

Waste Tire Task Force Leaders Meeting

L & C Tower

Nashville, TN

December 9, 2009

On December 9, 2009, Waste Tire Taskforce members and stakeholders, that had designated themselves as leaders for legislative initiatives, and the Tennessee Department of Environment and Conservation (TDEC) staff, including the Division of Solid Waste Management, held a meeting on the seventeenth floor of the L & C Tower in Nashville, TN.

TDEC's Deputy Commissioner Paul Sloan welcomed the leaders to the meeting and summarized what a leaders' role would involve. He stated that without unanimous consent for the market driven approach by all the stakeholders, TDEC could not move forward. He then asked the leaders to discuss possible improvements to the market driven approach as well as any possible compromise that might be considered to bring all together with a proposal to take forward for legislation.

Wayne Scharber, representing the Tennessee Chamber of Commerce and Industry, began the discussion by summarizing his understanding of reasons why a common consensus was not achieved at the Montgomery Bell meeting. Mr. Scharber said that he had spoken with Tennessee Auto Dealers Association, Representative Jimmy Matlock, Tennessee Tire Dealers and Retreaders Association, and Farm Bureau. Tennessee Auto Dealers Association favors the current system because of the convenience of current tire disposal methods. Tennessee Tire Dealers and Retreaders are opposed to the current system stating that they have become tax collectors of the tire pre-disposal fee; however, tire dealers collect sales and use tax. Farm Bureau was concerned about increased illegal dumping, new fees or possible increase to tire fees, tire fee increases on large agricultural tires, as well as tire storage regulations.

Tom Carter, representing MTR, added that Farm Bureau is not interested in any change to the current waste tire system because the current system allows for collecting farm tires and processing them. The farmer pays \$1.35 at the time of purchase and everyone else is offsetting the total cost of processing those large agricultural tires. If the State goes to the market driven approach, then the farmer would incur much higher costs at the time of purchase to properly dispose of those tires. Mr. Carter estimated the cost to be \$150-\$250 per tire or more. He stated that a major concern is coming from farmers that have stockpiled several agricultural tires and fees associated with properly disposing those tires.

Clinton Neal, representing Haywood County Solid Waste, said counties do not want to pay for the disposal of tires that have been dumped; they want a system that will allow them to collect and process all tires regardless of their origin. He also added that farmers are good environmental stewards and that agribusiness should be supported. Mr. Neal went on to say that the real problems with illegal tire dumping are generated the tire jockeys/used tire dealers. He added that the new market driven approach to waste tires will have the same problems and loopholes. He suggested that the existing system could be tightened to solve the problem.

Waste Tire Task Force Leaders Meeting

L & C Tower

Nashville, TN

December 9, 2009

Mac Nolen, representing Rutherford County Solid Waste, added that most farmers store a few tires for different reasons. He went on to say that farmers want to continue to keep cost down for tire disposal. Mr. Nolen stated that agribusiness is one of the largest industries in Tennessee and that waste tire disposal should just be considered as a routine cost of doing business and agribusiness should not be any different from any other business in Tennessee.

Deputy Commissioner Paul Sloan then asked if the group believed dumping would increase as a result of the market driven approach. The group stated that with the market driven approach which promotes a strong enforcement initiative, that illegal dumping would be no more prevalent than it is now. Thorough discussion of the issues it was determined that used tire dealers and tire jockeys were as the biggest contributors to illegal dumping.

On the topic of a graduated fee structure for larger truck and agricultural tires, Wayne Scharber discussed that the tire pre-disposal fee would continue at \$1.35 until April 2011 and then decrease to \$1.00. Grants would be maintained until April 2011 giving tire dealers time to establish contracts with tire processors. When the fee is reduced, the Department would then begin the enforcement activities and funded priorities would include enforcement, market development, and remediation.

Tom Carter stated that regardless of the program, used tires will have to be controlled. He said that in order to control tire jockeys/used tire dealers, stiff fees and penalties will have to be levied, as well as licensing and bonding. Mr. Carter suggested that the group needs look at where we want to go with this proposal, but also keep in mind the reality of where the group can go with the proposal. He went on to say that in the past, tire legislation concerning bonding and permitting of haulers did not even make it out of legislative committee due to lack of support.

Mac Nolen added that lack of knowledge about tire disposal costs might be a huge factor in the lack of support for the market driven approach. He suggested that some stakeholders and members may need to be educated about the various issues associated with tire collection and processing.

Michael Blumenthal, Rubber Manufacturers Association, agreed with Mr. Nolen's statement regarding the need to educate those who disagree with the market driven approach. He said that most would fear change of the existing system and the unknown relative to getting timely pickup of tires, etc.

Clinton Neal suggested setting up meetings with the key stakeholders opposed to the market driven approach to give them a better understanding of the issues and how the new system might work to their advantage. He stated that if the gaps are not closed among the dissenters, then the proposal would not be able to move forward.

Waste Tire Task Force Leaders Meeting

L & C Tower

Nashville, TN

December 9, 2009

Paul Sloan agreed with Mr. Neal that the leaders from the waste tire task force will have to have discussions with the groups that do not support the proposal in order to get them on board.

The debate continued on the various aspects of the market driven proposal. Discussion also included possible changes or modifications to the current program if the market driven proposal could not be moved forward.

Alan Knowles, Hamilton County, suggested that the task force concentrate on draft legislation for the market driven approach. He stated that not drafting legislation would seem to undermine the work from prior tire task force meetings. After the legislation is drafted and there is an actual written proposal to discuss, then get the waste tire task force back together to refine the draft legislation.

Michael Blumenthal, Rubber Manufacturer's Association, said he had a copy of New York legislation that he could forward as a starting point for Tennessee. Wayne Scharber agreed to begin reviewing and drafting the legislation. Paul Sloan agreed that the Department would review draft legislation that is prepared, but stated that the Department did not have resources to dedicate to drafting of legislation.

Wayne Scharber will prepare and send the draft legislation to the waste tire task force to thoroughly review prior to the next meeting. The task force agreed to reconvene in January to discuss the drafted legislation and the meeting was adjourned.