

COMMONWEALTH OF PENNSYLVANIA

HOUSE OF REPRESENTATIVES

Environmental Resources and Energy Committee

- - - - -X  
:  
Public Hearing on :  
House Bill 1929, :  
Waste Tire Recycling Act :  
:  
- - - - -X

Pages 1 through 114

Room 22  
Capital Annex Building  
Harrisburg, Pennsylvania

Thursday, September 14, 1995

Met, pursuant to notice, at 9:37 a.m.

BEFORE:

REPRESENTATIVE ROBERT REBER, Chairman  
REPRESENTATIVE PATRICIA CARONE  
REPRESENTATIVE DAVID ARGALL  
REPRESENTATIVE STANLEY JAROLIN  
REPRESENTATIVE HARRY READSHAW  
REPRESENTATIVE CAROLE RUBLEY  
REPRESENTATIVE GREG VITALI

ALSO PRESENT:

FRED TAYLOR, Majority Counsel

Commonwealth Reporting Company, Inc.

700 Lisburn Road  
Camp Hill, Pennsylvania 17011

C O N T E N T S

<u>AGENDA</u>	<u>PAGE NO.</u>
Opening Statement -- Representative David G. Argall, Prime sponsor of House Bill 1929	4
James P. Snyder, Director, Bureau of Land Recycling and Waste Management, Pennsylvania Department of Environmental Protection	13
Terry R. Dengler, Environmental and Community Relations Manager, Lefarge Corporation	38
Michael H. Blumenthal, Executive Director, Scrap Tire Management Council	60
Mary S. Gattis, Consultant, Waste Reduction and Recycling Services	72
Janet Hoffman, Director of Governmental Relations, Waste Management	84
John Wardzenski, General Manager, Mountainview Reclamation, Waste Management	96
Sue B. Wiseman, Executive Director, PA Cleanways	99
Wendy L. Hileman, Director, State Government Affairs Northeast BP	110

Any reproduction of this transcript is  
prohibited without authorization by the  
certifying reporter.

\* \* \*

P R O C E E D I N G S

1  
2 CHAIRMAN REBER: I would like to call the House  
3 Environmental Resources and Energy Committee Meeting on  
4 House Bill 1929, the Tire Recycling, to order.

5 Prior to commencing with the agenda of today, it  
6 is with great remorse that I would announce to the  
7 members of the Committee and the members present that we  
8 have learned that Dr. Maurice Goddard, who was  
9 tragically injured, has passed away this morning. Dr.  
10 Goddard has testified before this Committee many, many  
11 times over the 15 years I have been a member of the  
12 Committee, and, most recently, was very instrumental in  
13 working with the members of the Committee in the  
14 Department of Environmental Resources bifurcation  
15 legislation; and at this time, I would ask the members  
16 of the Committee, and the members of the public present,  
17 if we could bow our heads in a moment of silence in  
18 memory of Dr. Maurice Goddard.

19 (Pause.)

20 CHAIRMAN REBER: Thank you.

21 At this time, I would like to yield to  
22 Representative David Argall, a member of this Committee,  
23 who is the prime sponsor of House Bill 1929, who will  
24 present to us an overview of this particular piece of  
25 legislation.

1 Representative?

2 REPRESENTATIVE ARGALL: Good morning. Thank you,  
3 Representative Reber, for the opportunity to speak. I  
4 am here as the prime sponsor of House Bill 1929, the  
5 proposed Waste Tire Recycling Act, and also as the  
6 Chairman of the Joint Legislative Air and Water  
7 Pollution Control and Conservation Committee, which is  
8 responsible for the bill's drafting and several months  
9 of research. With me are Craig Brook and Richard Fox of  
10 the Committee staff, who have been very, very active on  
11 this issue now for some time.

12 We have learned that Pennsylvania generates  
13 approximately 12 million tires each year. It works out  
14 to about one per person -- man, woman, and child, in  
15 Pennsylvania, with an estimated 36 million waste tires  
16 stockpiled throughout the Commonwealth. The threat of  
17 these stockpiled tires, as you may know, as a potential  
18 fire and health hazard is very real, and the timing of  
19 this legislation, unfortunately, could not be more  
20 appropriate. This past weekend 80 tons of discarded  
21 waste tires caught fire at Easton Area Recyclers in  
22 Easton, Pennsylvania. The tire fire engulfed part of  
23 the town in thick black smoke, and left a threat of  
24 water contamination for the Lehigh River. Local  
25 firefighters were forced to battle the fire for more

1 than two hours under severe drought conditions, while  
2 facility owners used heavy equipment to manipulate the  
3 tire pile to keep it from reigniting. The Easton  
4 facility recycles tires, aluminum, and steel, and has  
5 been in operation for four years. While this, unlike  
6 many of the sites on the map which I will refer to  
7 later, is not an abandoned tire pile, the problem is the  
8 same. The lack of markets for these tires has caused  
9 what was usually a moderate stockpile in Easton to grow  
10 large enough to fill five tractor trailers with a height  
11 of over 200 feet.

12 I have several exhibits of large tire piles  
13 located throughout the Commonwealth. The Department of  
14 Environmental Protection has compiled a list of major  
15 tire stockpiles in Pennsylvania, and that list is  
16 attached to the end of my testimony.

17 At my request, the Joint Committee has been  
18 researching the subject of waste tire management for  
19 many months. The Committee has held both formal public  
20 hearings and several roundtable discussions with  
21 business, industry, and government agencies to discuss  
22 the problem of waste tire management and disposal. The  
23 Committee visited several scrap tire recyclers and  
24 conducted several field trips to tire processors. We  
25 looked to the Department of Environmental Protection and

1 also members of the appropriations committees in the  
2 House and Senate for advice on how to finance a waste  
3 tire management program for Pennsylvania. This research  
4 has now culminated in HB 1929.

5 We also tried to investigate successes and  
6 failures of tire programs in other states, and looked at  
7 the dollar per tire fee that some of these states have  
8 used to fund waste tire management programs. The fee  
9 per tire programs in such states as Oklahoma and Texas  
10 has not been entirely successful in eliminating the  
11 problem of waste tires. These programs are successful  
12 in funding the chipping and shredding of whole tires,  
13 but they do not require existing markets for their use.  
14 It is our belief that a fee per tire proposal, that has  
15 been suggested in other states, and enacted into law,  
16 and has been suggested in Pennsylvania for probably five  
17 or six terms without success, to fund a waste tire  
18 management program is usually viewed as a tax, and,  
19 this, of course, has been less than popular among  
20 members of the Pennsylvania General Assembly, and this  
21 fact, I believe, has been responsible for the lack of  
22 legislative action on this subject here in Pennsylvania.

23 Over the past several years, such states as  
24 California, Georgia, Illinois, Indiana, and Maryland  
25 have passed waste tire management legislation. These

1 states have regulated the disposal of waste tires,  
2 encouraged the recycling of waste tires, and reduced the  
3 number of these tires. Pennsylvania lacks many of the  
4 same standards that our neighboring states have already  
5 adopted. Waste tires are currently one of the missing  
6 links in our state's solid waste program. We had  
7 certainly taken action in the mandatory recycling laws  
8 several sessions ago, but tires have just been one of  
9 those issues that we were unable to deal with, and I am  
10 hopeful that the time is now that we can move ahead on  
11 this issue.

12 The Joint Committee's objective in developing  
13 House Bill 1929 is to significantly reduce or eliminate  
14 the stockpiled tires in Pennsylvania while enhancing --  
15 and this is very important -- the market for waste  
16 tires. We have tried to accomplish this by:

- 17 1) Restricting the disposal of tires;
- 18 2) Creating a registration program and manifest  
19 system for tracking tires from the point of origin to  
20 final destination, and, finally;
- 21 3) By providing -- and this is very important; I  
22 think this is the key to the whole bill -- providing a  
23 tax incentive for individuals or business that recycle  
24 or reuse waste tires for which a commercial market  
25 exists. A 30 percent investment tax credit will be

1 available to existing facilities that purchase equipment  
2 or retrofit facilities for waste tire use, and a five  
3 percent investment tax credit would be available to new  
4 businesses which also purchase equipment, or make  
5 infrastructure investments to use waste tires.

6 We did this while keeping the cost to the  
7 Commonwealth to a minimum, and without creating a new  
8 bureaucracy for the Department of Environmental  
9 Protection. HB 1929 will establish a tax credit limit  
10 of \$2 million per year for three years. We believe that  
11 this is an opportunity for the Commonwealth to reduce  
12 the number of stockpiled tires at a cost of \$6 million  
13 dollars, as opposed in the estimate from DEP of \$36  
14 million, which is what it would cost if the government  
15 were forced to go out and clean up every one of these  
16 tire piles scattered across the state. Since House Bill  
17 1929 was introduced, we have received many favorable  
18 comments and suggestions from people and businesses in  
19 the recycling industry. As a result, when this bill  
20 comes forth in the Committee, I would plan to offer some  
21 amendments to the bill. Briefly, these would include a  
22 registration section for end-users of waste tires, and  
23 also include them in the manifest system. We would need  
24 several new definitions for processors, end-users, and  
25 tire-derived materials to make the bill more clear; and

1 we would want to add a subsection to Section 10 to  
2 clarify the storage of waste tires. Also, we would want  
3 to reword the section dealing with the use of waste  
4 tires by landfills.

5 I look forward to working with my colleagues on  
6 the House Environmental Resources and Energy Committee  
7 on this important legislation.

8 If I may just show you a few of the exhibits very  
9 quickly. This was a 1988 tire fire in Cochranville,  
10 Pennsylvania. As some of you may know, this is  
11 Representative Art Hershey's farm, and so we have an  
12 expert in the House on this issue, because Art Hershey  
13 has, in fact, has lived with problems like this. This  
14 fire burned for two weeks. The problem, of course, with  
15 these fires is once they start, they just never end.

16 The map to my left shows you some of the largest  
17 tire piles. I believe that these are sites of 500,000  
18 or more. You can see that we are told every day that  
19 there are some large piles and some small piles that are  
20 not even on that yet. We are still trying to find -- I  
21 think the Department is still trying to find where they  
22 are.

23 Craig, if you want to show them, then, some of  
24 the other. 22, I believe is the site in Columbia County  
25 that the Committee had visited several years ago. You

1 are looking at five-and-a-half million tires right  
2 there. You can then understand the disaster to the  
3 whole community, as well as the environment, if that  
4 would ever catch.

5 Butler County; that is Harmony, Butler County.  
6 Some of you may have heard from Representative Carone.  
7 She has been trying to deal with that pile for some time  
8 now. I think if you take a look at that, you will  
9 understand why.

10 Finally, this would be the Susquehanna site.  
11 That is a million tires. Once again, in many ways a  
12 disaster waiting to happen.

13 I think, just to leave you with one last thought;  
14 these folks that created these tire piles did not do so  
15 in order to create a problem. The problem that they  
16 were forced to deal with, once they had begun to  
17 accumulate the tires, was the lack of markets, and that  
18 is the most important subject, I believe, that this bill  
19 addresses.

20 CHAIRMAN REBER: The Chair thanks the gentleman.

21 At this time, for purposes of the record, I would  
22 ask the members of the Committee to identify themselves.  
23 Starting to my far right, I see Representative Rubley is  
24 present. I ask if she could join us at the dais; and,  
25 also, Representative Carone, who has interest in this,

1 is certainly invited to join the Committee.

2 REPRESENTATIVE READSHAW: Representative Harry  
3 Readshaw from 36th Legislative District.

4 REPRESENTATIVE VITALI: Greg Vitali, Delaware  
5 County.

6 REPRESENTATIVE JAROLIN: Stanley Jarolin of 119th  
7 District in Luzerne County.

8 MR. TAYLOR: Fred Taylor; I am the Committee  
9 Counsel.

10 CHAIRMAN REBER: Representative Bob Reber,  
11 Chairman of House Environmental Energy and Resources  
12 Committee.

13 REPRESENTATIVE ARGALL: Representative Dave  
14 Argall from Schuylkill and Berks Counties.

15 REPRESENTATIVE RUBLEY: Carole Rubley from  
16 Chester County.

17 REPRESENTATIVE CARONE: Pat Carone from 12th  
18 District, Butler County.

19 CHAIRMAN REBER: Thank you.

20 Representative Argall is a member of the  
21 Committee, and has joined us at the Committee table. Is  
22 there any questions of any of the members of the  
23 Committee of Representative Argall?

24 Representative Carone.

25 REPRESENTATIVE CARONE: Thank you.

1           Is there a specific reason why \$2 million was  
2 established for the tax credit? That is per year; is  
3 that correct?

4           REPRESENTATIVE ARGALL: Yes. When we met with  
5 members informally of the Appropriations Committee, we  
6 were told that that was a target that they believed was  
7 achievable. We would have preferred, quite honestly, to  
8 ask for more, but we were trying to be realistic, and  
9 that was the number that was given to us.

10           REPRESENTATIVE CARONE: Has there been any  
11 estimate by anyone who is interested in using that tax  
12 credit as to what their cost would be to get the right  
13 equipment or retrofit, so we would have an idea of how  
14 much of a tax credit they would be asking for?

15           REPRESENTATIVE ARGALL: I think that the numbers  
16 vary considerably, depending on the use. We visited a  
17 tire kiln, or a cement kiln. It was just an immense  
18 undertaking. On the other hand, if someone is looking  
19 at chopping them up and using them for doormats or  
20 something, it is completely different; so, I would say  
21 that the numbers would just vary.

22           REPRESENTATIVE CARONE: Thank you very much.

23           CHAIRMAN REBER: Any further questions of the  
24 prime sponsor?

25           (No response.)

1 CHAIRMAN REBER: Thank you very much, Dave.

2 Our next witness is Jim Snyder of the Bureau of  
3 Land Recycling and Waste Management Division of the  
4 Pennsylvania Department of Environment Protection.

5 Jim, welcome.

6 MR. SNYDER: Thank you, Mr. Chairman.

7 Good morning. Mr. Chairman, members of the  
8 Committee, my name is James Snyder. I am the Director  
9 of the Bureau of Land Recycling and Waste Management  
10 with the Department of Environmental Protection. With  
11 me this morning, I have a member of my staff, Jay Ord.  
12 Jay is our in-house expert on tire management. Jay has  
13 a good handle on where the markets are in Pennsylvania,  
14 and what the status is of a number of the private  
15 enterprise projects which are underway. So, hopefully,  
16 Jay will be able to help me respond to any questions  
17 that you may have at the conclusion of my testimony.

18 I would like to thank you for the opportunity to  
19 appear before you today to discuss House Bill 1929, the  
20 Proposed Waste Tire Abatement Act, and the management of  
21 waste tires.

22 I would like to take the time at this moment to  
23 commend Representative Argall, and in the Senate,  
24 Senator Brightbill, for their timely legislative  
25 initiatives that will help us focus and address the

1 problems associated with the reuse and recycling and  
2 disposal of waste tires.

3 Pennsylvania, like many other states, has  
4 grappled with an integrated solution to proper  
5 management of waste tires over the past decade with  
6 varying degrees of success. We have taken a couple of  
7 compliance actions. We have provided some funding  
8 through Act 198 to support several tire projects; and,  
9 on a daily basis we are working with a lot of folks in  
10 private enterprise, trying to establish markets, and  
11 provide some consultation and guidance to those folks in  
12 terms of where these tire problems exist, and  
13 essentially, where are other sources of rubber materials  
14 are located in the Commonwealth. So we are actively  
15 involved in that program today.

16 House Bill 1929 appropriately and most correctly  
17 focuses on the need to address the current supply of  
18 waste tires generated each year, as well as the tires  
19 that are stockpiled in virtually every county of our  
20 state, 36 million of which are stockpiled in 25 of our  
21 67 counties, as you saw illustrated on the graphic this  
22 morning. Those are 100,000 tires or more in volume.

23 The problem that we face today with the recycling  
24 and reuse of stockpiled tires, and the tires that are  
25 generated daily, is not really dissimilar to the

1 problems that we faced with the glut of post consumer  
2 paper collected under our Act 101, the Statewide  
3 recycling program that began in 1988. Those of you who  
4 were here then can think back to the problem that we had  
5 while we ran the recycling program that we started,  
6 while we ended up with a very, very large glut of paper.  
7 And the reason for that essentially was that the markets  
8 were not mature enough to handle volume at that time.  
9 As a result, paper was either stored or, in fact, in  
10 landfills in many cases.

