

SCRAP TIRE ADVISORY COMMITTEE MEETING

December 5, 2007

9:00am - 12:00pm

Lansing, Constitution Hall, Atrium North

Rachel Carson Conference Room

MEETING SUMMARY

Name	Affiliation	Phone Number	E-mail Address
Ada Takacs	MDNR	989-275-5151	takacs@michigan.gov
Alan Huffman	Huffman Rubber	517-568-3353	
Angela Brown	MDEQ-OCI	517-780-7483	Browna2@michigan.gov
Ann Vogen	MDEQ-WHMD	313-456-4663	vogena@michigan.gov
Ariel Shaw	Michigan Environmental Council	517-487-9539	ariel@environmentalcouncil.org
Becky Beauregard	MDEQ-WHMD	517-373-4738	beauregardb@michigan.gov
Bud Dingus	Primary Fuels	810-240-9833	budd@primarypower.com
Craig Detweiler	Entech Inc.	574-596-9243	Craig@4entech.com
David Worthams	Michigan Municipal League	517-908-0303	DWorthams@mml.org
Don Adams	Viking Energy	231-775-2772	dadams@mcbainpower.com
George Bruchmann	MDEQ-WHMD	517-373-9523	bruchmag@michigan.gov
Julie Vallier	MDEQ-WHMD	517-335-4924	vallierj@michigan.gov
Kimberly Smelker	Granger	517-371-9726	ksmelker@grangernet.com
Matt Romanoski	Geocycle/Holcim	734-625-1698	Matt.Romanoski@geocycle.com
Michael Blumenthal (on phone)	Rubber Manufacturers Association	202-682-4882	Michael@rma.org
Mike Bengelink	Park of the Lakes	231-775-3542	mbengelink@yahoo.com
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Rich Brim	MDEQ-WHMD	517-373-9154	brimr@michigan.gov
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Rob Schmelling	MDEQ-UP District	906-346-3545	schmelir@michigan.gov
Steve Sliver	MDEQ-WHMD	517-373-1976	slivers@michigan.gov
Tim Gentner	Geocycle/Holcim	734-529-4676	timothy.gentner@geocycle.com
Tom Frazier	Michigan Townships Association	517-321-6467	tom@michigantownships.org

Welcome by Rhonda Zimmerman and introduction of participants, George Bruchmann commented on the current budget status.

Approval of June 20, 2007 STAC meeting summary: no comments on the meeting summary. It will be posted on the website.

Consolidated load manifest update: Rhonda reviewed the new manifest and consolidated load manifest forms and noted they will be used starting 2/1/08. A question was raised if old forms could continue to be used if a consolidated load manifest was not needed. The only form that may be used after 2/1/08 is form number EQP 5128 (Rev. 8/07).

Scrap Tire Cleanup Grants: Rhonda provided an update of the status of the Scrap Tire Cleanup Grant Program. Forty-six applications were received this year totaling approx. \$9 million in requests. The program has \$3.9 million available for funding grants, which is the same amount as FY 07. There will be an internal meeting next week to review grant applications. The Department is hoping to announce the awards in January, but this depends on the State Administrative Board schedule (all grants over \$25,000 must first be approved by the State Administrative Board). The Department hopes to have contracts signed, with project start dates around 3/1/08, end dates are always at the end September.

Market Development Grants: Rhonda provided an update on the status of the Scrap Tire Market Development Grant Program. Five Letters of Interest were received, 2 of these were asked to submit a full application. These two applications are requesting a total of \$1 million in funding. The program has \$500,000 in funding which may be awarded. Rhonda provided a synopsis of each application: one application is to add equipment to an existing process to make crumb rubber, the other application requests funding for equipment, research and development of a microwave based technology.

Biomass Issues: Don Adams provided an update on the issue of biomass tax credits as they pertain to tire derived fuel (TDF). Don indicated not much movement has taken place at the state level, although it appears as though TDF will be given a tax credit as biomass fuel, as well as municipal solid waste. A group has formed called Michigan Bio who is working to support green energy "without putting anyone out of business." Michael Blumenthal also noted there was nothing to add at the national level.

Changes to tire construction/manufacture: Michael Blumenthal provided an update on new tire construction concepts that have been circulating the internet. The "tweel" a design concept that has tread portions, but has open spokes and requires 20% of the rubber in current tires, is 10 years away from commercial manufacture. Also, Michelin has discontinued developing the "run-flat" tire, a tire designed to support a car for a short distance after being punctured or losing air, due to lack of interest in the marketplace. Michael did note that the use of Kevlar may be increasing in high end tires. Kevlar is very strong and would require sharper blades to cut or grind tires. It was noted that Kevlar is currently used in race car tires. Approximately 10,000 tires a year originating from Michigan International Speedway are currently being shred without a problem.

