorb the tires but the price of disposal would increase. Fuel prices affect the cost of TDF but could be equalized with wood. Money paid for wood would assist the local economy. A company in the Detroit area, Liberty/Lakin, could take more tires. The consensus was that the current processors/end users could handle the tires that will no longer be going to Holcim.

Biomass Issues: PA 295 did not change the number of tires that can be used for TDF. While TDF does not qualify as biomass, facilities using both it and biomass have to discount the TDF material. There is a balancing act between the use of TDF and wood since the price of wood has risen.

EPA Advanced Notice of Proposed Rulemaking and the Implications for TDF: EPA is looking at the definition of solid waste and its impact on air quality. They are asking for comments. Are scrap tires waste or fuel? It comes down to the definition of "abandonment". However, clean up tires and abandoned tires are the same material as live tires and they have the same value. This should be looked at on a case-by-case basis. RMA has submitted comments on this issue. TDF came out as fuel for current generation tires and RMA made the case that stockpiles go through the same process as the current generation tires and should also be considered as fuel. There is a 50/50 chance on which way the decision will go. RMA estimated the decision should become public in six months to 1½ years. DEQ will provide their comments sent to EPA to the STAC. The proposed rule change could potentially have effects on the beneficial reuse program and the use of materials for waste-to-energy in Michigan.

Consolidated Load Manifest: It seems that there is an impact on some processors by having to send back a copy to each of the generators listed on the form. The processors at the meeting said they do not use the consolidated load

manifests. The concern is they do not want others to have access to their customer list. No changes were recommended at this time.

Beneficial Reuse/Industrial Resources Council Presentation: Some states are more interested in beneficial reuse of materials and willing to participate than others. There were several meetings in Michigan with MDOT, DEQ and MTU (MiTRP). It appears to be difficult to get MDOT to use anything involving crumb rubber. In 1992 when rubberized asphalt was first proposed, MDOT asked why they should put garbage in our roads. Don't see anything happening with rubber modified asphalt in Michigan. Lightweight fill or weed control have possibilities but not rubber modified asphalt. The only way to get MDOT to use rubberized asphalt may be via federal regulation or mandate. Right now, TDF is the major way to dispose of scrap tires in Michigan. The U.S. Congress is telling California they must use rubberized asphalt and other recyclables on their highways. It may come to that in Michigan if MDOT wants federal funds. Various groups are willing to participate if there is a meeting on this issue held in Michigan.

DEQ should encourage Saginaw to apply for a grant to test the sites where crumb rubber asphalt was used.

Also discussed was the LEEDS program for Greening Highways. This is a paradigm shift as new considerations come into play: what needs to be done, costs, how it should be done. EPA recognizes six materials for green highways: tires, foundry sand, construction/demolition, coal ash, steel slag, and pulp/paper.

It was agreed that updates on the MiTRP status should be a standing agenda item for this committee.

RMA Tire Survey Update: The survey is complete and the numbers are in. Because of computer glitches, it is taking a bit longer to get the report out. States did not submit numbers using the same units of measurement but that has been rectified using a weight-based system of measurement. Markets are increasing; TDF use is increasing; ground rubber is up 50%; TDA is decreasing. Overall, there is a positive outlook. The text portion of the survey needs to be added and the report finaled. RMA will send out the results of the survey soon.

Ontario Used Tire Program: Ontario is the last province in Canada to create a tire stewardship program. The plan still has to be accepted by the Minister of the Environment in order for the program to go into effect. There is a \$5.00/tire fee. This is collected at the point of sale of the tire. Haulers do not charge the retailer the fees are collected by the Ontario Tire Stewardship, an oversight group. The Stewardship pays for processing. However, Stewardship does not allow the tires to be used as TDF. It's unsure at this time if they will allow tires to go to TDF in other provinces or in the U.S. There is a question as to what impacts this program will have on the U.S. ground rubber markets. The goal is to stimulate other markets in Ontario, and the hope is that is will create markets and keep the tires and material in Ontario. The goal is to implement the program between September, 2009 and April 2010. There will be a half-day session on the Ontario

program in June at the Scrap-to-Profit conference in Buffalo, NY, and DEQ staff intend to attend this conference.

Registered Haulers vs. "Cherry Pickers": The problem with "cherry-pickers" is that they may not be registered scrap tire haulers and, therefore, not manifesting the tires. A letter will be sent to retailers, garages, etc. informing them they must ensure entities that are picking through their scrap tires are registered haulers and must manifest where they are taking the tires. Several registered, compliant haulers rely on the resale of some of the scrap tires as "used tires". Industry members should iform DEQ staff if someone is doing this and is not a registered hauler. This is how the ECO's caught the "bread truck perpetrator". Processors should also remind their customers of the manifest requirements. The goal is to make them mindful of the legal requirements under Part 169.

Report on the Effectiveness of Part 169: Per Section 16911(2), this report is due at the end of December 2009 and is on the effectiveness of Part 169 in encouraging the reuse of scrap tires and ensuring the safe storage of scrap tires. DEQ will develop an outline of the report sometime this summer and run it by the STAC for input. DEQ may also need STAC members help with obtaining data to flesh out the report.

The next meeting is tentatively scheduled for Wednesday, September 16, 2009 from 9am- 12pm, in the Rachel Carson Conference room, Constitution Hall.