11           There were a number of educational outreach and  
12 market development techniques that we blended together  
13 with financial incentives to develop a formula that over  
14 time converted the paper problem to one of our most  
15 notable achievements under the Act 101 recycling  
16 program. Then folks were only receiving four or five  
17 dollars a ton, and in some cases, were paying to having  
18 waste paper disposed. Today, waste paper is bringing  
19 somewhere in excess of \$120 to \$140 a ton. So, when  
20 blended, those kinds of outreach educational and  
21 financial incentives, and market development techniques,  
22 we believe that we will see a successful program in the  
23 tire area, as we have seen in the waste paper area.

24           We believe that, as I said, these same techniques  
25 are equally appropriate in helping solve the tire

1 problem, and can be integrated with the tax incentive  
2 and the disposal of whole tire provisions of the bill,  
3 specifically, Sections 6 and 14.

4 Private enterprise has already developed the  
5 operational infrastructure capability of managing 12  
6 million scrap tires being generated annually in the  
7 Commonwealth. While markets will not be immediately  
8 available for all of the facilities to operate at  
9 capacity, we think that market growth is expected to be  
10 brisk in the next year.

11 The last but most critical link -- and I have to  
12 emphasize that -- the last and most critical link in the  
13 development of an integrated solution to the waste tire  
14 problem is the reduction or the elimination of existing  
15 tire stockpiles; a solution, frankly, that is easier  
16 said than done.

17 The Department would like to suggest that you  
18 consider building on the financial incentives contained  
19 in this bill by providing funding to be offered as  
20 grants, or seed money, to facilitate the clean up of  
21 abandoned tire piles. While stimulating the market at  
22 the same time, these funds for the one-time grant  
23 program could possibly be made available from the  
24 Recycling Fund created under Act 101. We, of course,  
25 could not make those funds available unless there is

1 some legislative language in 1929 that allowed us to  
2 accomplish that task. While we do not have specific  
3 language to offer today for your consideration, the  
4 following concepts are suggested; and this is not an  
5 all-inclusive list, but it is just some thoughts that we  
6 have:

7 A priority to be given to the remediation of tire  
8 piles posing the greatest environmental threat, similar  
9 to the listing that the Legislation asks the Department  
10 to prepare; limiting the funds solely for the purpose of  
11 tire pile remediation; persons who have contributed to  
12 the illegal creation of tire piles should not be  
13 eligible to receive fund.

14 The applicant should demonstrate that they have a  
15 market commitment for the tires. Again, once we pick  
16 the tires up, we want to make sure that they are put in  
17 a proper place; and we would expect that if this grant  
18 program that we are speaking of comes into fruition,  
19 that there be something a little bit more than a  
20 handshake which would guarantee the marketability of the  
21 tires that are being removed from the field through the  
22 grant program.

23 A maximum grant amount for any one applicant, so  
24 that there is some equity, and that the monies  
25 essentially are spread throughout the Commonwealth.

1           We would further propose that the bill authorize  
2 the expenditure of a small amount of funds for  
3 educational and other outreach activities. We found  
4 that that worked extremely well in our mandatory  
5 recycling program. We do know that some of our regional  
6 offices are informally conducting some outreach  
7 activities to try to bring together the retailers and  
8 the folks that have some storage piles in our state, as  
9 well as a marketing incentive. We think that that needs  
10 to be buttressed.

11           The Department currently defines tires as a  
12 residual waste, and, as such, requires compliance with  
13 notice and permit by rule provisions for tire processing  
14 and storage. We do not feel at this time any further  
15 notice and registration or manifesting requirements  
16 would materially contribute to the resolution of the  
17 tire problem, and would recommend that these provisions  
18 be set aside. We think that we are right on the brink  
19 of solving the tire problem because private enterprise  
20 is starting to see that there is a value in tires, as  
21 they basically saw there was value in waste paper, and  
22 we think that some of the proposals that remain in the  
23 Legislation, as well as our proposal to provide some  
24 seed monies, should be enough at this time without  
25 getting into a major registration program.

1           There are some other minor technical concerns  
2 with the House Bill as the Representative mentioned this  
3 morning in his testimony, and I will not repeat it. We  
4 commend the Committee for its timely interest in this  
5 issue, and look forward to working with Representative  
6 Reber, and the Committee on alternative language and  
7 revisions to the bill to fashion a piece of legislation  
8 that addresses the concerns that I spoke about today.

9           Again, thank you for the opportunity to be here  
10 this morning, and Jay and I are now available for  
11 questions that you may have on my testimony.

12           CHAIRMAN REBER: Thank you, Mr. Snyder.

13           Looking to my left, are there any questions from  
14 any of the members?

15           Representative Carone.

16           REPRESENTATIVE CARONE: I appreciate the fact  
17 that you recognize that we may need some additional  
18 monies to help with the actual, I think, cleaning up and  
19 removing the tires from the scrap tire piles to whoever  
20 the processor is. That is what my understanding is of  
21 that language.

22           MR. SNYDER: Yes.

23           REPRESENTATIVE CARONE: Have you thought about  
24 what an appropriate amount of money would be annually?

25           MR. SNYDER: Representative, we just started to

1 look into that, and we are looking at the spending plan  
2 that we had to put together before other Act 101  
3 activities. But, certainly, if you refer to  
4 Representative Argall's testimony, and some of the  
5 information that we have relative to the cost of tire  
6 removal, and we are looking at a dollar per tire; and,  
7 so, we are looking at several millions of dollars in  
8 that area. Certainly, it can't be a huge amount, but,  
9 on the other hand, it can't be so diminimous that it  
10 essentially would not be effective, so several millions  
11 of dollars.

12 REPRESENTATIVE CARONE: I think I understand you  
13 are saying that we do not need the manifest language to  
14 determine that the tire jockey who picks up the tires,  
15 for example, takes them to the destination for purpose  
16 of good use.

17 MR. SNYDER: Yes; we have had some experience in  
18 the manifesting program in hazardous waste, and that is  
19 a very, very time consuming, paper-intensive program.  
20 In hazardous waste, for example, we process 250,000  
21 manifests a year. It requires, essentially, a staff of  
22 24 or 25 individuals, and a very large data base. We  
23 feel, however, that the provisions of the bill that deal  
24 with tire storage registration is very important,  
25 because we see that there is an existing infrastructure

1 that is either available today, or will be available  
2 within the next six months to deal with the 12 million  
3 tires which are generated daily. So, we basically feel  
4 that if we can get the tires out of the field, and into  
5 the market, that that whole process will basically catch  
6 fire in and of itself; and, therefore, we are not sure  
7 that it is in the best interests of managing the tire  
8 problems with the manifest program.

9 REPRESENTATIVE CARONE: And I ask this because I  
10 have a tire processor in the Pittsburgh area who told me  
11 to make sure that part stayed in the bill, so that is  
12 one of the reasons that has been brought up.

13 MR. SNYDER: Hopefully, others will have a  
14 comment on that area as well.

15 REPRESENTATIVE CARONE: And my last comment is  
16 not directed on your testimony, but with the Department  
17 of Transportation. Is there any movement in the  
18 Department of Transportation to be more ambitious in  
19 using scrap tires, shredded tires, in the asbestos  
20 program?

21 MR. SNYDER: I have not talked to them recently  
22 about it, but we did talk internally the other day, and  
23 we do need to renew our relationship with the Department  
24 of Transportation along those lines. I do know that  
25 rubber has been used in some demonstration projects. I

1 really don't know how warm they feel about the prospect  
2 of continuing that use, but we certainly can, and I  
3 intend to investigate that with --

4 REPRESENTATIVE CARONE: Because, obviously, some  
5 states are much more active in using them that way.

6 MR. SNYDER: Yes.

7 REPRESENTATIVE CARONE: Thank you.

8 MR. SNYDER: You are welcome.

9 CHAIRMAN REBER: The Chair thanks the lady.  
10 Representative Rubley.

11 REPRESENTATIVE RUBLEY: Thank you, Mr. Chairman.

12 Mr. Snyder, I appreciate your testimony on this  
13 important issue. My questions revolve around also the  
14 manifest system. As I read Section 11, it almost seems  
15 that four different forms could be required by both the  
16 waste tire generator, the hauler, the storage facility,  
17 and the processor. If, in fact, and I would like to  
18 talk to other people about the idea of removing the  
19 manifest altogether, if that would make the whole system  
20 work easier. If, in fact, though, there is a need to  
21 continue to track, do you see any need for a change in  
22 the wording of this language?

23 MR. SNYDER: If the manifest system remains in  
24 the bill, it would be easier from an administrative  
25 point of view to have one form that is mandated that is

1 uniform, and that basically is, from a historical  
2 perspective, typical of how manifest systems work in  
3 Pennsylvania, as well as other states. If we were going  
4 to go to that, then I would join with you in suggesting  
5 that there be some uniformity to that kind of tracking  
6 process, so that we could essentially make the most  
7 benefit out of it.

8 REPRESENTATIVE RUBLEY: Thank you.

9 MR. SNYDER: You are welcome.

10 CHAIRMAN REBER: Representative Argall.

11 REPRESENTATIVE ARGALL: Thank you; and I want to  
12 thank the Department. It has been very helpful to us  
13 from Day One in creating this work in progress. I am  
14 interested in your latest amendments; and for the  
15 purpose of the Committee's deliberations, can you give  
16 me any kind of a time line on when you think that your  
17 suggested amendments could be ready for us to consider?

18 MR. SNYDER: I would say within the next several  
19 weeks.

20 REPRESENTATIVE ARGALL: My second question is on  
21 the manifest system. As well, I know this was one that  
22 we were very concerned about in the drafting. We did  
23 not want to create a paper empire. I think we have made  
24 too many of those mistakes both in the Department and in  
25 the Legislature in the past. But, curiously enough,

1 this was suggested to us by someone in the tire business  
2 because they pointed out to us that they cannot compete  
3 with a -- it is very difficult, if not impossible, for a  
4 legitimate tire recycler to compete with a bogus tire  
5 recycler, who is just going to collect the tires, and  
6 dump them in a Schuylkill County strip mine, or other  
7 places. Is there another way to avoid that kind of  
8 illegal disposal, short of a manifest system?

9 MR. SNYDER: As we all know, I am not sure that,  
10 other than a good enforcement program tied to  
11 essentially a good market and beneficial use program, if  
12 somebody intends on illegally disposing of tires, in  
13 fact, you could put in the best system in the world, and  
14 that will still occur. The fact that anybody could  
15 manifest a tire, our experience has been that, while  
16 that may cut down on the disposal, it doesn't prevent  
17 it.

18 Our view is that the problem that has occurred in  
19 the past, as you, in fact, mentioned in your testimony,  
20 was that the placement in the fields -- and they have  
21 stored them in places because there was no place to take  
22 them; and if there was a place that you could provide,  
23 then I would think, with some few exceptions, folks are  
24 going to do what they are going to do with the tires  
25 anyway. But from a volume perspective, I think what you

1 would frankly see is those tires not being illegally  
2 disposed because there is money to be made, and when  
3 there is money to be made, I think that in itself is a  
4 deterrent.

5 But what we are concerned about is that if we get  
6 into a manifest system because of the sheer volume of  
7 paper, and the number of individuals who we would have  
8 to deal with, if you read the language of registering,  
9 it includes every individual, every wholesaler, everyone  
10 who literally places their fingers on the tire; and that  
11 would be a very, very cumbersome process, and so that is  
12 why we think that if you would require someone who picks  
13 up the tire to either have it marketed or take to a  
14 registered storage facility, then those facilities which  
15 are not registered -- I think that is the handle that we  
16 need, because folks are calling Jay all the time on the  
17 phone saying: Gee, whiz, the Firestones of the world,  
18 and the Goodyears of the world aren't really giving us a  
19 tire because they are asking for some sort of assurance  
20 that they are going to be going to a facility which will  
21 not cause some sort of future environmental liability.

22 And, so, you could suggest that they must, by  
23 virtue of this legislation, go to a registered storage  
24 facility. I think that that combined with the market  
25 development aspects of the program would be enough.

1           That is my opinion. I am sure that you will hear  
2 from others on that.

3           REPRESENTATIVE ARGALL: Thank you very much.

4           CHAIRMAN REBER: Thank you.

5           Representative Jarolin.

6           REPRESENTATIVE JAROLIN: Thank you very much. I  
7 am just looking over this list of tires that are on the  
8 various sites throughout Pennsylvania. Are any of these  
9 sites right here have been created within the last two  
10 or three years by your knowledge?

11          MR. SNYDER: Do you mean for this period of time?

12          REPRESENTATIVE JAROLIN: Yes.

13          MR. SNYDER: I have to rely on Jay for that. Do  
14 you know, Jay?

15          MR. ORD: No, they have been around for several  
16 years. Some of them date back into the 1970s. Several  
17 of them haven't had any tires put on, as far as I know,  
18 since the late 1970s.

19          REPRESENTATIVE JAROLIN: Are permits required for  
20 a tire storage facility?

21          MR. SNYDER: The way the system works is that if  
22 there is a tire processing operation, it is called a  
23 permit by rule, meaning that there is no paper permit,  
24 but by operation of law or regulation that a permit is  
25 there, and they have to follow operational standards.

1 In terms of storage, there are no permits required for  
2 storage, or any registration for that matter; and the  
3 way the language of the regulations reads that anything  
4 longer than a year constitutes disposal; and, therefore,  
5 there is a permit required for disposal. So,  
6 technically speaking, either these tire piles have  
7 remained there longer than a year, and there really  
8 wasn't a flow on and off of a site of tires, and that  
9 would constitute disposal and a permit would be required  
10 for that.

11 REPRESENTATIVE JAROLIN: I am familiar with  
12 several of these problem areas; is there any action  
13 being taken against a landowner that is stockpiling  
14 these tires? If a hazardous fire starts, we are all in  
15 trouble.

16 MR. SNYDER: We have had some enforcement actions  
17 that we have initiated. In fact, there are a couple  
18 that are on that. And, frankly, when you look at the  
19 relationship of the number of tires stored in terms of  
20 successes that we have had, they have been basically  
21 little to none. We find that folks say: Okay, we will  
22 remove them. Where shall we take them? Should we take  
23 them to a landfill? If you talk to our landfill  
24 operators, you will find out essentially that they are  
25 not interested in having tires brought to their

1 facilities for disposal purposes.

2 In terms of market development, it has not been,  
3 except for the recent past that we have really seen some  
4 starts. So, even if you were successful, and could  
5 enforce the removal of the tires, the next question is:  
6 Where are you going to put them now. So, from a  
7 priority point of view, as well as just a practical  
8 point of view, we have concentrated our efforts more  
9 along the lines of helping market development as opposed  
10 to enforcement and compliance.

11 REPRESENTATIVE JAROLIN: I understand that a lot  
12 of those counties have tires that we could shred if they  
13 could pick them up. Why have none of these sites been  
14 forced to do so if they are a smaller site with the  
15 100,000 or 500,000, 250,000 tires that must have been  
16 created within the last five years? Why haven't they  
17 been forced? Obviously, they made money by accepting  
18 these tires at that time.

19 MR. SNYDER: I am not intimately familiar with  
20 every single case, but just if I can generalize for a  
21 moment; a lot of folks who pick up the tires charge 50  
22 cents or a dollar, and they talked their neighbor or an  
23 individual farmer or someone who had some property to  
24 allow them to be stored, and often, you will find that  
25 the current owner is not the person who literally

1 transported them -- the current site owner, I should say  
2 -- is not often the same person to transport the tires,  
3 and, if so, just from an equity point of view, and I do  
4 understand the ramifications if a tire pile catches on  
5 fire, but just from an equity point of view, we didn't  
6 think that going after someone who was nice enough to  
7 allow the tires to be allowed to be stored there, but  
8 not prudent enough to understand the environmental  
9 implications, that they should be the subject of some  
10 environmental penalty from the Department of  
11 Environmental Protection.

12 On the other hand, we have put out a tire policy  
13 in August -- I think it was -- 1990, where we have been  
14 working with some of the more responsible folks, to more  
15 properly store the tires, short of issuing an order.

