

SCRAP TIRE ADVISORY COMMITTEE MEETING

June 20, 2007

9:00am - 12:00pm

Lansing, Constitution Hall, Atrium North

Rachel Carson Conference Room

MEETING SUMMARY

Name	Affiliation	Phone Number	E-mail Address
Mike Bengelink	Park of the Lakes	231-775-3542	mbengelink@yahoo.com
Don Adams	Viking Energy	231-775-2772	dadams@mcbainpower.com
Rob Schmelling	MDEQ-UP District	906-346-3545	schmelir@michigan.gov
Rob Dickman	MDEQ-AQD	231-775-3960	dickmanr@michigan.gov
Matt Romanoski	Energis/Holcim	734-625-1698	Matt.Romanoski@energisllc.com
George Bruchmann	MDEQ-WHMD	517-373-9523	bruchmag@michigan.gov
Tom Frazier	Michigan Townships Association	517-321-6467	tom@michigantownships.org
Tim Gentner	Energis/Holcim	734-529-4676	timothy.gentner@energisllc.com
Ann Vogen	MDEQ-WHMD	313-456-4663	vogena@michigan.gov
Nadine Deak	MDEQ-WHMD	269-567-3592	deakn@michigan.gov
Becky Beauregard	MDEQ-WHMD	517-373-4738	beauregardb@michigan.gov
Noelle Hartner	MDEQ-WHMD	517-335-6200	hartnern@michigan.gov
Julie Vallier	MDEQ-WHMD	517-335-4924	vallierj@michigan.gov
Rich Brim	MDEQ-WHMD	517-373-9154	brimr@michigan.gov
Craig Detweiler	Entech Inc.	574-596-9243	Craig@4entech.com
Rebecca Mullins	CM Rubber, Inc.	989-465-0200	rebecca.mullins@permalife.com
Michael Blumenthal	Rubber Manufacturers Association	202-682-4882	Michael@rma.org
Dan Batts	Michigan Waste Industries Association	269-207-4824	DJB@landfillmanagement.com
Alan Huffman	Huffman Rubber	517-568-3353	
Rhonda Oyer Zimmerman	MDEQ-WHMD	517-373-4750	oyerr@michigan.gov

Welcome by George Bruchmann and introduction of participants, review of charge of the group.

Approval of March 1, 2007 STAC meeting summary: no comments on the meeting summary. It will be posted on the website.

Consolidated load manifest update: Ann provided an overview of the challenges we are facing while developing a consolidated load manifest. DEQ staff will continue to work on developing a consolidated load manifest for use.

Market Development Grants: Rhonda provided an update on the status of the Scrap Tire Grant Programs. Scrap Tire Cleanup grants that have already been approved and the contracts have been signed will continue, however the state has implemented a 45-day rule which delays payments to grantees for 45 days after payment requests are received. Scrap Tire Cleanup grants that were approved but contracts were not yet signed will be deferred until after September 15, 2007. The Market Development grants will not be funded this year, as the program does not fall under the exceptions listed in Executive Directive 2007-11.

A draft market development grant application, letter of interest and proposed timeline were circulated prior to the meeting. This updated version reflects changes made through the amendments to Part 169 passed last fall. Funding is now available for equipment under the Market Development grant program. The application process will now consist of applicants first completing the letter of interest. After a staff review of the letters of interest, applicants will then be invited to submit a full proposal.

A question as to who will be evaluating the applications was raised. It was also asked if staff would consider an interview process, as describing various products or new processes may not be as effective on paper as a verbal description and possible prototype may be shown in an interview. An interview would provide an applicant with a chance to “sell the product.” It was noted that if we interviewed one applicant, it would only be fair to interview all applicants. It was also noted that former grant programs such as the SWAP grant evaluated applications through an outside committee (non-DEQ staff). Staff will develop and circulate an evaluation form for the letter of interest and the full application for comments.

