



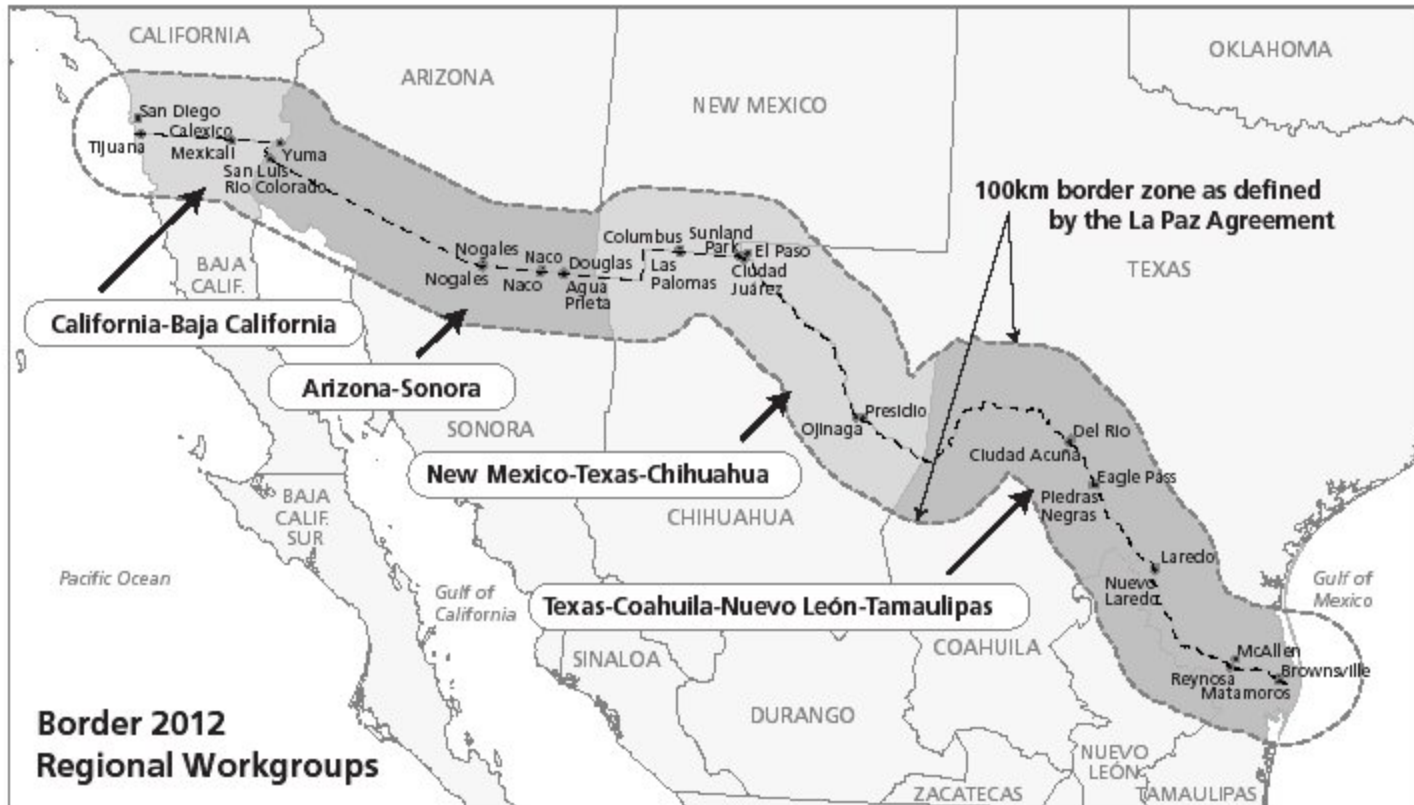
Developing Scrap Tire Programs along the US/Mexico Border

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US/Mexico Border Region





Tires on the US/Mexico Border

- Used tires brought into Mexico; most stay along border region
- Flow of tires unlikely to stop
- Many stockpiles exist: No accurate data
- Few markets exist; worsening pile growth



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TIRE SHOP

TEXAS BORDER





Defining the Situation

- Few markets exist for scrap tires on either side of the US/Mexico Border
- Isolated areas of population
- Economically challenged
- Until Border 2012, little focus on tires
- Scrap tires recognized as a problem material but few programs exist