16 It is a combination of things, and I think, yes,  
17 we could go out and issue orders, but we felt that it  
18 would be better for us to try to work within the system  
19 as opposed to --

20 REPRESENTATIVE JAROLIN: On the same token, up in  
21 Luzerne County, there is one particular family that had  
22 maybe 27 tires in his back yard. The city police  
23 reported him to the DEP, which was, at one time, the  
24 DER. He was forced to remove them. Get them out of  
25 there; they are a hazard.

1 MR. SNYDER: And that is true, and unfortunately,  
2 people are people, and everyone doesn't often use sound  
3 judgement.

4 REPRESENTATIVE JAROLIN: Thank you.

5 MR. SNYDER: You are welcome.

6 CHAIRMAN REBER: Representative Vitali.

7 REPRESENTATIVE VITALI: Thank you.

8 CHAIRMAN REBER: Just from a logistics  
9 standpoint, the black mike is for the cable network; the  
10 silver mikes are for the amplification, so you might  
11 want to operate off of both of them simultaneously.

12 REPRESENTATIVE VITALI: Thank you; and I want to  
13 congratulate Representative Argall for his work in  
14 encouraging the re-use and recycling of tires and  
15 dealing with this problem. I certainly support  
16 conceptually the legislation which would give tax  
17 incentives and so forth for the recycling of tires.

18 I guess my concern is part of what this  
19 legislation deals with, if I am correct, is using tires  
20 and burning tires, and using them as fuel, perhaps a  
21 large part of it. I don't think in a real sense that is  
22 recycling. You brought up the analogy of paper, and  
23 whereas before we put paper in the trash; it went to the  
24 incinerator and was burned and generated electricity  
25 simultaneously. Now, paper is being used for other

1 paper products.

2 My question is, could you discuss efforts we  
3 might make with regard to tax credits and other things  
4 where we could use the tires by, perhaps, encouraging  
5 businesses to use them for other products; perhaps  
6 encouraging businesses to produce tires that have a  
7 longer life so that you don't need tires as often,  
8 perhaps retreading tires. I understand that was done in  
9 the past a lot more than it is now. Some of them could  
10 be for road construction. I am more comfortable, to be  
11 quite frank, with tax credits for that sort of  
12 recycling, a true recycling, as opposed to incineration.  
13 Could you just sort of discuss the market situation?

14 MR. SNYDER: I think we could, and with the  
15 permission of the Chairman, I would like to have my  
16 associate, Jay, to address that, the specific ins and  
17 outs of a tax credit program as envisioned by the bill.  
18 The expert, of course, is the Department of Revenue.  
19 So, since my wife keeps our checkbook, I would rather  
20 defer to them for specific advice and guidance to you  
21 folks on that, but I think Jay can talk to you a little  
22 about how markets are today, and, perhaps, where he sees  
23 that kind of a program being helpful.

24 MR. ORD: There are a number of other types of  
25 markets that are developing that I think would be within

1 your definition of recycling. Most of those are tied  
2 to, I guess what we call the production of crumb rubber.  
3 Crumb rubber being the material that is less than one-  
4 quarter inch in maximum dimension, and it can range down  
5 to just powder. When the rubber is processed to that  
6 extent, then it begins to take on intrinsic value for  
7 other than, say, fuel.

8 As a matter of fact, we had one instance of a  
9 facility in the Allentown area that has a process which  
10 -- they don't take tires, but they are a market for  
11 crumb rubber. In the past year, they have expanded from  
12 a half-a-million tires capacity, in other words, the  
13 rubber from a half-a-million tires, which is about 12  
14 pounds per tire average, to -- they have had a sevenfold  
15 increase in their capacity. Now, they can process  
16 rubber from three-and-a-half million tires.

17 Basically, what they do is a chemical process.  
18 They take the crumb rubber, which they buy from --  
19 currently they have been buying it from Mississippi --  
20 but, anyway, they take the crumb rubber, and through a  
21 proprietary process, they alter the chemical  
22 characteristics of the surface of the rubber particles,  
23 the crumb rubber. They are competing in markets where  
24 this rubber is worth as much as \$7,000 a ton; and,  
25 obviously, in that sort of a market, you are not

1 depending on a tipping fee for the tire for buying the  
2 rubber; you are actually getting in a situation where  
3 market economics would dictate.

4 We need the structure in place that provides,  
5 first of all, the crumb rubber; and that, to me, is the  
6 real gist of where we are headed, the production of  
7 crumb rubber, and the production of modified crumb  
8 rubber. As Jim had mentioned, we did fund a facility  
9 down in the Downingtown area on a process that  
10 devulcanizes rubber. That is a similar type of thing  
11 where you greatly enhance the value, greatly enhance the  
12 market potential; and that is where we need to go as far  
13 as truly recycling rubber, and to do that, we need to  
14 offer incentives for the development of that  
15 infrastructure. There is a lot of building right now,  
16 but incentives would still be helpful to help to build  
17 that.

18 REPRESENTATIVE VITALI: Sir, in a related  
19 question. Many of us took a tour of the Lefarge plant  
20 and had a very impressive demonstration of how they used  
21 tires to derive fuel in making cement. One point that  
22 they made was that they are doing this without a tax  
23 incentive. In other words, the BTU value of each tire  
24 is such that it is a valuable commodity to them.

25 My question is, do you think you need to impose a

1 tax incentive to have these tires burned, when, perhaps,  
2 that will happen on its own; and, perhaps, what we  
3 should be looking for is to encourage the reduce, reuse,  
4 recycle component of our waste management?

5 MR. ORD: In that regard, our experience is that  
6 that may happen, but it won't happen as fast as if there  
7 are incentives in place. I have one or two examples --  
8 I am looking for something you are familiar with --  
9 where we have, for instance, cement plants that have  
10 looked at using tires for fuel, then looked at the pay  
11 back period, and that seems to be critical. It is like  
12 a 36-month pay back, and they are saying that is not  
13 good enough. So, any incentive of any sort that would  
14 cut that pay back period.

15 REPRESENTATIVE VITALI: Where do we direct  
16 the incentive? Do we direct the incentive towards  
17 reduce, reuse, recycle or do we direct the incentive for  
18 incineration? In other words, we direct the incentive  
19 towards crumb rubber, and towards these other means of  
20 true recycling.

21 MR. SNYDER: Representative, I think it is going  
22 to vary from industry to industry. Some folks will  
23 construct a facility, and because they know that they  
24 know that there is a market, or that they can create a  
25 market without a tax incentive, some are more

1 conservative, as Jay said, and feel that they need a pay  
2 back over a shorter period of time. It seems to me that  
3 we need to focus on the recycling and reuse provisions,  
4 as well as try to buttress some way of getting the tires  
5 flowing, meaning getting them out of the field. I think  
6 that the existing generation rate is being taken care of  
7 by the existing infrastructure. Once that catches on, I  
8 think that you will see that --

9 REPRESENTATIVE VITALI: So I understand our piles  
10 aren't getting any bigger?

11 MR. SNYDER: That is right. I think that perhaps  
12 that could occur without a tax incentive, but, I am just  
13 not the expert on that. I do, though, think that we  
14 need to provide a whole variety of alternatives. A  
15 mistake that we often make is that we very narrowly look  
16 at ways of handling problems, especially in the waste  
17 area, and find out that we haven't thought it through  
18 well enough; so that if you do have the ability to burn  
19 them, that is a great alternative. As Jay said, crumb  
20 rubber is at several thousand dollars a ton, is  
21 something that will attract folks -- was it several  
22 thousand?

23 MR ORD: That is for the modified crumb.

24 MR. SNYDER: So., guess to make a long story  
25 short, I think we have to provide the industry with a

1 panoply of alternatives, and not really narrowly drawn;  
2 although, personally, I think that recycling and reuse  
3 is what is going to make it happen, as well as the  
4 market stimulation.

5 REPRESENTATIVE VITALI: Just to comment on the  
6 scope of the problem; it seems like you had mentioned  
7 there are 36 million scrap tires in the field, and we  
8 generate 12 million daily (sic). That is only three  
9 years' worth of surplus, which, considering how long we  
10 have been generating tires, that fact, in light of the  
11 number of -- what is the real scope of that problem? Is  
12 it really -- obviously, it is bad if one is in your back  
13 yard -- but, is the scope of this problem severe?

14 MR. SNYDER: I understand where you are going.  
15 What the graphic, as well as our list, reflect,  
16 essentially, is tire piles that are essentially 100,000  
17 tire or larger. And I am sure you have experienced this  
18 as well; when you drive around, you will see tire piles  
19 that vary in size all over the place. So, clearly  
20 there are other tire piles just sitting there, or  
21 accidents looking for a place to happen, that are  
22 10,000, 5,000 in size, 25,000 in size; so the problem  
23 is there, and it is hidden a little bit from our view.  
24 These particularly large piles cannot be hidden from  
25 even me, who have essentially bad eyes. We can

1 literally see those piles without any difficulty.

2 So I would say that they represent probably the  
3 worst part of the problem, but, nevertheless, there are  
4 tire piles elsewhere which need to be addressed, and so  
5 I would say that when we make reference to 36 million  
6 tires, I think we are focusing on the largest, biggest  
7 problem. There are more there in more discreet  
8 locations, we will say.

9 REPRESENTATIVE ARGALL: I understand the concept  
10 of pointing the eventual focus of the legislation toward  
11 crumb rubber, asphalt, doormats, 101 uses, and perhaps  
12 prohibiting -- as I think Representative Vitali has kind  
13 of hinted -- prohibiting the use of tires as a fuel. If  
14 we were to prohibit that use as a fuel, do you see any  
15 way that the markets would develop, in our lifetime,  
16 perhaps, to eliminate all of these piles? Can we do it  
17 without using them as a fuel?

18 MR. SNYDER: Jay would like to comment.

19 MR. ORD: I didn't want to leave the impression  
20 that I felt that burning tires at a cement plant was not  
21 a market. The point is this; that some of the  
22 stockpiled tires are old tires, and as such, the crumb  
23 rubber people are not much interested in rubber that is  
24 somewhat deteriorated in quality; so, therefore, some of  
25 the stockpiled tires are not of interest to the crumb

1 rubber people. So you have to go to the infrastructure  
2 that consumes the rubber of quality, which would be the  
3 crumb rubber people, in this case. So the other market  
4 of burning as fuel would probably consume most of the  
5 stockpiled tires.

6 REPRESENTATIVE ARGALL: So then the answer to my  
7 question is that you need both?

8 MR. ORD: You need both.

9 MR. SNYDER: And I am sorry if we implied  
10 otherwise.

11 CHAIRMAN REBER: Gentlemen, thank you very much.  
12 We appreciate your testimony.

13 MR. SNYDER: Thank you for the opportunity.

14 CHAIRMAN REBER: Our next witness is Terry  
15 Dengler, the Environmental and Community Relations  
16 Manager of Lefarge Corporation.

17 You may proceed. We have your testimony.

18 MR. DENGLER: Thank you. Good morning. My name  
19 is Terry Dengler. I am with Lefarge Corporation. With  
20 me is Joe Dilnaro, who is with Systech, which is a  
21 division of Lefarge. Joe is responsible for managing  
22 the flow of tires for us at our plant in Whitehall,  
23 Pennsylvania. In order to understand our comments and  
24 suggestions regarding this House Bill, I would like to  
25 provide some background as to Lefarge's position in the

1 use of scrap tires as fuel.

2 CHAIRMAN REBER: Terry, can I interrupt you for  
3 one second? Could you take that mike in your right  
4 hand, and just move them slightly apart. I think there  
5 is a cross-contamination feedback emanating in the  
6 proximity; I am not sure.

7 Okay; try and continue.

8 MR. DENGLER: Lefarge Corporation's Whitehall,  
9 Pennsylvania cement plant embarked on its tires for fuel  
10 program over five years ago. Extensive time and money  
11 was invested in research, public education, equipment  
12 purchase and installation, stack testing, and assessment  
13 of results before the regulatory permission was  
14 requested to use scrap tires as a partial fuel  
15 substitute in our cement kilns. In June of 1993, our  
16 first Kiln, No. 3, began using scrap tires for fuel on a  
17 regular basis, and in November of 1994, Kiln No. 2 began  
18 the same process. After more than two years, we have  
19 had no environmental or public concerns raised. In  
20 1993, due to our tires for fuel program, we were the  
21 proud recipients of the Governor's Waste Minimization  
22 Award. In addition to using current generation tires,  
23 we have worked with government agencies and community  
24 groups in cleaning up tire piles throughout our State.  
25 Lefarge laid the foundation for, and pioneered, the use

1 of scrap tires as a fuel in Pennsylvania. Our current  
2 rate of consumption is about two million scrap tires per  
3 year.

4 We have three basic comments about the bill, and  
5 I would like to point out that several of the proposed  
6 changes that Representative Argall has spoken about  
7 already will address some of our concerns.

8 Our first concern is the exclusion of facilities  
9 and businesses which are currently using scrap tires  
10 from the benefits of the Tire Tax Bill. As the first  
11 facility in Pennsylvania to use scrap tires for resource  
12 recovery, Lefarge paved the way for this type of  
13 activity. Substantial capital was invested in stack  
14 testing, community education, equipment purchases, et  
15 cetera. The real issue is the matter of unfair  
16 competitive advantage for other cement plants producing  
17 cement in Pennsylvania. There are four other cement  
18 plants in our immediate area, and it is quite likely  
19 that tire-derived fuel appeals to them. It would be  
20 ironic to see the leaders in this facet of alternative  
21 fuel be denied a tax credit available to the followers.

22 Our second concern is, as it currently stands,  
23 the bill provides no method for registration of end use  
24 facilities, such as Lefarge. The bill provides for the  
25 registration of Generators, Transporters and Processors,

1 and I might add, I have missed Storage facilities, but  
2 not for end use facilities. The definition of a  
3 processor does not fit the activities of Lefarge or  
4 other facilities that use scrap tires as a fuel  
5 substitute in a resource recovery manner. There is, in  
6 fact, no processing taking place. A fifth category  
7 should be added for End Use facilities.

8           The third comment is that in the definition of  
9 terms, a processor is an individual or business that  
10 alters or converts whole used or waste tires through  
11 shredding, chopping or splitting. This definition seems  
12 to miss the purpose for which the Bill is being  
13 established. In Section 2, point (6) of the Legislative  
14 findings, the statement is made that "financial  
15 incentives need to be created to help stimulate waste  
16 tire markets." The key word here is "markets." If  
17 scrap tires are simply "altered," i.e., chopped, split  
18 or shredded, the disposal problem is really not solved  
19 if there is no market for the end product. Some  
20 unscrupulous individuals could take advantage of the  
21 Bill to purchase shredding or baling machines, charge a  
22 fee to take the tires, and create shreds or bales with  
23 no intention of ever doing anything more with them.  
24 Tire dumps would simply take a different shape.

25           Changing the form of scrap tires by means of

1 reduction is no guarantee the material will be recycled  
2 or reused for resource recovery, and it does not  
3 eliminate the potential environmental hazards from  
4 fires, vermin, et cetera. In Section 3, point (3), the  
5 purpose stated is "to encourage qualified investments .  
6 . . to promote the use of and recycling of waste tires."  
7 We do not believe that shredding, chopping or splitting  
8 truly constitutes use or recycling of waste tires.  
9 Section 16 is titled "Investment tax credits for  
10 equipment for reducing, reusing or recycling whole used  
11 or waste tires." If "reducing" simply means shredding,  
12 chipping or splitting, this may present a problem.  
13 While there may be markets for shreds and chips,  
14 facilities like ours need whole tires. Unless a viable  
15 market exists for shreds and chips, it does not seem  
16 prudent to expend valuable energy changing the form of  
17 what is already a potential energy source.

18 I might point out also that that issue, that  
19 comment has been fairly well addressed in the proposed  
20 modifications in the Bill that Representative Argall has  
21 already mentioned.

22 Our suggestions would be 1) make provisions in  
23 the Bill to include, by grandfathering, any facilities  
24 that have invested in the purchase, retrofitting or  
25 expansion of their operations within the last three

1 years, to use or reuse scrap tires in a manner that  
2 reduces the number of scrap tires which would otherwise  
3 have gone to landfills, or have been stockpiled.

4 Businesses which simply alter the form of scrap tires  
5 should be excluded from any retroactive consideration.

6 2) Add a fourth category to the registration  
7 process -- "End Use Facility." An end use facility  
8 would be one that recycles the tires into some other  
9 useful product or recovers the resource inherent in the  
10 tires.

