

SCRAP TIRE ADVISORY COMMITTEE MEETING

September 17, 2015
10:00 a.m. -12:00 P.m.

MEETING SUMMARY

Participants

Name	Affiliation	Phone Number	E-mail Address
Outside Participants			
Bruce Bart	Cobalt	269-625-1617	bbart@cobaltrubber.com
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DEQ Staff			
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Duane Roskoskey	DEQ-OWMRP	517-582-3445	roskoskeyd@michigan.gov

1. Introductions and Welcome were done by Mike Marshall. Steve Sliver's promotion to Assistant Office Chief has resulted in Rhonda Oyer taking an up to 6-month assignment as Acting Solid Waste Section Chief (Steve's former position), and Duane Roskoskey taking an up to 6-month assignment as Acting Sustainable Materials Management Unit Chief (Rhonda's position).
2. The March 5, 2015, Meeting Summary was discussed. There were no changes. DEQ staff will have the meeting summary placed on Scrap Tire Web site.
3. Steve Sliver gave an update on the Governor's Recycling Initiative. There will be a Governor's Recycling Council (GRC) meeting on September 22 along with a briefing to the Governor on progress to date on the Initiative. The Recycle by Design concept was discussed along with the pending introduction of Measurement Legislation by Senator Green. The Solid Waste and Sustainability Advisory Panel is taking a comprehensive look at Part 115, Solid Waste Management of the Natural Resources and Environmental Protection Act, 1994 PA 451. There are subcommittees to look more closely at Composting and Solid Waste Planning and bring recommendations back to the larger group. The GRC had suggested that transportation projects with MDOT would be a good way to quickly increase the use of recycled materials and meet the Governor's goal to increase

residential recycling. Duane and other DEQ staff put together a white paper on the use of glass, compost, shingles, foundry sand and tires to promote discussions with MDOT. There is a meeting today of MDOT and DEQ staff to follow up on this and a meeting that took place in August between MDOT's Deputy Director and DEQ's Deputy Director. There was discussion that rubber modified asphalt is a proven technology but DOT's generally need to be convinced of the return on the investment and assured of liability protection. Data from other states doesn't translate over. MDOT projects generally are tested and developed over a 10-15 year period. It has been shown that shingles make for better roads for cheaper but it is hard to overcome the contractors' fear of failure and losing money if projects fail. The STAC was looking at how they could best interface with the GRC and the Governor. It really isn't a question of IF tires work in RMA but of process control. We may need to let MDOT come up with how they are going to make it work. There have also been air quality issues that are almost at the point of resolution once the final study data that was funded under the grant comes back at the end of the year.

There is still a need to address the TDF issue. Power rates are likely to go up. There have already been some open-burning complaints involving tires and we will likely see piles coming back and processors going out of compliance or taking fewer tires in order to remain in compliance. Tires will likely end up dumped in rural areas. Tires have to go to landfills due to no other options being available but they will be quickly overrun. The amount of TDF being burned needs to be determined. The power folks and legislators need to be educated on the issues surrounding TDF. The Midwest burns a lot of TDF and the need to reduce carbon emissions by 25% should drive more use of TDF. It is taking way too long to get RMA data needed. Barrel weights can no longer be made from tire rings and only one Michigan processor continues to produce these. Barrel weights are now molded products. Need to be looking at areas outside traditional markets for new uses and requiring the State to purchase recycled products made in the State. Tire collection prices are likely going to double in the next year due to the need to landfill tires. Several of the processors are taking a trailer per day to the landfills to stay in compliance. Several processors have indicated they no longer want to do pile cleanups, which may become problematic if tire piles reappear. Most markets are dependent on certain types of tires for the specific uses. As more tires go to landfills, the cost to landfill is expected to increase, so it takes money to do something with the tires. The big markets for tire rubber remain TDF, infill and RMA. In order to get movement in the markets, Executive agencies are going to need to make it a priority and provide financial support.

4. Rhonda Oyer gave an update on some staffing changes in the tire program in addition to the acting assignments mentioned during the introductions. Sue McDonald in Southeast Michigan and Bryan Grochowski in Lansing have both taken positions in the hazardous waste program. Sue will continue to help out in the tire program until a new staff person is hired. Lansing District will be handled by Larry Bean, District Supervisor for Lansing and Jackson with some help from Brett Coulter who is the Jackson District scrap tire staff person. Brian Burke from Saginaw Bay has taken the position as the recycling specialist for all of northern Michigan. Trisha Confer who has previously worked in the tire program, will cover the Saginaw Bay District and Jenny Bennett in Cadillac will cover northern lower Michigan, with Mary Ann St. Antoine covering the UP. Nadine Deak in Kalamazoo will be retiring at the end of September and Wade O'Boyle will cover Kalamazoo and Grand Rapids until Nadine's position is filled.
5. Rhonda then discussed the upcoming 2016 Registrations. The DEQ is working on the registration documents and incorporating the changes in statute which went into effect in January 15, 2015. DEQ continues to work on the hauler bond forms and other documents necessary for implementing the changes. DEQ will let everyone know when the documents are available and provide information on what has been changed to the various industry segments.