It was also noted that requiring a letter of intent from a future buyer of a product may not be feasible, as a buyer will not commit to buying the product before it is produced. Rather, requiring a “letter of expression of intent” which consists of a potential buyer listing the specs of a product they would consider buying would be more appropriate. It is then up to the applicant to meet those specs.

Concern was expressed regarding the potential to over-develop markets through the market development grant. Other states have similar programs that have a policy not to create internal competition, so projects will not be funded if the same product is already available. In addition the eligibility/evaluation criteria seems to be strong enough to keep experimental applicants out, and avoid politics while making funding decisions.

Additional comments on the market development grant application and letter of interest should be sent to Rhonda by Friday, June 29.

PTE Value: A copy of a section of a Rubber Manufacturers Association (RMA) report focused on the Passenger Tire Equivalent (PTE) was distributed. The study concluded a weight of 22.5 lbs more accurately describes 1 PTE, and 33

lbs more accurately describes the average of all tires. The current weight used in Michigan is 20 lbs = 1 PTE. This measure is used in both grant funding and reporting. It was noted that tires being cleaned up right now are mostly pre-1991 tires. These tires would be more accurately measured using the older, 1 PTE= 20 lb figure. The suggestion was made to have different PTE weights for different sites, depending on the age of the tires on the site. This would most likely be too confusing. The group decided to keep using the 1 PTE= 20 lbs figure for a few more years until more of the pre-1991 tire sites are cleaned, then re-visit the issue. RMA will continue to report statewide findings in both tire units and weight.

Biomass Issues: An update on the issue of biomass tax credits as they pertain to tire derived fuel (TDF) was discussed. At the federal level, a tax credit is currently not available for TDF, but is being challenged. Energy producers get a percentage of the tax credit for the amount of biomass used. At the state level, the 21st Century Energy Plan, specifically SB 213 which requires a renewable portfolio standard (RPS) is not moving. SB 213 does include using waste streams, or TDF, as a renewable energy source. Another bill, SB 428 sponsored by Senator McManus, does not support TDF as a renewable energy source. Work is being done to ensure the bill will support TDF use as it is a lower cost fuel it will save the taxpayer or ratepayer money. An update will be provided at the next meeting, as more activity is expected in the coming months.

Concern with the \$7.50 surcharge: A businessman from Indiana contacted the DEQ recently, concerned with the \$7.50 surcharge that has passed the house (HB 4221). The businessman brings tire shred to Michigan landfills to be used as alternative daily cover, but still has to pay to dispose of this waste. He is concerned that the surcharge will negatively impact his business. It was pointed out that alternative daily cover is the least valuable way to use tire shred and should aim for using this shred in a more valuable way. Also, if tire shred is exempt from the surcharge if used as alternative daily cover, will the other materials used for the same purpose (such as auto fluff) also be exempt.

It was also noted that some tires taken from grant-funded clean up sites are too dirty to be used for anything. These dirty tires must be taken to landfills. How will the surcharge impact the disposal of these tires? The suggestion was made to change the way grants are funded based on the condition of the tires, and including grant funding to balance the increased surcharge. The issue will continue to be discussed as the bills are acted upon.

STAC member items: It was noted that proposals for pyrolysis and other alternative technologies are showing up around the state. It was noted that these processes do work, but it are not commercially viable anywhere.

It was also noted that studies performed by the state are very useful on the national level when looking at environmental health and safety of using tires in different applications. One example of this is a report published by California which studied the health impacts of using ground tires as playground cover. The

report showed no impact. Efforts should be made to clear up misconceptions that can surround use of tire material in products. Generally, each state needs to do that and can do so by reviewing existing literature and coming up with findings. If there are problems or industry concerns specific to Michigan, could Market Development grant money be set aside for that use?

A discussion regarding Michigan's use of rubberized asphalt followed. A brief history of using rubberized asphalt was provided. A first step in increasing tire use would be to get the Michigan Department of Transportation to use tires in civil engineering projects.

The next meeting is tentatively scheduled for Wednesday, October 3rd from 9am- 12pm.