11 We propose that only facilities who invest in  
12 equipment for reusing or recycling whole used or waste  
13 tires for which a market exists should be qualified for  
14 a tax credit. This would not exclude facilities that  
15 shred tires for use as fuel in power plants, et cetera,  
16 but would go a long way toward the prevent of sham  
17 recycling.

18 I would like to add that awarding of the  
19 Governor's Waste Minimization Award to Lefarge was not  
20 for the reduction of scrap tires in the State, but for  
21 the reduction of emissions, and for the improvement in  
22 the emissions from our cement plant through the use of  
23 scrap tires.

24 CHAIRMAN REBER: The Chair thanks the gentleman.

25 Any questions to my right?

1           REPRESENTATIVE READSHAW: No, I have no  
2 questions, Mr. Chairman. I would like to take a moment  
3 to thank Mr. Dengler for his testimony, particularly his  
4 suggestions. I am sure they will be well taken.

5           CHAIRMAN REBER: The Chair thanks the gentleman.  
6 Representative Vitali?

7           REPRESENTATIVE VITALI: Thank you. Just to  
8 clarify a point that has been made; you were able to  
9 develop your processes in such a way that you were able  
10 to use tires as fuel without any tax credits, and there  
11 is no reason why your competitors can't do the same, is  
12 there?

13           MR. DENGLER: I don't think there is any reason  
14 they couldn't do the same; our concern is more with  
15 their doing the same, and then receiving the tax break;  
16 the unfair competitive aspect of it.

17           REPRESENTATIVE VITALI: I see. And tell us --  
18 you agree that -- our purpose in giving tax credits is  
19 to achieve a result, which is to achieve more recycling.  
20 We don't ever give away a sum of our State coffers  
21 gratuitously. The point I am trying to make is can you  
22 increase tires being used for fuel without this tax  
23 credit?

24           MR. DENGLER: I think the key to the tax credit  
25 is the incentive to use stockpiled tires rather than new

1 generated tires -- in terms of where we are at the  
2 cement plant using tires. Through the tax credit, you  
3 are providing incentives to Lefarge to accept tires from  
4 stockpiles that we wouldn't necessarily go out and look  
5 for. And potentially it is possible, at least, that the  
6 revenues involved in taking used tires from a stockpile  
7 would go down if there were tax credits associated with  
8 that.

9 REPRESENTATIVE VITALI: Tell me -- I am a little  
10 confused, but tell me how you could do more if you had  
11 to pay less in taxes.

12 MR. DENGLER: Again, I don't think the volume  
13 would change. We are talking about two million tires  
14 per year as our volume. What might change is the mix;  
15 for example, in new generational tires you will find in  
16 the -- you may find today that there are a certain  
17 number of tires in new generation tires, tires that have  
18 just been taken off the car, that are reusable in the  
19 sense that they have some tread, they have some usable  
20 life left on them. Another possibility would be as Jay  
21 had mentioned, the crumb rubber, the new tires that  
22 could possibly be reused and recycled.

23 But the tires in stockpiles cannot be; so if  
24 there were a shift in the tires that we were taking --  
25 less new generation, that are then going for reuse or

1 recycling, and more stockpiled tires, that's the only  
2 change. We may take more stockpile.

3 REPRESENTATIVE VITALI: Do you need additional  
4 equipment to use stockpiled tires versus fresh tires?

5 MR. DENGLER: No.

6 REPRESENTATIVE VITALI: So you can take  
7 stockpiled tires now? I am still struggling as to why  
8 getting a tax -- and you are saying that getting a tax  
9 credit is not going to cause you to increase your  
10 volume.

11 MR. DENGLER: Total volume? For our plant,  
12 probably not. Overall, it would not increase. What I  
13 am trying to point out is that first of all, we started  
14 this process over five years ago and we did it without a  
15 tax credit.

16 REPRESENTATIVE VITALI: Exactly; that is the  
17 point I am trying to make.

18 MR. DENGLER: This was the incentive for us; to  
19 make us more profitable in our market, to reduce our  
20 costs; that was our purpose for doing what we did with  
21 scrap tires.

22 REPRESENTATIVE VITALI: Isn't that basis of  
23 incentive also there for other tire manufacturers  
24 without the tax credit?

25 MR. DENGLER: Exactly; I believe it is.

1           REPRESENTATIVE VITALI: And again -- I don't want  
2 to get nickley here, but what you do seems like a very -  
3 - it is a very good thing to use the tires, but it just  
4 seems that when you throw a log on the fire, that you  
5 are recycling trees, and you are really not recycling  
6 tires in the true sense of the word. You are using them  
7 as a fuel.

8           MR. DENGLER: We have never called it recycling;  
9 we have always called it resource recovery. We believe  
10 that tires represent a resource; we believe that either  
11 taking those tires whole or shredding them and throwing  
12 them in a landfill is unconscionable. We are wasting  
13 energy by throwing tires in landfills; the resource is  
14 there and needs to be recovered.

15           REPRESENTATIVE VITALI: How many tires do you use  
16 in a year?

17           MR. DENGLER: We are capable of two million tires  
18 per year.

19           REPRESENTATIVE VITALI: All right. Thank you.

20           CHAIRMAN REBER: Two quick questions; is there an  
21 excessive cost or an enhanced cost on your use of  
22 stockpiled tires, vis a vis liability, handling,  
23 transportation, that you don't have on the new  
24 generation tires?

25           MR. DENGLER: If we are gathering and loading and

1 transporting the tires, yes; if the tires are coming to  
2 our dock, then there is only a very minor change, and  
3 that would be if tires came full of mud or water, they  
4 would have to be de-watered before they could go in the  
5 kiln. So there may be a minor additional cost if the  
6 tires came to us at the dock. If we were asked to go  
7 out and gather the tires, put them in the trailers, and  
8 transport them, our costs would be, again, additional  
9 because of the way the tires are often stockpiled. They  
10 are covered with ground, they are loaded with --

11 CHAIRMAN REBER: Isn't that really the jugular  
12 issue we are trying to deal with here, though, relative  
13 to the stockpile issue as it relates to the tire  
14 accumulation problem; that there is not that incentive  
15 to go out there because of all those attendant problems  
16 that both you and I have both discussed. I think to  
17 some extent there is some realistic pragmatism in moving  
18 forward with some form of incentive to drive people to  
19 use them and to in essence recoup that additional cost,  
20 vis a vis cleaning, maintenance, handling, liability,  
21 things of that nature.

22 MR. DENGLER: Our personal feeling is that that  
23 is probably one of the biggest incentives of this Bill,  
24 is that it provides incentive to clean up existing  
25 stockpiles. I think, as Mr. Snyder said, that the new

1 generation tires are being handled, but the stockpiles  
2 are there and frankly, from my perspective -- I have  
3 told Jay this -- you are missing the boat; 36 million  
4 and it could be substantially more. We get around to a  
5 lot of these stockpiles and some of those piles that are  
6 listed as 500,000 tires I suspect could be a couple of  
7 million tires, as far as our knowledge of the terrain  
8 and things like that. I think there are a lot of  
9 stockpiles out there.

10 And as Jim Snyder mentioned, these are the very  
11 visible piles that have been listed; there is a lot that  
12 are off in some coal mine or some cave that no one knows  
13 about, and haven't even been seen.

14 REPRESENTATIVE ARGALL: I would like if you could  
15 expand a little bit on the emissions issue for which you  
16 won the award. I have to tell you that as soon as I  
17 introduced this Bill, I got some pretty angry phone  
18 calls from constituents who thought that I was promoting  
19 what they see happening in their backyard; if a farmer  
20 puts a tire on fire and the black smoke and the gunk and  
21 everything. Explain again and expand if you will on  
22 what your experience has been in switching over to TDF.

23 MR. DENGLER: I am somewhat limited in my ability  
24 to explain that, but --

25 REPRESENTATIVE ARGALL: That's all right; we are

1 probably somewhat limited in our ability to explain, so  
2 if you keep it simple, it will help both of us.

3 MR. DENGLER: If I were to represent it in terms  
4 of BTU value, there is the energy equivalent of about  
5 two-and-a-half gallons of gasoline in each tire. So in  
6 terms of their energy, there is quite a bit of energy  
7 involved. In terms of the materials used to make the  
8 tire, it is fairly refined oils used in the manufacture  
9 of tires; it is not a real crude oil that is used. So  
10 in terms of the cleanliness of the fuel, it is very  
11 clean fuel. In terms of sulphur content, we are  
12 permitted to use the coal at a sulphur content of 2.5  
13 percent sulphur in fuel. Tires emit about 1.2 percent  
14 sulphur, so immediately there is improvement there.

15 In terms of flammability or volatility, tires are  
16 probably double the volatility of the coal that we  
17 typically use, so there is some real incentive there.  
18 In terms of emissions, we find -- specifically with  
19 regard to nitrous oxide emissions, for which we are in a  
20 monitored ozone non-attainment area that we are mandated  
21 to reduce our nitrogen oxide emissions. Nitrogen oxides  
22 come from different sources; the chemistry of raw  
23 materials, the chemistry of the fuel, and also what is  
24 called "thermal nox", thermal hydrogen oxide emissions.  
25 Thermal nox are enhanced by the intensity of the flame

1 and the richness of the oxygen at a particular zone of  
2 the kiln. Typically, we have our burning zone at one  
3 location of our kiln, and we are using -- all of our  
4 coal is going to that burning zone. There is a certain  
5 percentage of thermal nox being created by that burning  
6 zone.

7           When we add tires to that end of the kiln, we  
8 reduce the amount of fuel in the burning zone of the  
9 kiln, and so the generation of thermal nox comes down  
10 proportionally because you don't have the intensity of  
11 heat in the burning zone. You have the heat distributed  
12 and the thermal profile of the kiln changes, so the nox  
13 emissions go down. And that is what we have seen and  
14 that is why we are so low in our emissions.

15           In terms of other aspects, we monitor our sulphur  
16 emissions, oxygen and CO flow and opacity on a  
17 continuous basis and we have seen reports and we have  
18 not seen any negative impact from the tires.

19           REPRESENTATIVE RUBLEY: One quick question; you  
20 point out the need to add end-use facilities to the  
21 requirement for registration. Do you have a position on  
22 whether or not a manifest system is necessary?

23           MR. DENGLER: We appreciate Jim Snyder's position  
24 because it is very difficult, I am sure, to have a  
25 manifest system in place, and then it is even more

1 frustrating to have a manifest system in place that  
2 requires unusual resources to manage and has no teeth  
3 because there is no accountability in terms of making  
4 sure that that manifest system is not being bastardized  
5 in some way.

6 We support the manifest system; we think that it  
7 is a good idea, again, primarily as Jay mentioned, or  
8 didn't mention -- some of our customers, some of our  
9 people who want to bring tires to us, they want  
10 assurances that we are in the loop, that DEP understands  
11 what we are doing and approves what we are doing.

12 So it would lend credibility to our whole process  
13 -- people want to know that those tires are not going to  
14 present environmental concerns later. Currently we  
15 issue a Certificate of Instruction, and that, along with  
16 a copy of our air permit, has sufficed. But we think  
17 that if there was a manifest system and we were  
18 identified and able to register in the manifest system,  
19 that would be a serious problem.

20 So if there is going to be a manifest system, we  
21 want to be included in the registration process.

22 CHAIRMAN REBER: Representative Carone?

23 REPRESENTATIVE CARONE: You charge a tipping fee,  
24 don't you?

25 MR. DENGLER: Yes, we do.

1 REPRESENTATIVE CARONE: And what is that?

2 MR. DENGLER: It varies depending on where the  
3 tires come from. It varies and Joe tells me it ranges  
4 between \$35 and \$60 per ton, and we are able to take  
5 both passenger tires and truck tires.

6 REPRESENTATIVE CARONE: And if you were taking  
7 tires from one of the tire dumps, there wouldn't be a  
8 tipping fee, I presume, because that would be part of  
9 the tax credit that you would get because no one would  
10 be able to pay the tipping fee for those tires coming  
11 off of scrap tires because nobody is paying.

12 MR. DENGLER: I think that that is the point of  
13 the Bill is that it would drive people to take those  
14 tires from the stockpiles because no one is paying, say  
15 -- in some cases, there are people associated with those  
16 piles; there are businesses associated. In other cases,  
17 there is no one; there is just a pile of tires.

18 REPRESENTATIVE CARONE: And this is the point I  
19 was going to try to make; I thought this was part of the  
20 reason for the tax credit, was to be able to get those  
21 off, and the tipping fee just doesn't exist.

22 I appreciate the fact that you described -- in  
23 fact, I even thought about you folks before I saw your  
24 testimony because I knew you were in the business early  
25 to try to do this. I am on the other side of the State

1 and I don't have any cement kilns operating at this time  
2 who take tires, so that offering the tax credit in my  
3 part of the State is important because I have had two  
4 cement kiln facilities say to me: I need an incentive;  
5 it will cost me about a half a million dollars to  
6 retrofit to take tires. And that is why it is important  
7 to me, but I don't think we would be a great competitor  
8 to you, but I certainly understand your position having  
9 been in the forefront of this.

10 It is my opinion of my visit to the cement kiln  
11 that in reality the tires are also a resource from the  
12 standpoint that they are radial tires; that adds to the  
13 klunker quality of the product, in addition to just  
14 being fuel; is that correct?

15 MR. DENGLER: In the sum cement manufacturing  
16 process, there is a need for iron to be added to the raw  
17 material; that is not true in every cement plant, but it  
18 is true in ours. And since we have been using scrap  
19 tires as fuel, we have eliminated the need to add iron  
20 to our own mix, because the steel in the tire enhances  
21 the quality.

22 REPRESENTATIVE CARONE: If we didn't have the  
23 manifest -- and I tend to support a manifest; I also  
24 understand the paperwork problem and the cost for all  
25 the paperwork. If the penalties were extremely severe

1 and enforced for those who are found guilty of not  
2 taking the scrap tires to a proper destination?

3 MR. DENGLER: I think that recently we have  
4 become involved with the Pennsylvania Cleanways project  
5 that has developed a program whereby they go out and  
6 clean up the dump sites. If there are tires found at  
7 that dump site, we -- on a local basis -- have agreed to  
8 take them at no tipping fee. I think that a group, an  
9 organization like that is concerned that if the manifest  
10 system was in place and if people are severely held  
11 accountable, then that would promote dumping of scrap  
12 tires because they don't have a methodology for getting  
13 into the loop and so they will just dump them somewhere.  
14 That is the concern.

15 Again, we basically support the manifest system;  
16 we understand the concerns, and our bottom line is that  
17 if a manifest system is implemented, we want to be a  
18 part of it.

19 REPRESENTATIVE CARONE: That is understandable.  
20 And I would like to share that they are certainly  
21 correct; there are other tires out there. The DEP told  
22 me there is another million tires in Venango County  
23 which is not on the map. And a Philadelphia City  
24 Councilman told me in the winter of 1993 that: don't  
25 forget us, because every abandoned corner or some part

1 in the County of Philadelphia, tires show up where  
2 someone has just thrown down twenty or thirty, or four.  
3 And they saw in the City of Philadelphia a real problem  
4 with scrap tires being abandoned, so it is in a lot of  
5 places. Thank you.

6 CHAIRMAN REBER: The Chair thanks the lady.

7 Representative Jarolin has one last question.

8 REPRESENTATIVE JAROLIN: What is the process,  
9 action, that you undertake before you burn the tires --  
10 let's say the steel-belted radial tires; do you shred it  
11 or do you throw it the kiln the way it is?

12 MR. DENGLER: That is an extremely important  
13 question. When we were in the process of obtaining our  
14 air permit to use scrap tires as a partial fuel  
15 substitute, one of the concerns that was raised was that  
16 we didn't have a waste permit to handle residual waste.  
17 Tires had to be classified, in our case, as a whole  
18 product and one of the requirements was that no  
19 processing would be required, and in fact that is the  
20 case. The tires come to our dock and go out of the  
21 trailer, onto a hook, from the hook into a double-gate  
22 feeder and into the kiln. There is no processing.

23 REPRESENTATIVE JAROLIN: Well, then how do you  
24 eliminate the wetness of the tire or sand or other  
25 residues that build up in the stored tire?

1 MR. DENGLER: The stored tires are usually de-  
2 watered at the site and dirt and sand and things like  
3 that are not a concern because those -- generally, the  
4 constituents are aluminum and silica, maybe some iron;  
5 things like that, that are already in our cement rock.