Industrial Resources Council presentation possibility: Michael Blumenthal also provided an overview of the possibility of bringing a presentation to Michigan with the Industrial Resources Council and the Green Highways Initiative. The presentation would include many different road material possibilities, not just tires. All levels of local government would be invited including counties, cities and townships. The cost for other states has been around \$1500 for a large meeting room, audio/visual equipment and meals. The host state would be responsible for finding the meeting place, reserving the equipment and advertising. Other states have offered continuing education credits for this seminar. Steve Sliver noted that EPA Region 5 is trying to target each state for a beneficial re-use training. Michigan is one of the last states to be targeted. This seminar could possibly be combined with the a beneficial re-use training. General consensus around the room seemed to be this would be a good idea as long as MDOT was involved. The suggestion of requiring a registration fee to defer the cost to the state was also made.

Alternate Daily Cover follow-up: Rhonda provided a follow-up to a discussion at the last meeting regarding a businessman from Indiana who contacted the DEQ to discuss the proposed increased solid waste disposal surcharge as it pertains to tire shred that will be used as alternate daily cover. After the last meeting a response was provided to the businessman indicating alternate daily cover is the least valuable way to use tires and tires should be used for the most valuable application first. Also, if tire shred were exempt from any waste surcharge other alternate daily cover materials such as auto fluff may also ask to be exempt which could lead to a slippery slope of exemptions. The businessman responded to our response by noting tire shred was the most valuable form of alternate daily cover. It was noted that tire processors usually negotiate a price with landfills; it is unknown to the processor what the landfill will use the tire shred for. It was also noted that some landfills will not charge for tire shred they will be using alternate daily cover in their operation. The committee agreed to continue to discuss this topic.

Tire Disposal Options: A poster and website content was developed as a result of discussions about the need for educational materials concerning tire disposal options in past meetings. The poster and web content were reviewed by the committee. The goal of the poster and web content is to educate the public about the tire disposal fees charged to dispose of tires as well as different ways to dispose of tires. It was noted that some landfills will take tires which are then collected and transported by haulers or used in landfill operations. The committee also discussed the problem of people not wanting to pay the disposal fee charged by retailers, taking them home and dumping tires somewhere else. Suggestions of how to stop this dumping included: requiring retailers to be responsible for a complete manifest (including the final destination signature), requiring retailers to keep used tires, putting a cap on the amount allowed to be charged by the retailers, putting a deposit on tires.

The committee was asked how the Department should distribute the posters, and what else can be done to educate the public or retailers? The committee

suggested contacting the Secretary of State's office to try and hang the poster in branch offices or create a flier to enclose in license plate registration mailings. Posting a link to the poster on the Secretary of State website would also be useful. Sending the poster to a list of recycling centers via e-mail was also suggested. Any additional comments on the poster are to be sent to staff by December 14, 2007.

Updated Tire Pile Map: Rhonda noted that the map of regulated outdoor scrap tire collection sites on the website was in the process of being updated. The map will now only show regulated sites, both registered and unregistered. Addresses were left off the map on purpose for security and fire hazard reasons. Approximately 10.5 million tires remain in piles around the state, 3.6 million of which are pre-1991. It was noted that the success of our tire program and the amount of tires removed from piles around the state should be publicized. Michigan has been given credit for being a leader in cleaning large amounts of tires in a short amount of time.

STAC member items: An issue was brought to the committee regarding Scrap Tire Cleanup Grantees who owe the state money. If a grantee owes the state money and the grant payment has been assigned to the tire processor, the state can still take the grant payment as payment to the state for fees/back-taxes. This situation prevents the processor from getting paid. The grantee still has an obligation to pay the processor under their processor contract. Staff has looked into the problem and will change contract and application language help address the issue. It was noted that staff cannot send a list of applicants to the state Treasury Department for flagging if the applicant owes money due to privacy issues. It was also noted that some processors include language in their own contract dealing with this issue. A suggestion was made to submit a request for payment early in the project to test if the payment will make its way through the system.

Another issue regarding rising fuel costs was presented to the committee. It was noted that diesel fuel costs are up and do not seem to be coming down. These additional costs make some tire cleanup sites less financially sound as it takes a lot of diesel fuel to run cleanup equipment. Staff was asked if the possibility exists to add a surcharge to grant funds to cover increased fuel expense. Staff will look into the possibility of adjusting the grant amount of \$1 per tire for inflation and market conditions.

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