



Scrap Tire Realities Along the US/Mexico Border

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Border Region Realities

- The infrastructure for the collection and processing of scrap tires is poorly developed
- There are few, if any, major end use markets for scrap tires on either side of the border
- The shipment of used tires into Mexico will continue



Border Region Realities

- There is an abnormally higher rate of scrap tires generated in Northern Mexico
- Stockpiling, dumping or landfilling of scrap tires is commonplace
- Although considered a problem commodity there are few resources dedicated to solving the problem



Introduction

- RMA represents the 8 US based tire manufacturers
- Working on border scrap tire issues since 1995
- RMA provides information on all scrap tire related topics
- Border information on RMA web site



RMA Involvement

- Presentations at +15 border forums
- Member of the Border 2012/2020 Scrap Tire Task Force (with EPA, SEMARNAT & states)
- Wrote/translated “Guidelines for Starting a Scrap Tire Company” (a TCEQ project)



RMA Tire Company Members





Tire Realities

- Tire manufacturers are not shipping used tires into Mexico
- Tire manufacturers sell new tires
- Shipping used tires into Mexico is a legal activity (NAFTA)
- Tire manufacturers can not stop the flow



US State Scrap Tire Programs

- The 4 US states have scrap tires programs: legislation & regulations
- Texas has no fee: limited scrap tire activity
- New Mexico has a fee: goes to counties
- Arizona has a fee: goes to counties
- California has a fee: not allowed to spend state funds in Mexico



Mexican Border States

- There is a scrap tire program in Baja California
- There are nascent scrap tire programs in several other states
- There are regional efforts: 4 States
- Communication between states is increasing



Scrap Tire Activities

- There have been a series of entrepreneurs wanting to start a scrap tire processing facility along the border
- Most have focused on ground rubber production
- At present, none have been successful



Market Realities

- The ability to collect & process scrap tires will not guarantee a successful venture
- Having a large supply of tires, either whole or processed, will not necessarily make your venture successful



Market Realities

- The single, most important factor contributing to a successful scrap tire venture is having markets to sell tire-derived products into
- The more markets a company has the greater the likelihood of long-term success
- Markets come and go



Market Realities

- The type of tire-derived products needed to satisfy the specifications for the markets will dictate what type of processing equipment to purchase
- Once the markets are established, then the supply of tires, the efficiency of collecting and processing tires becomes very important



And More Realities

- Placing tires in monofills/landfills maybe viewed as an efficient/safe means of storage, but doing so makes their retrieval very expensive
- Scrap tires placed in outdoor piles limits the markets they can be used in (TDF & TDA)

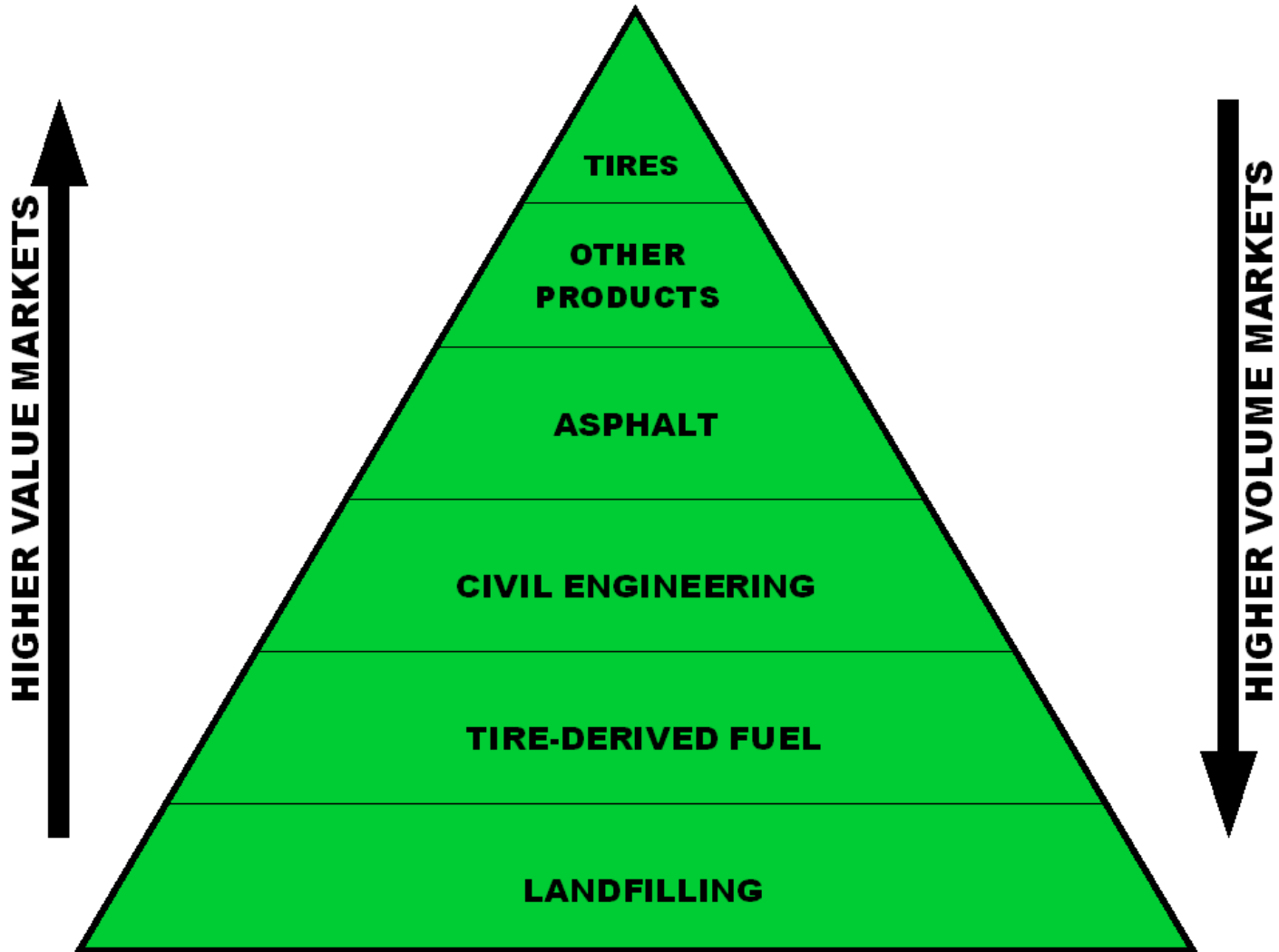


Market Realities

- The feedstock for production of ground rubber (GR) comes “new” scrap tires
- Truck tires are preferred
- Development of GR markets take 2-4 years
- TDF & TDA markets can be developed sooner, use large amounts of tires and create an base for all other markets



SCRAP TIRE MARKET HIERARCHY





Developing a Scrap Tire Industry

- There are two sides to this equation:
- The entrepreneur must understand the fundamentals/realities of the scrap tire industry as well as the needs/requirements of government
- Government must understand the realities of business & that it's practices & policy can/will impact industry



Conclusions

- Scrap tires present unique challenges to governments & entrepreneurs
- The scrap tire market is “demand-pull” not “supply-side” driven
- The flow of used tires will continue as long as there is demand for them
- Controlling the flow is a government function



Conclusions

- There needs to be an understanding of what works/does not work
- Markets can be created
- Governments can play a vital role
- More detailed information will be presented tomorrow



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