6 REPRESENTATIVE JAROLIN: Do you pay anybody to  
7 bring tires to you?

8 MR. DENGLER: No.

9 REPRESENTATIVE JAROLIN: Do you just advertise?

10 MR. DENGLER: We have almost 150 people,  
11 businesses, bringing us tires.

12 REPRESENTATIVE JAROLIN: Want some more?

13 MR. DENGLER: We only have two kilns, I'm sorry.  
14 Actually, I should mention that our permit allows us to  
15 use more than two million tires, but we don't believe at  
16 this point that our process allows us to, and we monitor  
17 our process very carefully. And we are in the business  
18 of making quality klinker and quality cement, and I am  
19 not suggesting that if we use more tires, the quality  
20 would disappear, but we feel that we are at the point  
21 where we are comfortable with our process and with our  
22 quality; that we are not using as many tires as we are  
23 permitted to use, but I frankly don't see us increasing  
24 that unless something changes dramatically in our  
25 process, and that might mean a capital investment to

1 make some modifications for our preheater so that we  
2 would be able to eliminate some other concerns.

3 CHAIRMAN REBER: Representative Vitali, one last  
4 question.

5 REPRESENTATIVE VITALI: I just want to follow up  
6 on Representative Carone's comments about the tipping  
7 fee. To be clear, you pay people to get tires or they  
8 pay you to take them off their hands?

9 MR. DENGLER: We receive a tipping fee. We get  
10 paid.

11 REPRESENTATIVE VITALI: So if that is the case,  
12 we have an abandoned lot with thousands and thousands of  
13 tires and no real responsible person there; how does  
14 this deal with that if no incentive for them -- if there  
15 is no money to be paid to you from the owner, why will  
16 this affect those scrap tires that are such a problem?

17 MR. DENGLER: This is difficult, because we are  
18 here to comment on the Bill, we are not necessarily the  
19 initiators or promoters of the Bill, but your point is  
20 how can scrap tires, stockpiled tires, be used and how  
21 can this Bill promote that.

22 In order to receive the tax incentive, the tax  
23 credit, you would have to use a certain portion -- a  
24 portion of your total consumption would have to come  
25 from stockpiles, so I think that what Representative

1 Carone was suggesting was that in order to obtain the  
2 tax credit, you might be willing to go out and take  
3 tires from a stockpile that you otherwise would not get  
4 a tipping fee for in order to get the volume you need to  
5 obtain the tax credit. You have to use, I believe, ten  
6 percent the first year and I believe it goes up to  
7 thirty percent; so that means if we want to achieve the  
8 level to get the tax credit, we would have to use thirty  
9 percent of our two million tires, or 600,000 tires would  
10 have to come from stockpiles.

11 CHAIRMAN REBER: Thank you very much. I  
12 appreciate your testimony.

13 The next witness is Michael Blumenthal, Executive  
14 Director of the Scrap Tire Management Council.

15 Mr. Blumenthal, we have your testimony, and I am  
16 reminding members of the Committee that Mr. Blumenthal  
17 was scheduled to testify at 10:10. It is now  
18 approximately 45 minutes past that time, and using the  
19 prerogative of the Chairman, I would respectfully ask  
20 Mr. Blumenthal if you might highlight some of your  
21 testimony, because when I lifted it, it rivaled the  
22 Philadelphia phone book, and I got a little panicky,  
23 number one; but, more importantly, for the benefit of my  
24 colleagues on the dais here, we are going to ratchet  
25 down the questioning so we can at least make some

1 attempts to get back into line; and I think the Chairman  
2 has been setting the example, having asked one question  
3 that took about 42 seconds to ask and answer, and in  
4 memory of Judge Ito, we are going to see if we can move  
5 things along, because I notice some of the jurors are  
6 getting a little restless in the back of the room.

7 MR. BLUMENTHAL: I would like to thank the  
8 Chairman.

9 CHAIRMAN REBER: Thank you, Mr. Blumenthal, for  
10 allowing me that opportunity.

11 MR. BLUMENTHAL: I would like to thank the  
12 Chairman for his comments, and I would like to thank  
13 this group for inviting me here. I had no intentions of  
14 going through the entire paper. That is why you have  
15 it. I would just like to skim through some highlights  
16 of it.

17 I would like to do two things. One, give you a  
18 quick overview of the Scrap Tire Management Council, of  
19 what is going on around the country, and then some  
20 direct comments toward House Bill 1929.

21 First and foremost, the Scrap Tire Management  
22 Council is a creation of the North American tire  
23 manufacturers. We are part of the association  
24 representing the 18 US tire manufacturers. Our primary  
25 goal is to assist the market place develop market demand

1 for 100 percent of the annually generated scrap tires.  
2 Our goal right now right is the year 2000, 2002, to  
3 create that kind of demand. Looking back in history  
4 very quickly; back in 1990, when the Council first got  
5 cranked up, 11 percent of all scrap tires that were  
6 produced that year had markets. By the end of 1994, 55  
7 percent of those tires had markets, a 500 percent  
8 increase in five years. While we do not believe that  
9 the same rate is going to continue in the next five  
10 years, we do see our ultimate goal being achieved  
11 somewhere between the year 2000 and 2002.

12 Currently, out of 139 million tires that do have  
13 markets, 101 million tires go for tire-derived fuel  
14 process. Twelve-and-a-half million tires get exported,  
15 nine million tires are used in what we call civil  
16 engineering applications; the use of tires in clean fill  
17 for road embankments, landfill construction, things  
18 along those lines. Eight million tires, usually bias  
19 ply, are punched or stamped into different products;  
20 four-and-a-half million of them are used in ground  
21 rubber for things like rubber-modified asphalt or  
22 products. Two-and-a-half million are used in  
23 agricultural applications, and one million in  
24 miscellaneous applications, and what have you.

25 A couple of quick random comments on things that

1 were talked about before; the idea of retreading was  
2 mentioned. Retreads are not scrap tires. Scrap tires  
3 are not retreads. A scrap tire is that tire which can  
4 only be used for its original purpose. A scrap tire  
5 does not fit that bill. A retreaded tire does. There  
6 are 285 million tires taken off of rims annually. From  
7 that total, 32 million are retreaded. Ninety-five-plus  
8 percent are truck tires; the remainder are passenger car  
9 tires. That leaves 253 million tires a year that have  
10 to go to market. As I indicated, 55 percent of those do  
11 have markets.

12 One issue we wanted to point out is there is no  
13 one solution to the scrap tire problem; that it will  
14 take a series of markets, and I must stress, it will  
15 take market development to solve the problem.  
16 Stockpiles, as was pointed out, often are abandoned  
17 piles, and must be addressed accordingly. And  
18 interestingly enough, the number one cause of tire fires  
19 happens to be arson.

20 A few years ago the Council put together a  
21 handbook on how to prevent, plan for, and fight scrap  
22 tire fires. We had a training course that was given to  
23 five states so far. We trained our trainers in  
24 California. We give a training course to the State Fire  
25 Marshall's office. We have a proposal in to the State

1 EPA for giving them here. We would very much like to do  
2 this in every state across the country. I can make this  
3 available to the Committee if they would like that.

4 As far as tires are concerned, the steel-belted  
5 radial tires are designed for long life. The tires are  
6 now able to perform to 88,000 miles. The key to long  
7 life in tires is tire maintenance; rotation and proper  
8 inflation, balancing, and proper driving technique all  
9 add to the life of those tires.

10 One final comment that I think needs to be raised  
11 is that tires in stockpiles really only have two viable  
12 markets; one is that of fuel, the other one is in civil  
13 engineering applications. Tires in piles never go to  
14 ground rubber, because they are contaminated with dirt.  
15 Dirt is not what you want in your ground rubber. It is  
16 just that simple. One of the goals of the Council is to  
17 make rubber, all forms of rubber, into a commodity. We  
18 are currently working with the Chicago Board of Trade in  
19 order to get rubber onto their trading board. We think  
20 we are about two or three years before that.

21 If I could turn quickly now to the other  
22 comments, which I unfortunately have to read from my  
23 prepared text on House Bill 1929, which sets forth a  
24 comprehensive system of registration for all parties in  
25 the scrap tire handling system, from the generators,

1 through transporters, to storage sites and processors.  
2 Generally, we support such a system to ensure that this  
3 is an available opportunity for oversight and control.  
4 However, we would like to make a few suggestions and  
5 modifications.

6 In Section 7, this deals with the registration of  
7 the so-called people who generate scrap tires, and as it  
8 reads, it would cover tire dealers and retreaders. Tire  
9 dealers and retreaders are the initial point of  
10 collection. They do not create a scrap tire; they  
11 collect the scrap tire and pass it on to the next link  
12 in the chain. This is an important service that they  
13 provide, and we feel that if they are required to fill  
14 out a form and be registered, that we believe they  
15 should not be penalized for the privilege of collecting  
16 scrap tires; \$50, I think, is not necessary. I see no  
17 reason why they should not be registered, but I don't  
18 believe there needs to be a fee for that. The reason we  
19 suggest that is because our opinion is that there is no  
20 requirement in current Pennsylvania law that requires  
21 the dealer to take the tires; and what you might find is  
22 that rather than go through the \$50 registration fee,  
23 and all the paper that goes with it, they may have to  
24 say: Well, if you buy your tires here, or your four, or  
25 your two, or your one, take them home with you. That is

1 not what we would like to see. It can get very counter-  
2 productive, and that would exacerbate the problem. I  
3 think that tires need to be, not so much of a flow  
4 control; we need to know where they go. We are getting  
5 to the point that we do support a manifest system.

6 On that level, I think the paperwork can be  
7 minimized if you use a four-part manifest, but have the  
8 tire dealer network basically police themselves. They  
9 are the ones that have the most exposure, because they  
10 are the ones who are open to the public. It is their  
11 tires that they see out on the street. What you may  
12 want to do, and you definitely do have teeth in the  
13 regulation, but it may have something like, if the tire  
14 dealer does not receive the four-part document in the  
15 mail in, say, a two-week period, they have the option to  
16 either call their supplier or call a State number to  
17 say: Excuse me, Joey didn't send me the paperwork yet.  
18 Where is it? I have to have everything on file, but if  
19 I don't have the paperwork, and somebody from the State  
20 walks in, I can get fined, so send it to me. If he  
21 doesn't send it in another week, they call the Hot Line,  
22 and say: Hey, I deal with Joe's Car System. We haven't  
23 been getting the manifest. I think you should look into  
24 it. That is a self-policing system; it cuts down on the  
25 paperwork to the DEP -- or the DER -- and that works

1 because the tire dealers are the ones on the firing  
2 line.

3 Moving on to Section 10; it deals with the  
4 registration of sites; and, once again, the language  
5 appears to cover tire dealers and retreaders. Normally,  
6 in most regulations, they are not required to be  
7 licensed as a site. We suggest that you set some sort  
8 of number, say, 1,000 tires. If you are handling more  
9 than 1,000 tires, yes, you need to have a registration  
10 and certain guidelines. In storage of under 1,000  
11 tires, it should not be required.

12 Section 8 covers the registration of tire  
13 transporters and haulers. The funds lost in the  
14 elimination of the \$50 to the tire dealers and  
15 retreaders can be made up by increasing the fee to the  
16 tire haulers. One of the things that we think is  
17 necessary is to put in obstacle to who gets into the  
18 hauling business. We don't want anybody with an out-of-  
19 work son-in-law that has a dump truck to go out there  
20 and collect tires. We think that there has been too  
21 much of that in the past, and this industry wants to see  
22 more regulations on who does control the flow of tires.

23 Additionally, we would suggest that anybody who  
24 has been out of compliance with any in-State  
25 environmental regulation or who is currently out of

1 compliance, or currently under some action, should not  
2 be able to get a license to haul tires. I think that  
3 would go a long way to eliminating some of the problems  
4 that we have had in the past.

5 Market development is the greatest need in  
6 improving management of scrap tires. House Bill 1929  
7 proposes to use investment tax credits as the economic  
8 incentive to create additional end uses, and, thus,  
9 broader markets. This incentive may lead new  
10 participants in the market, especially facilities which  
11 have already begun considering the use of scrap tires in  
12 some manner. The fact is, however, that with a three-  
13 year window, this tax incentive would only assist those  
14 who are currently planning, or have begun the planning,  
15 for the use of tires. If you are an end user, assuming  
16 that period that it takes to get permitted; and it could  
17 take 18 months, it could take two years. If you have a  
18 three-year program, by the time somebody decides to get  
19 started, and they get all their investments, they buy  
20 all their equipment, they set their markets, they go  
21 through the permit process, that can be a three-year  
22 process. We suggest that you may want to consider  
23 extending the length. If you do move on with this  
24 program, you may want to consider extending the window  
25 of opportunity. Perhaps maybe five years or six years

1 might be more advisable.

2 While tax credits are available only if the  
3 facility uses the minimum percentage of tires from  
4 priority enforcement sites -- ten percent in the first  
5 year, twenty-five percent thereafter -- there is no  
6 requirement to use a specified number of tires, nor is  
7 the tax credit measured by the number of tires consumed.  
8 The tax credits are related only to the level of  
9 investment. It might be more appropriate if the tax  
10 credits were tied to the number of tires used, as well  
11 as the level of investment, and the source of tires.  
12 For example, if the tax credit were set at 25 cents per  
13 tire used, an existing facility which invested \$1  
14 million in qualified equipment would be eligible in the  
15 first year for a tax credit of \$300,000, and would have  
16 to utilize 1.2 million tires to receive the entire tax  
17 credit. A new business investing in the same figure  
18 would be eligible for a \$50,000 tax credit, and would  
19 have to handle 200,000 tires. The existing business  
20 would have to take 120,000 tires from priority sites,  
21 while the new business would have to taken about 20,000.

22 The tax credit would be available only for new  
23 investments, either by an existing facility or by  
24 startup, and would exclude companies which now are  
25 utilizing tires, even though they may have made

1 substantial investments in order to use the tires.  
2 Under some circumstances, this could lead to a direct  
3 competitive disincentive. Consider the case of the two  
4 kilns, one already using tires after a substantial  
5 investment, the other waiting until it was eligible for  
6 the tax credit to invest in equipment and starts to use  
7 tires. The second kiln has a substantial financial  
8 advantage because of the tax credit, even though the  
9 first kiln has been involved in helping the State solve  
10 the scrap tire problem for a number of years. If  
11 possible, some system should be devised which would  
12 allow access to the same incentives for both parties.

13 House Bill 1929 appears to be designed to do two  
14 tasks: The first to establish a comprehensive system  
15 for regulating collection, hauling, storage and use; the  
16 second is to provide limited market development  
17 assistance through tax incentive programs.

18 The first part of that, the system for collection  
19 and regulation, is well-designed, and we think it is  
20 going to be effective. The second part; we doubt how  
21 effective that system is going to be. It appears that,  
22 although the first task has been well designed, and with  
23 some of the some suggestions we have, it can be  
24 developed by the administering agency into a very good  
25 program. We would encourage the agency to develop the

1 implementing regulations in an open and facilitating  
2 way, with due consideration to the needs of all parties,  
3 so that the result is a workable, understandable, and  
4 reasonable set of regulations, and we are certainly  
5 willing to add our comments to any kind of regulations  
6 that are out there.

7 We are not certain about the ultimate success of  
8 the second task. We certainly realize that the tax  
9 incentives can provide an inducement for new  
10 participants into the market, and if this regulation is  
11 adopted, we hope it will succeed. However, we are less  
12 certain that it will provide sufficient inducement to  
13 remediate all of the existing stockpiles of tires. On  
14 the issue of tires from the stockpiles, that there would  
15 be costs, direct up-front costs to remove the tire. The  
16 question was asked: How much? It will range -- history  
17 suggests anywhere from 75 cents to a dollar-and-a-half  
18 per tire, depending on how far it is, and how deep it is  
19 buried in the yard. I mean, we have seen tires that  
20 have been in mud, in rivers, buried in sides of  
21 mountains. It can get to be a very expensive, labor-  
22 intensive proposition, so the range of it is quite wide.  
23 We don't think you are going to get many tires out of  
24 piles, even though the requirements call for it, because  
25 of the up-front expense, and the deductions --

1 obviously, tax credits at the end of the year may help  
2 them. I think if anything should be looked at, some of  
3 the suggestions that we have is maybe -- what we have  
4 seen in the states that have the better programs -- I  
5 don't mean to insult anybody, but what we have seen in  
6 Wisconsin and Illinois, which have basically taken a  
7 dedicated fee, a one dollar dedicated fee, and worked  
8 with the end user market; and they said if you want to  
9 use these tires, either for ground rubber, or for civil  
10 engineering or for fuel or for some sort of testing.  
11 Okay, well, how much is it going to cost? \$100,000;  
12 here is half of it. And we will give you -- when you do  
13 the testing, paperwork, if you are within your permit  
14 limits, and you want to continue, just do so; but,  
15 obviously, you have to file, you have to do all the  
16 compliance testing, make it somewhat easier for them to  
17 do it. We think that the taking of a dedicated fund is  
18 critical, if you have to tax tires, make sure you  
19 resolve the issue.