6. Mike Marshall gave an update on the RFP, and End-Use Markets development and direction. The RFP for the Market Study and analysis only received a single response. Rather than just accept that response, the RFP will be reissued and the respondents given more time to develop their proposals. The goal is to reissue the RFP and give a response deadline of December 31, 2015. TDF is still trending down. The 2014 End-Use Reports are now in but have not been analyzed. DEQ will need to analyze and do our report. There are no growing markets in the state. The UP only has one processor which will likely result in tire piles. Part of the issue in the UP is they cannot find any processors/transporters willing to do the work for the grant amounts. We did not receive any grant applications for the UP for 2015. UP industry people indicated that residents and businesses are not willing to pay anything at all for tire disposal. They think the tires should be taken for free. If the STAC is looking how to solve, may want to consider EPR (extended producer responsibility) laws to put it back on the manufacturer. The bottom line is there is a need for markets or tires will go to the landfill. It is a capital chasing opportunity and need to create a demand for the material. If there is too much rubber, there is no money in it and no opportunity. RMA at the same cost as hot mix asphalt would be what it takes to drive that use. You have to change the system and the rules to make it work. The big concern with the RFP is that it is not enough money. There needs to be a bigger group outside the state looking at the issue and approaching foundations to create something to tackle the issue. Something like Recycle by Design where there is a public-private partnership with the states in the Midwest (MI, IN, OH, IL). The catalyst for this is the TDF issue. May need to try and get Senator John Prose and the Governor to back the idea in order to bring venture capital to the innovative ideas. Again, Executive agencies should be giving direction on timelines and deliverables in order to bring the capital to the table. There needs to be a reward system built to get the materials where we want them to go. The grant program used to pay an incentive on TDF use. The preliminary air quality report looks favorable and should have the final by the end of December but it looks likely that the grant program will need to fund RMA at least for the next few years. There is \$3.5 million available this year to cover both Cleanups and Market Development Grants. The Letters of Interest for Market Development are due by October 30, 2105. It was asked if the Ferris State and Western Michigan University plastics programs had been approached.

As far as tires going to landfills, it was asked if these were for disposal or for alternate daily cover (ADC) use. MWRA is interested in learning more about ADC use and getting the word out to its members. It has been hard to track that use to get good market numbers and the landfills have to understand that they still pay a surcharge on this material when used as ADC and it is still a waste subject to county plans. **Rhonda will work with Margie Ring and Chris Philips to get this information to MWRA.** Tire derived aggregate (TDA) was also discussed as a way to make this material useful for something other than disposal but cheap aggregate in Michigan has held this market back despite some engineering applications of lightweight fill. Landfills are also charging the processors the same whether they can use the material or are just disposing of it.

7. Mike Marshall also provided an update on the FY 15 grants. All the paperwork for the work completed this year under the grants needs to be submitted this month. About half have already submitted everything. Some work was done contrary to the contract and the new reimbursement formula, however, for the most part the new process worked fairly well at addressing the issues. \$2,000 seems to be adequate if the processors can sell the material but not if they have to pay for disposal. It was discussed that DEQ might have to make the pricing contingent on where the material goes or what it is used for. This would be an incentive to recycle vs. dispose. The amount of tires cleaned up continues to decrease. Looking at more cleanup days and less pre-1991 tires in piles. OTR tires remain an issue. **If any STAC members have ideas on how to do the grant payments, they can be gotten to Mike up to the time contracts go out to be signed.** Once signed there is no room to change how we do the grant payments. We ask the applicants to tell us a

number of tires not a monetary amount when they apply for a grant. Only a few entities took advantage of the additional transportation cost option. Tires in the UP might have to be allowed to go to a landfill since there are no options. Processors indicated they would need at least \$1,500/trailer at 150 miles to go to a landfill. It will have to be updated on the web if there are changes made. We also need to look at a programmatic way to pay by weight to address those that are not counting tires. There was a concern with staffing levels and the need to maintain a presence in the field to ensure consistent application of the law and a level playing field for those doing it correctly. This will help keep prices for disposal appropriate. The processors would help to support that.

Record keeping requirements were also raised when a discussion of the manifests and lack of proper manifesting (records not filled out properly) was raised. There is now a burden on the processor and end user rather than the generator to reconcile records. This was not the original language discussed with the STAC but changes that were made to the bill during the legislative process.

8. AT&T Connect will be used to broadcast future meetings and the dates will be determined by Doodle polls. Potential dates of December 9, 10, or 16, 17, 2015; and March 18, 19 or 25, 26, 2016 were included in the meeting agenda.