Tire Repair Micro Business





Salvage Yard

“Junk” Yonkes





Defining the Situation

- Inflow of used tires, short duration of use & no markets for scraped tires leads to creation of large stockpiles
- Largest stockpiles were abated
- These actions focused on the symptoms, not the causes or remedies
- More urgent problems got resources



Challenges

- Neither EPA nor SEMERNAT, and few of the 10 states has a budget for border scrap tire programs
- Funds are going to hazardous waste and waste water projects
- Cross-border projects could mean having to deal with multiple levels of 'red tape' from multiple agencies



Understanding Scrap Tires

- Due to lack of markets many municipalities have created controlled storage sites
- Intent is to avoid dumping & have feedstock for processors
- The unintended consequence is that these tires can only be used for TDF & TDA: not feedstock for ground rubber



Understanding Scrap Tires

- Developing TDA & TDF end use markets is fundamental first step in developing a robust/diversified market solution
- The end use markets will be within 100 miles from the source of the tires
- Local solutions for local problems



Suggested Approach

- Municipalities can become active players by creating demand for scrap tire-derived material
- Municipalities should seek opportunities to use tire shreds in civil engineering applications
- Use in road embankments can use large quantities of tires



Tire Shreds?





Training Programs

- RMA has training program material on processing technology; civil engineering applications & business development
- RMA can provide a list of products which municipalities can purchase
- “You do not recycle until you buy recycled”



Market Development

- Some scrap tires already going to CEMEX for fuel: should try to expand
- Civil engineering applications is a good second phase market for scrap tires
- Developing a ground rubber production operation in Mexico (i.e., for rubber modified asphalt) can be economically viable if municipalities/states use TDPs



Market Development

- Creating “cottage Industry” to make products (door mats) from scrap tires could create jobs, income and an infrastructure
- RMA willing to approach mass merchandisers in US as a possible market



Legislation & Regulation

- Legislation is needed to set up the legal framework for regulations
- Regulations are needed to maintain order (control) of the scrap tire infrastructure
- Difficult to attract investments if/when anyone can do whatever they want with scrap tires



Components of Effective Regulations

- Comprehensive regulation of generators, collectors, processors and end users
 - Who can transport tires
 - Where scrap tires can go
 - How scrap tires are stored
 - How long tires can be stored
 - Financial surety (bonding requirements) for transporters
- Strong effective centralized administration and enforcement oversight



Rationale for Regulations

- Alternative disposal options not usually beneficial to municipalities
- Low barriers of entry into scrap tire collection & processing place downward pressure on pricing
- Uneconomical pricing does not allow for market creation
- Discourages investments



Components of Effective Legislation

- Clear understanding of permitting requirements
- Timely processing/review of permit applications
- License/permit transporters
- Tire tracking system (manifest)



Components of Effective Legislation

- Limited time fee: dedicated fund – tamper proof
- Funds used to spur market development (no subsidies)
- Grants for testing
- Grants for capital equipment to use tire derived material
- No money for processing capacity



Components of Effective Legislation

- Funds used to abate stockpiles
 - Mechanism for cost recovery
 - Mechanism for victims of dumping
 - beef up enforcement
- Gradual phase out of ability to landfill tires



Conclusions

- Unless/until Mexico enacts scrap tire legislation market development will be localized
- Municipalities can create/enforce regulations that will assist industry
- Municipalities can play a critical role in developing demand for TDPs
- US states also need to enact programs



Conclusions

- Emphasis should be placed on existing resources (public & private)
- Training programs on “how to start” markets are needed & available
- Coordination among agencies is needed
- Niche markets could expand into regional markets



Next Steps

- RMA has offered to host conference to provide information on markets, business planning, fire prevention/fire fighting and regulatory programs
- Need your input & commitment



To Have a Training Course

- Municipal leaders must be present
- Decision makers from DPW must be present and commit to using tires
- Design engineers from DPW must be present
- Must have a “champion” to follow up and keep project on track



Final Thoughts

- Scrap tires are not going away
- The longer you wait the larger the challenge
- Involvement of the municipalities & states is critical to developing a sound program & the development/expansion of viable end use markets
- Markets will solve the problem



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