20 We believe that the approach to solve the problem  
21 is through market development. I have seen this work in  
22 states around the country, and as the markets do develop  
23 in tandem with the regulations, you also need to  
24 consider a ban from tires or processors from landfills.  
25 Landfilling is still the least cost option, and nobody,

1 not even, not even a cement kiln, can beat landfilling  
2 scrap tires; so that as the markets increase, you should  
3 have a time frame to do away with the landfilling of  
4 scrap tires.

5 With that, I thank the Committee for their  
6 attention, and will answer any questions.

7 CHAIRMAN REBER: Thank you very much, Mr.  
8 Blumenthal.

9 First of all, Mark, could you turn the air  
10 conditioning back on? I prefer to have it off during  
11 the witnesses and we will turn it on during the  
12 questioning.

13 (Pause.)

14 Thank you very much, Mr. Blumenthal.

15 MR. BLUMENTHAL: Thank you, Chairman. I thank  
16 the Committee.

17 CHAIRMAN REBER: Our next witness is --

18 Oh, by the way, Mr. Blumenthal, you referenced  
19 your pamphlet. Chief Counsel Taylor will leave with  
20 you, and make arrangements to procure a copy, or if you  
21 have one for him, that will be fine.

22 Our next witness is Mary Gattis, Consultant with  
23 Waste Reduction and Recycling Services.

24 Mary, welcome.

25 MS. GATTIS: Good morning, almost good afternoon

1 here.

2 As you requested Mr. Blumenthal, I also have made  
3 an effort to limit my comments, as you do have written  
4 copies, I believe, of my testimony.

5 Options for beneficially using waste tires in the  
6 Commonwealth are limited to certain areas where markets  
7 have been established, such as the Allentown area where  
8 Lefarge Cement uses tires as a supplemental fuel. Other  
9 uses which are developing across the country, as other  
10 people have said today, are using tires for ground  
11 rubber applications, civil engineering applications, and  
12 a variety of others, such as the use of the tires as  
13 playground cover.

14 The curtailment of low cost disposal options,  
15 namely landfilling, has had a tremendous impact on the  
16 development of markets for waste tires in other states.  
17 A ban on the disposal of whole tires in the landfills,  
18 coupled with funding for stockpile abatement, and  
19 aggressive market development and programs, are the  
20 essential components of any waste tire management  
21 program.

22 HB 1929 offers a good combination of these  
23 components for an effective program, including  
24 restrictions of land disposal, registration of handlers,  
25 manifesting, attention to stockpiled tires, penalties

1 for mismanagement, and financial incentives geared  
2 toward stockpile abatement, and market development.  
3 However, in order to adequately address the stated  
4 purposes of the Bill, it must be strengthened, points  
5 must be clarified, and it should be expanded to address  
6 stockpile abatement directly.

7         Banning whole tires from land disposal is  
8 essential. Approximately 35 states across the country  
9 have already done this. As written, the Bill prohibits  
10 the mixing of waste tires with municipal waste, not the  
11 prohibition of landfilling specifically. It is a matter  
12 of wording. In York County, where incineration is the  
13 primary means of disposal for municipal solid waste,  
14 residents are allowed to mix whole tires with their  
15 garbage. The tires are then burned, along with the  
16 municipal solid waste, and used to generate electricity.  
17 No additional handling is necessary, and there is a  
18 limited administrative burden. This would not be  
19 possible if this Bill passed as written.

20         Any additional provision for banning tires from  
21 land disposal should take into consideration the amount  
22 of waste imported into the Commonwealth, and the  
23 feasibility of enforcing prohibitions. Ultimately, it  
24 should be the responsibility of the landfill operator to  
25 ensure that whole tires are not landfilled.

1           Registering those individuals or businesses that  
2 handle whole used or waste tires can be beneficial.  
3 Before devising any registration system, however, the  
4 purpose of registration should be very clear. For  
5 example, requiring registration of all generators, such  
6 as all the retail stores across the state, as proposed  
7 in HB 1929, may be a good source of revenue, but the  
8 administrative burden of such a registration system  
9 would be overwhelming, and have little other benefit.

10           The critical links in the chain of scrap tire  
11 management are the transporters, processors, and storage  
12 facilities. While it is these operations which have  
13 been most susceptible to mismanagement in the past, it  
14 is these business interests that will be the key to a  
15 successful waste tire management program in the future.  
16 In order to ensure that tires move from the point of  
17 generation to an appropriate end use, these handlers  
18 should be registered and regulated.

19           Generators should be required to comply with  
20 certain regulations, such as using a registered  
21 transporter, and they should be required to register a  
22 storage facility if they meet the criteria of such a  
23 facility, but there is little other benefit to  
24 registering the thousands of retail stores.

25           Transporters of waste tires should be required to

1 identify themselves as such, similar to the regulation  
2 of residual waste haulers. And there should be  
3 limitation to the number of tires and/or the amount of  
4 time a facility can keep waste tires on site beyond  
5 which they would be required to register as a storage  
6 facility, and comply with such regulations. This  
7 provision may help to keep the tires rolling through the  
8 system, and reduce the chances of additional stockpiles  
9 developing.

10 Processors of scrap tires should also be required  
11 to register and comply with certain regulations,  
12 including a limitation on the amount of time that  
13 processed tires, processed tire material, may be stored  
14 on site. Pennsylvania has not had a shortage of tire  
15 processors; we have had a shortage of markets for the  
16 processed tires. Therefore, we now have tire piles --  
17 we have chips, rather than whole tires, which create  
18 just as many problems as the whole tire piles.

19 And, finally, the end user, whether it be a  
20 recycler, cement kiln, as has been proposed by other  
21 witnesses today, should be included in the registration,  
22 and should be included in the manifest system.

23 Provisions also need to be made for addressing  
24 the interstate flow of waste tires.

25 I have a little bit in here about the tire fire

1 in Lancaster County, which I will not go through today,  
2 but they happen across the state on a regular basis.  
3 And I say that word, and emphasize that all stockpiles  
4 in the state need to be abated. They represent  
5 environmental and health hazards, and the cost to clean  
6 up tire piles may range from a dollar to two per tire or  
7 more, depending on the availability of end markets, and  
8 the location and size of the pile. However, the cost of  
9 fighting tire fires is much greater. If the stockpiles  
10 in the Commonwealth are to be abated, funds must be  
11 dedicated to this endeavor.

12 HB 1929 attempts to address stockpile abatement  
13 by tying it together with tax credits for processing  
14 tires. There are several problems with this approach.  
15 First, processing is not the problem, as stated earlier.  
16 Processing equipment is already in place, and the  
17 existence of processors does not ensure the abatement of  
18 stockpiles.

19 Secondly, a 30 percent investment tax credit will  
20 not be sufficient to entice individuals or businesses to  
21 go dig up tires from the ground, when there are 12  
22 million new tires generated yearly. And what about the  
23 companies that invested in equipment or technology prior  
24 to January 1, 1995? There is no incentive for them  
25 within this Bill to use the stockpiled tires.

1           And, finally, markets for stockpiled tires are  
2 limited because they are typically very dirty, as has  
3 already been discussed today. Therefore, only  
4 individuals or businesses with certain end use markets  
5 will be able to apply for the funding as proposed, and  
6 this will do little to stimulate other end use markets.

7           In order to meet the goals the Commonwealth needs  
8 to establish two separate funding programs. One program  
9 should be established to fund stockpile abatement, and  
10 another should be established to support market  
11 development. If only one program can be funded,  
12 stockpile abatement should take priority. Most  
13 importantly, public funding should be geared towards the  
14 development of beneficial use markets, such as  
15 recycling, reuse or use as an alternative fuel, and  
16 should not simply support further processing operations.

17           Both programs should sunset after a certain  
18 period of time, to be determined by the amount of  
19 funding available and the program needs. Given the  
20 tremendous number of tires in stockpiles, the time  
21 needed to clean these sites up will probably be greater  
22 than the three years cited in the Bill.

23           Funds for waste tire management programs should  
24 come as directly as possible from the generators of  
25 waste tires, namely you and me. For example, a fee on

1 new tire sales would be appropriate. Unfortunately,  
2 such a fee is already in place in Pennsylvania, and is  
3 used to fund mass transit programs. Another option  
4 would be add a fee to existing vehicle registration  
5 fees. Several states use this method across the state,  
6 and it provides sufficient funding for programs. This  
7 also would limit the number of people that must handle  
8 the money.

9 One of the stated purposes of HB 1929, which does  
10 not appear to have been addressed at all is "to reuse  
11 the current supply of waste tires generated each year in  
12 this Commonwealth." An appropriate way to address this  
13 would be to include provisions for encouraging  
14 retreading.

15 And with this, I will end my comments. I hope  
16 that they have been helpful, and, again, I thank you for  
17 the opportunity to speak here before you today, and I  
18 will entertain any questions.

19 CHAIRMAN REBER: Thank you very much.

20 Any questions to my left? Any questions to my  
21 right? I understand Representative Vitali is seeking  
22 recognition.

23 REPRESENTATIVE VITALI: Please develop, if you  
24 could, because I think it is an important point, who are  
25 some of the people out there, and some of the types of

1 people out there, who could potentially be enticed to  
2 use the tires that are sitting at scrap piles right now?

3 MS. GATTIS: I think it already has been  
4 mentioned that limits for those tires are limited to  
5 uses such as civil engineering applications.

6 REPRESENTATIVE VITALI: Like in the State; could  
7 we potentially use more --

8 MS. GATTIS: Sure; yes, the State would provide a  
9 very good market for those in civil engineering, road  
10 embankments, things like that, yes.

11 REPRESENTATIVE VITALI: I am just trying to -- I  
12 am just trying to thresh out that point just a little  
13 more. Where is the big bulk of these things going to  
14 go? I mean, is it going to be a government-type thing  
15 where we put it in the specs for highway materials; or  
16 is the bulk going to come from certain other industries,  
17 and what are they? Do you know what I am saying? I am  
18 just trying to get some sense of where potentially we  
19 could go.

20 MS. GATTIS: I think that at present, the fastest  
21 growing market is the tire-derived fuel market; and,  
22 thank goodness that they are there, because they have  
23 helped to solve the problem for a number of states  
24 across the country.

25 REPRESENTATIVE VITALI: But they are not taking

1 the old stuff, right?

2 MS. GATTIS: They have, yes; in other states,  
3 they have, because the other uses are very limited. Mr.  
4 Blumenthal mentioned some numbers about the number of  
5 tires that were used for TDF versus civil engineering,  
6 and other types of applications.

7 REPRESENTATIVE VITALI: Why do you think they are  
8 doing it in other states, and not here, using the old  
9 stuff instead of the new stuff?

10 MS. GATTIS: Because there is state funding  
11 available to clean up those piles. I have with me a  
12 list of other states; and glancing through there, these  
13 are states which have put into place stockpile abatement  
14 programs. Oregon reached its goal a year or so ago. We  
15 have, according to the information that I have seen,  
16 more than twice the amount of stockpiled tires than any  
17 other state.

18 REPRESENTATIVE VITALI: Who are we looking at as  
19 far as stockpile abatement? Who is the model in this  
20 country? What states are really doing the job well?

21 MS. GATTIS: I would say I believe that Oregon  
22 has, because they have already abated all of their  
23 stockpiles. I am sure that Mr. Ort would have  
24 information on that. Also, there are states such as, I  
25 believe, Michigan, and I would be happy to make copies

1 of this for you, which does show the other states and  
2 the actions that they have taken. They range from  
3 Virginia to Washington State, Rhode Island, Florida,  
4 Maryland, Minnesota; so, there are a number of states  
5 that have made great progress, but it does depend on the  
6 ability of the state to fund these clean ups, and it  
7 must be a direct funding program. I truly do not  
8 believe that the tax investment credit is going to lead  
9 to the abatement of 36 million or more tires in the  
10 State.

11 REPRESENTATIVE VITALI: In other words, the State  
12 funds some sort of system or some additional step in the  
13 process where some private concern takes the tires from  
14 the scrap piles, and then cleans them, and then delivers  
15 a useful product to the people who --

16 MS. GATTIS: Right; or the way it would work is  
17 that the State bids the clean up job, and they have  
18 people come in competitively and bid; and Lefarge might  
19 be one of those companies which comes in and bids. And  
20 what they would have to put into their equation then is  
21 what they think it is going to cost them to pull the  
22 tires out, transport them to their market location, and  
23 then the ultimate material value to them on site. There  
24 is material value there to some end users.

25 REPRESENTATIVE VITALI: Do you think the

1 abatement program is the way to go?

2 MS. GATTIS: Yes; I think that it has to be. I  
3 think that you have to have market development as well,  
4 but you need to look at the fact that the tire-derived  
5 fuel markets are already established, and it has been  
6 mentioned today that the 12 million tires are already  
7 being consumed, the new generational tires. What we  
8 need to do is have those people that can use the  
9 stockpiled tires because they do have the ability to  
10 accept the contamination, encourage them to use these,  
11 the stockpiled tires, rather than the new tires. The  
12 new tires can be used, and should be used, for higher  
13 value products and systems; things like Dodge Regapol,  
14 that uses the tire products to make matting for athletic  
15 surfaces and things like that. They need the new tires.  
16 Those tires should not be going into tire-derived fuel  
17 markets exclusively. Those markets that can consume the  
18 stockpiled tires should be encouraged to, whether it be  
19 through some kind of a rebate based on the number of  
20 tires that they consume, and that may be part of the  
21 whole scheme of the system in bidding a stockpile clean  
22 up; maybe have an end user and a transporter come in  
23 together and bid on a program.

24 REPRESENTATIVE VITALI: Thank you.

25 CHAIRMAN REBER: Representative Argall.

1 REPRESENTATIVE ARGALL: I have been awash in data  
2 as I am trying to learn more and more about this issue,  
3 and I think you just offered some new information that I  
4 would like to verify. You said that Pennsylvania, you  
5 believe, has twice as many stockpiled tires as any other  
6 state?

7 MS. GATTIS: That is from the information that I  
8 have seen, yes.

9 REPRESENTATIVE ARGALL: Could you provide us with  
10 that information?

11 MS. GATTIS: Yes.

12 REPRESENTATIVE ARGALL: That is a new one. That  
13 would be very helpful. Thank you.

14 CHAIRMAN REBER: Thank you very much. I  
15 appreciate your testimony.

16 MS. GATTIS: Thank you.

17 CHAIRMAN REBER: Next, we have two witnesses that  
18 are going to join us at the dais table, Janet Hoffman,  
19 the Director of Governmental Relations for Waste  
20 Management, and John Wardzenski, the General Manager of  
21 Mountain View Reclamation of Waste Management.

22 Welcome, and we appreciate your testimony.  
23 Proceed.

24 MS. HOFFMAN: Mr. Chairman, Members of the  
25 Committee, thank you very much. Good morning. As you

1 said, I am the Director of Governmental Relations of  
2 Waste Management. With me today is John Wardzenski. He  
3 is the General Manager of Mountain View Reclamation.  
4 John was also General Manager of Waste Management's Tire  
5 Processing Facility at Milton Grove in Lancaster County,  
6 from 1989 to 1994.

7 Waste Management is a subsidiary of WMX  
8 Technologies, and we provide solid waste management  
9 services across the United States, with more than 130  
10 solid waste landfills, and 15,000 solid waste collection  
11 vehicles, serving approximately 800,000 commercial and  
12 industrial customers, as well as 12 million residential  
13 customers through contracts with nearly 1,800  
14 communities. Our municipal waste recycling programs  
15 provide curbside recycling to 5.2 million households in  
16 more than 600 communities and to 75,000 commercial  
17 customers throughout the nation.

