

## SCRAP TIRE ADVISORY COMMITTEE MEETING

March 1, 2007  
 9:00am - 12:00pm  
 Lansing, Constitution Hall, Atrium North  
 Rachel Carson Conference Room

### MEETING SUMMARY

Name	Affiliation	Phone Number	E-mail Address
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Welcome by Steve Sliver and introduction of participants.

**Approval of November 2, 2006 STAC meeting summary:** no comments on the meeting summary. They will be posted on the website.

**Amendments to Part 169:** Nadine gave an overview of the amendments that went into effect December 29, 2006. The new inspection forms have been posted on the website and the new Q&A document should be updated soon. If anyone has questions on the amendments, they can be posted on the website.

**Consolidated Load Manifests:** Ann discussed the problems encountered while developing the new consolidated load manifest. She distributed two sample consolidated load manifests: one sample consisted of a traditional manifest

form, which would have an attached form listing of all the locations where tires were collected and delivered. The second sample was a one page sheet but only allowed for three pick up locations on the page. Problems arise with the first sample since it is difficult to provide copies to the appropriate parties. Don suggested creating a tear-off receipt style with a carbon copy to provide copies. The group discussed who would be using a consolidated load manifest and agreed that the form would be used as an optional form by a small amount of scrap tire haulers. **Any comments or suggestions on how to improve the consolidated load manifest should be sent to Rhonda by March 30, 2007.**

**Municipality/Non Profit Hauler Registration:** Nadine discussed one of the results of changes made to Part 169 which removed the phrase “commercial business” from the definition of a registered hauler. Does this require municipalities to register as haulers for community cleanup efforts?

- Could municipalities be grouped in with non-profits who are exempt from registering as a scrap tire hauler?
- In the future should we attempt to amend the statute to exempt municipalities?
- The suggestion was made that only city employees in a city vehicle should be exempt to prevent fraud.

Suggestions to address both non-profit and municipality scrap tire haulers:

- Create a static registration number associated with a nonprofit or municipality scrap tire. This number would be the same and recognizable by enforcement personnel as a non-profit or municipality. The registration could be magnetic and transferred around municipality or non-profit vehicles.
- Create a temporary hauler registration for either a specific timeframe (if a municipality will only use the registration for one community clean up day), or until a full registration is issued.

The discussion moved towards the need for municipalities to have hauler registrations and clean up days. It was noted that since landfills are no longer able to accept whole tires many people (especially in rural areas) do not know what to do with scrap tires and end up dumping them. It usually ends up falling on the municipality to have clean up days. The discussion ended with the suggestion that staff will continue to discuss issue internally.

**Market Development Grant Issues:** Steve provided an overview of the status of the Market Development and End Use Grants. The changes to Part 169 allow a broader range of eligible funding including up to 50% of the cost of equipment and research and development. The process needs to start very quickly and will most likely be very similar to past years with some changes. Internal meetings have resulted with the idea of having one Market Development grant (instead of the two separate market development and end user grants). The idea of changing the process to include a pre-proposal was presented to the group for discussion. The benefits of a pre-proposal system would help the department

understand how many applicants are interested, would help “weed out” applicants that wouldn’t qualify, and would allow the department to more efficiently handle applications. The following points were made regarding the pre-proposal:

- Mike noted that very often district staff sit down and discuss the grant program with potential applicants and that a pre-proposal may already be completed in a way, through interviews with district staff. He also noted it may be difficult to summarize highly technical information without going into a full proposal, and still describe it to the point where the department may be interested.
- General support was shown for the pre-proposal around the table.

Costs eligible for funding were discussed. It was noted that priority would be given to capital investment in the first few years. Mike pointed out that marketing costs are very high for products and under this language would not be funded. Mike also asked if the department considered funding to use all parts of the tire (including the steel, wire, etc.). Many prolisis machines would use the entire tire but are very costly at this point. Steve noted that we are not precluded from looking at funding all parts of the tire.

Don Adams commented that the 21<sup>st</sup> Century Energy Plan may end Tire Derived Fuel (TDF) in the state, as it is not considered a green energy, eligible for a renewable energy credit (REC). Energy companies will not want TDF if this is passed, which may create more tire piles as 98% of new scrap tires are currently used for TDF. This will impact the grant program as more money may be needed to complete cleanup efforts, and only the minimum may be appropriated for Market Development grants. The current thought has been that as the scrap tire piles around the state are removed, more money may be available for Market Development grants.

Paul gave an overview of a presentation he will be seeing later in the month regarding a tire prolisis machine. He will be flying to New York to see the presentation and is willing to provide an e-mail update when he returns.

The group discussed the possibility of applicants who have multi-year projects that would be funded through the Market Development Grant Program. Julie noted that quarterly progress reports will be mandatory under the contract language. Everyone agreed that benchmarks must be met in order to continue funding with a reduced application. A reduced application may also be useful if an applicant submitted a complete application and was eligible for funding, but was not granted funds in a previous year. In this case a cover letter may be submitted indicating the project has not changed and the same application would be accepted. The group also supported the idea that eligibility criteria must be very clear in order to determine who would be eligible. Criteria generated by the group included:

- Would the project use Michigan Tires (provide an area on the application and include in contract the volume of MI tires used in what number of years).

- The lifespan or longevity of the project
- Technology Transferability or broad benefit
- Job Creation
- Throughput vs. cost
- Startup vs. enterprise
- Compliance history of the applicant
- Financial health of the applicant

Nadine noted that the statute reads the grant would be available for the purchase of “scrap tires” which does not include crumb rubber or TDF (commodities).

Suggestions to make sure the grants are given to financially stable applicants were made:

- Include lien/repayment language in contract. The lien would be on equipment purchased with grant funding
- Could we pull background checks? It is very difficult to pull back ground checks.
- Check credit reports of applicants
- Grant funds distributed at the end of the year as a reimbursement so that the applicant would have to provide the start up costs.

The discussion was ended by agreeing these issues would be looked at internally, and a draft market development grant including eligibility criteria would be e-mailed out to the group.

**STAC member items:** Paul Betts provided an overview of his current projects including growing potatoes in stacks of tires, selling the potatoes to Better Made and putting the profit into a program to provide grants for down payments on homes in the Brightmoore area of Detroit. Blight Busters, Michigan State University, University of Michigan, and Kettering have all expressed interest/been involved in the project. On April 15 volunteers from the University of Michigan will be coming to Brightmoore to clean scrap tires from the area. Paul is also working with Michigan State to research using tires as a soil amendment specifically in cane crops such as raspberries.

Tim Gentner raised the question of bonding scrap tire haulers. Ohio requires a \$20,000 cash bond on all registered haulers. Tim believes the bonding would decrease illegal dumping that may occur from registered haulers. Liane suggested looking at the liquid industrial waste program to see how they register haulers.

**The next meeting is tentatively scheduled for Wednesday, June 20<sup>th</sup> from 9am- 12pm**