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SCRAP TIRE LEGISLATION & REGULATIONS & THEIR IMPACT ON THE MARKETS

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RUBBER MANUFACTURERS ASSOCIATION

- Represents the 8 US tire manufacturers
 - 85+% tires sold in the USA
- Created scrap tire development program in 1990
- Focus on development of sound markets and management for 100% of annually generated scrap tires in the United States



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RMA Tire Company Members





RMA Scrap Tire Strategic Goals

- To promote the elimination of all scrap tire piles in an environmentally and economically sound manner
- To promote the management of all annually generated scrap tires in an environmentally and economically sound manner



RMA Scrap Tire Strategic Goals

- To seek public awareness of scrap tire management success
- To advocate for a legislative and regulatory environment that is supportive of the RMA scrap tire mission



Scrap Tire Legislation: Historical Overview

- Prior to 1985 landfilling & stockpiling scrap tires was “accepted” management
- In 1985 Minnesota enacted specialized legislation on scrap tires
- By 1990, 48 states had enacted some form of legislation/regulations on tires



Scrap Tire Legislation: Historical Highlights

- 1991 Congress enacts an unfunded mandate to use rubber modified asphalt in federally funded roads (ISTEA)
- 1992 First non-TDF markets emerge
- 1995: ISTEA mandate repealed
- 1996: Ground rubber markets implodes



Historical Highlights

- 1998: “Coarse” rubber markets emerge
- '99/'03: Coarse rubber markets expand
- 2004: Another market correction
- 2005: GR supply/demand balanced
- 2007: Record use of TDF & GR
- 2009: ??????s



State Scrap Tire Programs

- State legislation provides basis for state to create scrap tire regulations
- Focus of state programs varies: programs can focus on:
 - market development
 - stockpile abatement
 - enforcement of regulations



U.S. Scrap Tire Programs

- 48 states have regulations (AK/DE)
- 34 states have a fee (\$0.25 - \$2.50)
- 5 states ended their fee program
- 38 states ban whole tires from landfills
- 11 states ban all tires from landfills
- 35 states allow shredded tires/landfills
- 8 states have no landfill restrictions



State Scrap Tire Programs

- 17 states allow processed tires in 'monofills'
- 14 states require transporter manifests
- 27 states have active abatement program
- 35 states regulate tires processors
- 34 states regulate tire transporters
- 4 states subsidize collection/processing
 - (VA, OK, UT, LA)



Components of Effective Legislation

- Comprehensive regulation of generators, collectors, processors and end users
- Strong effective centralized administration and enforcement oversight
- Clear understanding of permitting requirements
- Timely processing/review of permit applications



Components of Effective Legislation

- License/permit transporters
- Tire tracking system
- Limited time fee: dedicated fund – tamper proof
- Funds used to spur market development (no subsidies)



Components of Effective Legislation

- Grants for testing the use TDPs
- Grants for capital equipment to use tire derived material
- No money for processing capacity
- Gradual phase out of ability to landfill tires
- Matching money from grant recipient



Components of Effective Legislation

- Funds used to abate stockpiles
 - Mechanism for cost recovery
 - Mechanism for victims of dumping
 - Increased enforcement
 - Provisions for tire fire prevention and fire fighting
- Enforcement of regulations
 - Scrap tire haulers/processors must have permit
 - Limit on-site storage
 - Require leaving scrap tires with retailers



Undesirable State Activities

- Tire fund not used for tire programs
 - Mass transit (PA) or to general fund (NY, AK)
- State encourages one market over another
 - No RAC or TDA in MI/WI
 - RAC only (AZ)
- State funds production capacity
 - Grants to purchase equipment (CA)
 - Payment to process tires (TX, OK)
 - These programs do not create demand



Undesirable State Activities

- State only focuses on abatement
 - No markets created (WV)
- State only focuses on markets
 - Lack of stockpile abatement programs
- Lack of enforcement of regulations
 - Non-permitted operations under cut true cost of collection & processing; creates new stockpiles



Undesirable State Activities

- Subsidies
 - Creates false economy
 - Markets/processors fail when subsidy is removed (TX, OR, ID)
- Grants to purchase products
 - Does not create self-sustaining markets
- No market diversity
 - Having only 1 market puts state at risk if the market fails



Positive State Activities

- State tire programs/Preferred actions
 - Grants to increase demand
 - Focus on existing end use markets
 - Grants/projects to address issues of concern
 - Remove barriers
 - Feared health impacts
 - Benefits of rubber products



Conclusions

- Legislation/regulations provide basis for successful scrap tire marketplace
- State programs can have major impact on scrap tire infrastructure
- Balanced approach (mkt dev; abatement & enforcement) works best
- A diversified market is the best approach for both industry and the public



Conclusions

- States often focus grants on production capacity w/out knowing the impact on markets
- Demand pull is best approach
- Supply side economics does not work
- States need to remove barriers
- Mandates typically fail to create self-sustaining markets



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