18 Within Pennsylvania, Waste Management and its  
19 affiliates operate eight landfills, sixteen hauling  
20 companies, and ten transfer stations. During 1994, our  
21 facilities accepted more than 32 percent of the total  
22 amount of municipal waste received for processing and  
23 disposal by Pennsylvania landfills and resource recovery  
24 facilities. Maps of our facilities in Pennsylvania are  
25 attached to the testimony.

1           Our experience with waste tire recycling and  
2 disposal in Pennsylvania includes an effort undertaken  
3 several years ago to develop a specialized waste tire  
4 recycling facility, and residual waste landfill near  
5 Milton Grove in Lancaster County. Before we acquired  
6 the Milton Grove facility, the land had been used for  
7 the unauthorized storage of a large volume of waste  
8 tires. Our original plans for Milton Grove included the  
9 operation of two tire shredders to prepare the waste  
10 tires present on the site for recycling or disposal, the  
11 development of a transfer station for the acceptance and  
12 processing of additional waste tires for recycling or  
13 disposal, and the construction of an adjacent residual  
14 waste landfill, which could accept for disposal both  
15 shredded waste tires, or components of waste tires which  
16 could not be practically recycled, and other types of  
17 residual waste. Because of unfavorable economic  
18 conditions, we now operate the Milton Grove facility  
19 only as a transfer station to collect waste tires, and  
20 transfer them to the other facilities.

21           At the eight landfills we operate in  
22 Pennsylvania, our current policy is to refuse to accept  
23 for disposal loads of waste tires. To the extent any  
24 waste tires are inadvertently received in mixed loads of  
25 waste, and are observed by our employees, the waste

1 tires are removed from the waste, and are shipped to  
2 waste tire recycling facilities. Our hauling companies  
3 and transfer stations also do not currently accept waste  
4 tires for disposal. We do, however, accept loads of  
5 waste tires for transportation to recycling facilities.  
6 Waste Management does not currently operate waste tire  
7 recycling facilities within the Commonwealth of  
8 Pennsylvania.

9 Based on our overall experience dealing with  
10 municipal waste management, recycling and waste  
11 reduction, and particularly with respect to the  
12 collection, transportation, processing, and recycling of  
13 waste tires, speaking on behalf of Waste Management of  
14 Pennsylvania, we have some comments and suggestions  
15 regarding House Bill 1929.

16 In our view, the goal of waste tire legislation  
17 should be to encourage the clean-up as quickly as  
18 possible of illegal and abandoned waste tire dumps, and  
19 to ensure that in the future, waste tires are properly  
20 managed. Improper tire disposal creates the potential  
21 for polluting, makes it difficult to control fires,  
22 promotes the breeding of mosquitos and other vectors,  
23 wastes a potentially valuable recyclable resource, and  
24 represents an aesthetic nuisance. To the extent  
25 economically practical, waste tire legislation should

1 also promote the recycling and reuse of waste tires.

2 House Bill 1929 attempts to pursue these  
3 objections through the combination of four strategies:

4 Waste haulers, landfills and resource recovery  
5 facilities are prohibited from accepting waste tires for  
6 disposal, first.

7 Second, a manifesting system is established to  
8 require cradle to grave tracking of waste tires from  
9 generators to recyclers as a method of ensuring that  
10 waste tires are not illegally disposed.

11 Third, persons engaged in the generation,  
12 transportation, storage, processing and recycling of  
13 waste tires are required to periodically register with  
14 the DEP and pay registration fees; and, finally, tax  
15 credits are provided for persons who invest in waste  
16 tire processing and recycling facilities.

17 We support the establishment of tax credits for  
18 waste tire processing and recycling facilities, and we  
19 applaud efforts to further penalize persons engaging in  
20 the illegal disposal of waste tires. We are concerned,  
21 however, about the imposition of penalties upon haulers  
22 and landfill operators who inadvertently accept waste  
23 tires mixed with loads of other types of municipal  
24 waste, and we question whether the paperwork bureaucracy  
25 inherent in registration and manifesting programs

1 represents an effective use of public and private  
2 resources. We are also concerned that the legislation  
3 does not adequately address the need to develop  
4 aggressive strategies to clean up abandoned tire dumps.  
5 Finally, we have reservations about the wisdom and  
6 practicality of imposing an absolute ban on the disposal  
7 of waste tires. Please allow me to address each of  
8 these in a little greater detail.

9 For penalties for illegal disposal, imposing  
10 tough penalties on persons who improperly store, process  
11 and dispose of waste tires is a key component of  
12 preventing the creation of future waste tire dumps.  
13 Care should be taken, however, not to penalize waste  
14 haulers and landfill operators who attempt to promote  
15 the proper management of waste tires.

16 Although most waste haulers refuse to accept  
17 tires for disposal, and most landfills prohibit the  
18 acceptance of loads of waste tires for disposal, it is  
19 not unusual for an occasional tire to be discovered in a  
20 mixed load of municipal waste. Often these tires are  
21 mixed with other waste materials in roll-off boxes, or  
22 are hidden in boxes or bags containing other household  
23 wastes. Typically, the tires are discovered when loads  
24 are dumped, or come to the surface in the process of  
25 compacting municipal waste. Occasionally tires will be

1 discovered a substantial period of time after disposal  
2 at a landfill when the continued processing of waste  
3 causes the tires to float to the landfill surface.

4 We respectfully recommend that penalties not be  
5 imposed upon waste haulers, transfer stations,  
6 processing facilities, and landfills, which  
7 inadvertently accept occasional tires for disposal mixed  
8 with other types of municipal waste. In addition, civil  
9 and criminal penalties should only be imposed for the  
10 wilful or knowing improper transportation, processing or  
11 disposal of waste tires.

12 We also recommend that rather than relying solely  
13 on civil and criminal sanctions, that the legislation  
14 should further be amended to allow violations to be  
15 remedied by contributions to tire recycling programs,  
16 public education, and by contributing to the clean up of  
17 abandoned tire dumps.

18 As for registration and manifesting, as currently  
19 drafted, House Bill 1929 requires all generators,  
20 transporters, storage facilities, processing and  
21 recycling facilities to register annually with the  
22 Department of Environmental Protection, and requires a  
23 multipart manifest to be initiated by the generator of  
24 the tires, and to be signed by each transporter,  
25 transfer station, processing facility, and recycling

1 facility. A copy of the manifest form must be retained  
2 by each party involved in the handling of the tires, and  
3 must be filed with the DEP.

4 Registration and manifesting systems were  
5 originally created to control the management of  
6 hazardous waste, and have also been applied to  
7 infectious and chemotherapeutic waste streams.  
8 Generally, however, registration and manifest  
9 requirements have not been applied to other waste  
10 streams without toxic characteristics because of the  
11 high costs and excessive paperwork generated by  
12 manifesting requirements.

13 Registration and manifesting requirements are  
14 desirable only if the consequences of mismanaging even a  
15 small quantity of waste are substantial, and if the  
16 transactional costs of managing a manifest program are  
17 clearly justified by the need to strictly regulate the  
18 flow of a waste material through interstate commerce.

19 In our view, there are cost effective  
20 alternatives to registration and manifest systems which  
21 will achieve the objectives of the Tire Recycling Act.  
22 Under current Pennsylvania regulations, waste tires are  
23 already classified as "residual wastes." The  
24 Pennsylvania residual waste regulations require that,  
25 first, biennial reports must be filed by all large

1 quantity generators, and those are generators of more  
2 than 2,200 pounds of waste per month. Secondly, records  
3 must be maintained by small quantity generators. Third,  
4 log books must be maintained and annual reports filed by  
5 transporters; and, finally, periodic reports must be  
6 filed with the DEP by processing and disposal  
7 facilities.

8           These requirements should be adequate to provide  
9 records to facilitate the tracking of waste tires,  
10 except that under current regulations, the term  
11 "generator" is defined to exclude persons who collect  
12 waste from the repair and maintenance of vehicles and  
13 other equipment.

14           Rather than creating an expensive and complex new  
15 registration and manifesting system, we recommend merely  
16 improving the existing reporting requirements of  
17 Pennsylvania's residual waste regulations to apply  
18 generator reporting and record keeping requirements to  
19 all generators of waste tires.

20           As for tire dumps, in our view, the top priority  
21 for waste tire legislation is to facilitate the clean up  
22 as soon as possible of abandoned tire dumps.

23 Unfortunately, many tire dumps are located on lands  
24 without financially responsible owners, or are located  
25 on land owned by innocent farmers, businesses and

1 individuals who were not necessarily responsible for the  
2 creation of these dumps. The key to facilitating the  
3 clean up of these sites is to create a fund which can be  
4 used to finance clean ups.

5 We believe that a dedicated tire clean-up fund  
6 should be created by the imposition of a small fee upon  
7 all new tire purchases. The funds could then be  
8 distributed as grants to clean up tire dumps.

9 Without the creation of a clean-up fund, the most  
10 serious problems created for the Commonwealth by  
11 improper waste tire disposal will either not be  
12 effectively addressed, or will be addressed only through  
13 complex, slow and expensive litigation, in which private  
14 parties may be forced to pay for conditions for which  
15 they are not necessarily responsible.

16 As to tire disposal, we agree that efforts should  
17 be made to encourage waste tire recycling, rather than  
18 disposal, and that whole waste tires should not  
19 intentionally be disposed of in landfills. In order to  
20 clean up abandoned tire dumps, however, more waste tires  
21 are likely to be recovered than can be feasibly and  
22 economically recycled. Waste tires collected from  
23 abandoned tire dumps may also be too contaminated to be  
24 effectively recycled. Finally, mandating the recycling  
25 of all waste tires may create expenses and

1 transportation requirements which will impede the clean  
2 up of abandoned tire dumps, and may actually lead to the  
3 creation of new illegal tire dumps.

4 Rather than prohibiting all disposal of waste  
5 tires, we favor allowing the landfilling of tires, or  
6 parts of waste tires, to the extent that the recycling  
7 and re-use of the waste tires is not technically or  
8 economically feasible or practical. An arbitrary  
9 recycling mandate, which ignores market conditions or  
10 economic costs, may actually impede, rather than  
11 encourage, efforts to improve the management of waste  
12 tires in Pennsylvania.

13 We appreciate the opportunity to come and talk to  
14 you about this very important subject today. To the  
15 extent that we do not have information available, we  
16 would be happy to get that to you. We have attached to  
17 the written testimony some proposed preliminary draft  
18 amendments for your consideration, and for further  
19 discussion; and we would be happy to take any questions  
20 that you have.

21 CHAIRMAN REBER: Thank you very much, Janet.  
22 Your testimony tickled something in my mind. This isn't  
23 directly for you; it is for some of the representatives  
24 of the Department of Environmental Protection that are  
25 present.

1 I would ask you to take a look at the hazardous  
2 sites clean-up fund, the Act, the language in the Act  
3 which may, in some way, shape, or form, provide  
4 legislative -- whether there is legislative authority  
5 granted by statute now, or there may be some need to  
6 remediate the language, if you will, that we might, in  
7 essence, tap into that fund that, from my perspective  
8 over the years, seems to have continually been growing,  
9 and not being used for the obvious purposes, and  
10 possibly Senate Bill 1, as it has now been enacted into  
11 law, may begin to accelerate some of that, but there may  
12 very well be some possibility we could dovetail some of  
13 that particular fund if there was requisite statutory  
14 authority for that, to solve this stockpile situation  
15 before we start embarking upon fees and what have you,  
16 and other avenues. I am sorry to digress from your  
17 testimony, but it tickled something, and while I saw the  
18 appropriate representatives present, I wanted to put  
19 that on the record, because I think that is something  
20 that we do want to explore to hopefully accelerate the  
21 removal of the stockpile sites, and that may also be an  
22 additional way we could expedite and facilitate the cost  
23 factors that I have heard being somewhat of a concern to  
24 drive these two processes, if there could be some form  
25 of grant program, or some form of Statewide bidding on

1 the process.

2 I have no questions. Are there any questions of  
3 any members?

4 Representative Carone.

5 REPRESENTATIVE CARONE: You talked about some  
6 tires in the tire dumps might be too contaminated to be  
7 used for any purpose. Other than the dirt being in  
8 them, what else do you think might be contaminating  
9 them?

10 MS. HOFFMAN: John, would you address that?

11 MR. WARDZENSKI: Yes. I have seen some sites,  
12 tire sites, that have burned in the past, and where  
13 piles of buildings have been shoved into these piles and  
14 what have you that I don't believe either a processor,  
15 or someone such as Lefarge, would be interested in even  
16 burning; so, I guess what I am saying, from a landfill  
17 standpoint, is try not to close the door to those types.  
18 We are not in favor of disposing of reusable tires, but  
19 the ones that nobody would want to try and reuse, try  
20 not to close the door on landfilling.

21 REPRESENTATIVE CARONE: So it would be unusual  
22 circumstances, like you brought up?

23 MR. WARDZENSKI: Yes, that is our intent.

24 REPRESENTATIVE CARONE: Thank you very much.

25 MS. HOFFMAN: We have some photographs that we

1 can show you. I have a couple that John took.

2 REPRESENTATIVE CARONE: I appreciate that.

3 REPRESENTATIVE ARGALL: The Milton Grove facility  
4 that you mentioned; I think either this Committee or the  
5 Joint Committee toured it a few years ago, and you  
6 talked about unfavorable economic conditions led to its  
7 closing; basically, lack of markets, is that --

8 MR. WARDZENSKI: Yes; due to the volume of tires  
9 that we were processing at Milton Grove, we could not  
10 find any one particular end use large enough to be able  
11 to use the material which we were processing. There are  
12 many, many markets out there, all requiring different  
13 size material, which would have, in turn, required us to  
14 invest in additional equipment for additional size, end  
15 product size.

16 REPRESENTATIVE ARGALL: Given that fact, I guess  
17 I am a little, perhaps, confused. There are several  
18 strategies for clean up, and we have looked at a lot of  
19 different states. You can have a tax or a fee in which  
20 the government goes out and cleans up the sites, or  
21 hires someone else to clean up the sites, or you can try  
22 to, through tax incentives or whatever, come up with the  
23 markets, and looking at the markets, and it seems as  
24 though your testimony is in favor of a government-  
25 oriented solution, a tax, if you will, rather than a

1 market-driven approach, which was the intent of House  
2 Bill 1929. Am I reading your testimony correctly?

3 MS. HOFFMAN: We would support the development of  
4 markets for this material, because it obviously provides  
5 opportunities for private industry, but, as I believe we  
6 mentioned earlier, some of these abandoned tire dumps,  
7 it is going to be very difficult to find a market for  
8 many of these materials. So we think that as an  
9 environmental nuisance that those may ultimately be some  
10 kind of responsibility for government; but there are a  
11 number of strategies that could be used.

12 For example, if you look at Pennsylvania's  
13 history, referendums have been passed in the past that  
14 would be used for clean up of some particular  
15 environmental nuisance, such as strip mines, or, more  
16 recently, an example was a referendum on State Parks, to  
17 improve State Parks, so that kind of arrangement could  
18 be used as well. We simply believe that the most  
19 important goal of waste tire legislation is the clean up  
20 of these abandoned tire dumps, because we think that  
21 they represent something that just should not be allowed  
22 to continue to exist in Pennsylvania.

23 REPRESENTATIVE ARGALL: And that, I think, we  
24 would certainly agree on the goal. I know in talking  
25 about the developing markets, and it has been

1 interesting to see how they are beginning to develop, I  
2 think there is some new technology out there. We were  
3 told that at some point in the future, with the proper  
4 incentives, private industries might actually be  
5 fighting over scrap tires in Pennsylvania, rather than  
6 figuring out where to stick them, and that would be a  
7 lovely change of pace, and maybe a pie-in-the-sky, but I  
8 would like to deal with that problem, rather than this  
9 one. Thank you.

10 MS. HOFFMAN: I would, too; great scenario.

11 CHAIRMAN REBER: I do not believe there are any  
12 further questions, and I thank you very much for your  
13 testimony.

14 MS. HOFFMAN: Thank you very much.

15 CHAIRMAN REBER: Thank you, John; thank you,  
16 Janet.

17 Our next witness is Sue B. Wiseman, the Executive  
18 Director of Pennsylvania CleanWays.

19 Please proceed.

20 MS. WISEMAN: I would like to introduce to you  
21 Helen Ostermiller, who is the president of our  
22 organization, and she is here with me today to help me  
23 answer questions.

24 As the executive director of PA CleanWays, I  
25 would like to thank the Committee for the opportunity to

1 present PA CleanWays' comments on House Bill 1929, and  
2 applaud the Committee's efforts to address our growing  
3 tire problem.

4 I would like to give you a little information on  
5 PA CleanWays. We are a nonprofit, volunteer-based  
6 organization that fights illegal dumping and littering.  
7 The illegal dump sites we address are typically located  
8 in remote and isolated places. They are places where  
9 people toss their tires, old appliances, carpeting,  
10 daily garbage, and every other item used by mankind. We  
11 do not address dumps created by individuals on their own  
12 properties, nor do we address industrial disposal sites.

13 We started in Westmoreland County in 1990, and  
14 have since spread to six other counties. Our strategy  
15 is to team together with the community to fight a  
16 problem that is too big for individual property owners  
17 or local government. Our strategy works for not only  
18 the initial clean up, but also in keeping the area  
19 clean, as we have found that personal involvement leads  
20 to long term commitment.

21 We are, to our knowledge, the only group  
22 dedicated to fighting illegal dumping on a large and  
23 comprehensive scale in Pennsylvania; therefore, we are,  
24 by default, the experts in illegal dumping, and in that  
25 capacity would like to share with you our comments on

1 this legislation.

2 To date, we have worked with volunteers and  
3 communities to clean up nearly 50 illegal dump sites in  
4 six counties, removing 500 truck loads of trash,  
5 including thousands of tires. Tires are unquestionably  
6 the most common item found in illegal dumps. It is not  
7 uncommon to retrieve several hundred tires from an  
8 illegal dump site that contains tons of other trash.  
9 One dump site alone netted over 600 tires, most of which  
10 were tractor trailer tires.

11 This past spring we initiated a pilot program in  
12 Westmoreland County that provided tremendous insight  
13 into our tire problem. With the sponsorship of a local  
14 tire dealer, and funds collected by our county at local  
15 landfills, we offered several youth groups one dollar a  
16 tire for each tire collected from roadsides, woods,  
17 fields, and waterways. Five groups collected 1,500  
18 tires from their communities. Extrapolating this number  
19 to include the entire county, and including the tires we  
20 believe to be hidden in concentrated illegal dump sites,  
21 we estimate that there are 100,000 scattered throughout  
22 this one county. This, I must note, does not include  
23 stockpiled tires that the Bill has referenced.

24 From comparing data with our other county  
25 chapters, we know that Westmoreland is not unique in its

1 illegal dumping and tire problems. In recent illegal  
2 dump surveys, Westmoreland contained 106 illegal dump  
3 sites compared to Somerset's 130, Cambria's 121, and  
4 Lawrence's 74. Therefore, if Westmoreland's number was  
5 used as an average per county, there are approximately  
6 six million tires scattered across our state.

7 Based upon our findings, we would to add to your  
8 legislative findings another tire problem, the problem  
9 of fugitive tires, or tires that have escaped our  
10 current tire disposal system, tires that are hidden in  
11 illegal dump sites, and scattered along our woods,  
12 roads, fields, and waterways.

13 PA CleanWays would also like to note that there  
14 is another tremendous storage area for tires in the  
15 state, those that are stored in basements, garages and  
16 sheds. We can't even begin to estimate this number. To  
17 address this problem, and to prevent tires from ending  
18 up over a hill, several of our chapters hold tire  
19 recycling days, providing their citizens the opportunity  
20 to bring unlimited number of tires to a collection site,  
21 at a cheaper fee than the two to three dollars that  
22 dealers charge. Over 20,000 tires have been recycled by  
23 our volunteers.

24 As you can see, we have a different perspective  
25 on the tire problem. We are looking at the millions of

1 fugitive tires scattered across our state, not the  
2 stockpiles; and, we have evaluated the bill with respect  
3 to its possible impact on the future population of  
4 fugitive tires. While our Board of Directors applauds  
5 the intent of the bill, we have serious concerns that it  
6 will, in fact, cause a rise in the number of fugitive  
7 tires in our state.

8 We feel certain that this legislation will  
9 increase the already high cost of proper disposal to the  
10 consumer, the consumer being the person who has to pay  
11 for disposal of tires he uses. Generators and handlers  
12 who are required to pay registration fees and cover the  
13 costs of complying with the legislation will pass these  
14 accumulative costs on to the consumer. If this happens,  
15 more individuals will choose to keep their tires, and  
16 find cheaper alternatives, which may not be proper, or  
17 dispose of them in their own way. From our experience  
18 at tire recycling events, PA CleanWays volunteers all  
19 too frequently hear individuals who mutter: I will get  
20 rid of them myself; when they learn our cost of  
21 disposal, which is usually cheaper than most charges.

22 Another concern is that small generators and  
23 transporters may choose to get out of the business  
24 rather than pay added costs of compliance, and risk  
25 penalties for noncompliance. Not only may this force

1 out the little guy, but it will further limit the number  
2 of sites for proper disposal, as well as increase the  
3 costs.

4 These two scenarios would give the fly-by-night  
5 tire handlers an even greater opportunity to profit from  
6 the high cost of proper disposal by collecting lower  
7 fees, and disposing of their tires in rural areas.

8 We support the idea behind a manifest system,  
9 but, once again, our board fears that the added costs of  
10 documentation and record keeping will, again, fall upon  
11 the consumer, resulting in the same scenario mentioned  
12 above.

13 We are also concerned about enforcement. While  
14 the Bill states the Department has the power and duty to  
15 enforce the laws, we know that our solid waste  
16 specialists are already overworked, with often one  
17 specialist responsible for solid waste activities in  
18 multiple counties. If this were the intent of the bill,  
19 we would like to comment that adding personnel and  
20 increasing enforcement responsibilities does not seem to  
21 be in line with the current administration's new  
22 directive for the Department, a kinder, friendlier  
23 department. If this were to happen, we would merely  
24 have more specialists, but with less power. Also,  
25 adding personnel will be an added cost to the taxpayer.

1           Finally, our Board of Directors feels that the  
2 most critical element to solving our tire problem is  
3 missing from the agenda. The Bill does not address  
4 improving the economics of feasible uses for waste  
5 tires. As one director said, "We need to unclog the  
6 pipe." The current waste system is clogged with tires:  
7 the thirty-six million stockpiled, the six million lying  
8 in our field, woods, and streams, and the unknown  
9 millions that are being stored in basements, garages,  
10 and sheds, not to mention the number that is  
11 accumulating yearly because of our inability to dispose  
12 of and process the annual production of twelve million  
13 tires.

14           To unclog the system, we need to give waste tires  
15 a value. Then they will disappear from stockpiles and  
16 our landscape. To give them a value, we need to create  
17 a demand. To create a demand, we need to develop  
18 markets. To develop markets, we need competitive  
19 products and uses. To create competitive markets and  
20 uses, we need to improve and develop current and new  
21 technology.

22           The tax credits in this bill only offer  
23 incentives on purchasing equipment. This is good, but  
24 it needs to do more. It also needs to support efforts  
25 to improve the economics of existing processes and

1 technology. Technology has come a long way. We have  
2 processes and products that work, but are not yet cost  
3 competitive. We need to focus on the economics, and  
4 then the tires will take care of themselves. Our board  
5 feels this Bill falls far short of its goal to "promote  
6 the use and recycling of waste tires."

7 We would recommend that the Committee look into  
8 ways to invest in our technology, and include them in a  
9 bill in order to have a more holistic approach to  
10 solving the problem. Possible ways to fund these  
11 investments would be:

12 1) to designate the penalties and fees proposed  
13 by the bill, which are currently not designated, to  
14 improving technology, and/or

15 2) to add some other mechanism to capture funds.  
16 One way would be to add a fifty cent to one dollar tax  
17 to each new tire purchased for a two to three-year  
18 period, which would reap six to twelve million dollars  
19 per year for use in improving existing technology. The  
20 public now pays between one and four dollars per new  
21 tire to cover disposal. This money is split between the  
22 tire seller and whoever he pays to dispose of the tires.  
23 A fifty cent to one dollar tax would be an investment in  
24 the future that would someday eliminate the need to pay  
25 for disposal.

1           We would also like the Committee to investigate  
2 more incentives for end users, such as providing grants  
3 and tax incentives for start-up costs; and, also, to re-  
4 evaluate the regulations and policies that currently  
5 prohibit the use of waste tires. For example, one use  
6 now prohibited is as daily cover for landfills. The  
7 bill mentions this activity, but it does not authorize  
8 it. Not only would this eliminate our tire problem, but  
9 it is an ideal use as the waste stream is already  
10 directed towards landfills.

11           In summary, PA CleanWays feels that while the  
12 legislation may be effective in addressing future  
13 stockpiling of tires, it will shift or scatter the  
14 problem to an even greater number of fugitive tires, a  
15 problem that will not be as blatant, but will,  
16 nonetheless, be serious. The real solution will come  
17 when products made from waste tires become competition;  
18 then we will have a market-driven system.

19           Thank you.

20           CHAIRMAN REBER: Thank you very much.

21           Just so I understand, seeing there are no other  
22 questions, I wouldn't want you ladies to leave  
23 uninterrogated.

24           MS. OSTERMILLER: Is that because we did such a  
25 good job?

1 CHAIRMAN REBER: Some may say that.

2 The second paragraph, or the second numeral on  
3 your last page of your testimony, relative to the use of  
4 the tires for a daily cover at a landfill facility. I  
5 find that rather interesting and intriguing. Is there  
6 any authority for that emanating from that particular  
7 type of concept or use in any other states that you are  
8 aware of?

9 MS. WISEMAN: No, I have not looked into that.

10 CHAIRMAN REBER: Has there been any studies done  
11 as to the scientific and the technological engineering  
12 side of it, as to whether this is a viable method,  
13 whether it makes sense from that particular standpoint?

14 MS. WISEMAN: I believe there is, but I do not  
15 know the details of it.

16 CHAIRMAN REBER: I see the Waste Management  
17 people sitting in the back of the room nodding yes, that  
18 this is somewhat of a viable method; it is not  
19 environmentally sensitive in any way. For the record,  
20 this is Mr. John Wardzenski responding to my inquiries,  
21 and I would so recognize you. Excuse me for one second.

22 MR. WARDZENSKI: There are other states using  
23 chipped tires as alternate daily covers. The problem in  
24 Pennsylvania currently is the Department of  
25 Environmental -- what was -- Resources, their daily

1 cover guidance, in that the daily cover that is used  
2 cannot be flammable. We, Waste Management, do not feel  
3 that way, in that with the current techniques that we  
4 are using in our facilities, that we do not feel that  
5 there is a fear of burning in our facilities, or fires  
6 in our facilities; therefore, we feel that it is a  
7 product that could be used as daily cover.

8 CHAIRMAN REBER: So you are in agreement with the  
9 proffer of a solution that was testified to just now?

10 MR. WARDZENSKI: Yes.

11 CHAIRMAN REBER: One last question.

12 MS. WISEMAN: Can I offer some additional  
13 information?

14 CHAIRMAN REBER: Certainly.

15 MS. WISEMAN: We did a rough estimate based on  
16 the tonnage that the local landfill told us would take  
17 for daily cover, and we conservatively estimated that  
18 one million tires per year would be used, would be  
19 consumed, if this landfill was permitted to them as  
20 daily cover.

21 CHAIRMAN REBER: Is there any problem in using  
22 the long-standing stockpile tires for this particular  
23 process; there is no differentiation?

24 MS. WISEMAN: I do not feel qualified to answer  
25 that.

1 CHAIRMAN REBER: Let the record note that our  
2 Waste Management people are nodding their heads in the  
3 negative, so I assume that is a response accordingly.

4 MR. WARDZENSKI: Yes; the existing piles can be  
5 processed to be used as daily cover. It is just a  
6 little bit more expensive going through the process  
7 part, because of the soil that is in the tire --  
8 additional wear.

9 CHAIRMAN REBER: Thank you very much. Sue, thank  
10 you for indulging me with this dialogue that we have  
11 had. Thank you very much, ladies.

12 Our last witness is Wendy Hileman, Director of  
13 the State Government Affairs for the Northeast region of  
14 BP.

15 Wendy, welcome, and thank you for your  
16 forbearance.

17 MS. HILEMAN: Good afternoon, Chairman Reber and  
18 members of the Committee. My name is Wendy Hileman, and  
19 I am Director of Government Affairs for BP Oil in the  
20 Northeast. We appreciate this opportunity to present  
21 our comments on House Bill 1929.

22 BP operates a chain of vehicle repair facilities  
23 in western Pennsylvania called ProCare. In addition, we  
24 have about 40 dealer service stations. These sites all  
25 sell tires to the public, and thus are covered under the

1 proposed legislation.

2           The goal of the Bill is a worthy one. Scrap  
3 tires have been an environmental and health hazard for  
4 generations, and it is critical to prevent unauthorized  
5 disposal. BP supports that. In fact, our concern for  
6 this problem let us to institute, about six years ago, a  
7 program whereby scrap tires at our facilities are  
8 retained for monthly pickup, and transported to a mono-  
9 fill in Waynesburg, Ohio, for shredding and burying. We  
10 provide this service free of charge to our dealers,  
11 hoping that they, in turn, will not charge the public,  
12 and that these tires will thus be responsibly handled.  
13 In this way, we hope to be sure that BP is not  
14 contributing to environmental damage and public health  
15 risks.

16           Because of the way the proposed program in House  
17 Bill 1929 is structured, compliance with these new  
18 requirements would considerably increase both BP's cost,  
19 and the amount of staff needed for the paperwork. There  
20 also is no reference in the Bill to being allowed to  
21 safely dispose of the tires out of state. We are  
22 therefore left wondering whether we would be forced to  
23 void our current multi-year contracts with our haulers  
24 and disposal sites. While the Bill is designed to  
25 change the habits of wholesalers and retailers who are

1 not handling waste properly, it causes problems for  
2 companies like BP, who have voluntarily determined to  
3 act in an environmentally responsible manner.

4 As such, we would like to ask the Committee to  
5 consider adding language which would allow firms with  
6 appropriate disposal programs already in place to be  
7 exempt from the new requirements. Our suggestion is  
8 that a company compliance plan for all BP-owned  
9 facilities be provided annually to the DEP. This  
10 document would be signed by a responsible official, and  
11 would act as BP's blanket agreement with the State to  
12 act responsibly. We would also invite DEP to do audits  
13 of our systems, our contracts, our manifests, whatever  
14 they would like at any time.

15 As you can imagine, collecting, transporting and  
16 disposing of our tires is not an inexpensive process.  
17 We would prefer to not pay several additional thousand  
18 of dollars for no additional gain to the environment.  
19 We would appreciate your consideration of such an  
20 amendment, and would be happy to assist in its drafting  
21 if you would like; and a possible starting point for  
22 language is attached to my comments for your review.

23 Thank you.

24 CHAIRMAN REBER: Thank you very much, Wendy.

25 Do we have any questions from this end?

1 (No response.)

2 CHAIRMAN REBER: All right; we will take your  
3 amendment also under advisement, and suggested language.

4 I would like to thank all the individuals who  
5 came before the Committee today to testify. I would  
6 like to also thank all the members of the Committee that  
7 were present today for participating in these hearings,  
8 and especially Representative Argall and his staff with  
9 the Joint Commission that has been working on this  
10 issue. We will certainly be taking this testimony under  
11 advisement. Might I also note for the record that PP&L  
12 will be submitting written testimony. They had  
13 intentions initially of testifying today, but some  
14 demands caused them to have to point their resources at  
15 other places today; so we will be receiving written  
16 testimony from them.

17 At this time, then, I will adjourn the hearing of  
18 the House Environmental Committee. Thank you very much.

19 (Whereupon, at 12:10 p.m., the hearing was  
20 adjourned.)

21  
22 \* \* \*  
23  
24  
25

C E R T I F I C A T E

I hereby certify, as the stenographic reporter,  
that the foregoing proceedings were reported  
stenographically by me, and thereafter reduced to  
typewriting by me or under my direction; and that this  
transcript is a true and accurate record to the best of  
my ability.

COMMONWEALTH REPORTING COMPANY, INC.

By: Leigh Anne Feeney  
Leigh Anne Feeney

\* \* \*

FORM 2

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25