

Scrap Tire NEWS

Covering The News And Developments In The Scrap Tire Recycling Industry

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RMA Releases U.S. Scrap Tire Market Report

Think those old tires you replaced get tossed into some landfill? Think again. Nearly 90 percent of tires that are replaced and discarded each year are put to a new productive use, the Rubber Manufacturers Association (RMA) concluded in its ninth Biennial Scrap Tire Market Report. "The reuse rate of scrap tires tops most recovered waste materials including glass bottles, paper and aluminum cans," Michael Blumenthal, RMA vice president said.

The Report shows continued progress in scrap tire management practices across the nation resulting in significant reduction of scrap tire stockpiles and continued progress in putting waste tires to new uses.

"Scrap tire management in the U.S. is a huge environmental success story," Blumenthal said. "Markets for scrap tires are growing and old piles of scrap tires are shrinking."

See RMA Report Summary page 16...

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Kansas Tire Recycler Keeps Pace

Funding opportunities, a solid business plan and reliable equipment performance drive tire recycling operation in the heartland.

With a population of only 2.8 million — and an annual number of scrap tires at just slightly under that — Kansas would hardly seem poised to be a progressive tire recycling force. Yet, in the last several years, the Jayhawk State has become an outstanding example of how to identify scrap tire problems early on, help devise solutions to address those issues, offer financial and technical help to make it all happen, and support those efforts afterward.

In one case which focused on creating playground material from scrap tires, doing so has been a truly collaborative effort between the state; Tom and Cathie Jenkins, who own and operate CATSCO, Inc., one of the state's leading scrap tire recycling facilities; and Granutech-Saturn Systems, who supplied the company's key processing components. If all goes according to plan (and given their track record and commitment, there's no reason to doubt it will), the state may soon find itself recycling every scrap tire generated within its borders — a position in which even larger, more populous states would, no doubt, like to be.

Building the business

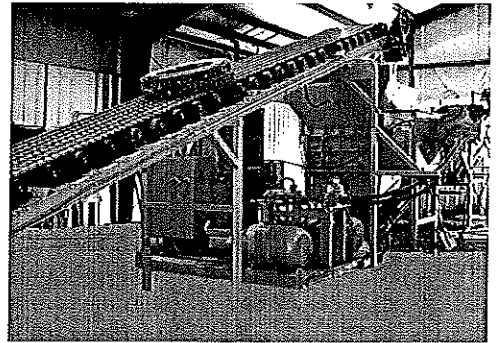
Kansas City-based Central American Tire Salvage Company (CATSCO) is the culmination of decades of varied tire-related business efforts put forth by Tom and Cathie Jenkins. The couple's foray began in 1971 with a north Missouri tire retailing company called Jenkins Tire Service.

"We did that for about 11 years, at which point we decided to get into the scrap tire end of the business," says Tom Jenkins. "So, in 1983, armed with two men and a truck, we became a tire hauler. At the same time, however, we also maintained a storefront in St. Joseph, Missouri, where we sold used tires that still had a marketable value."

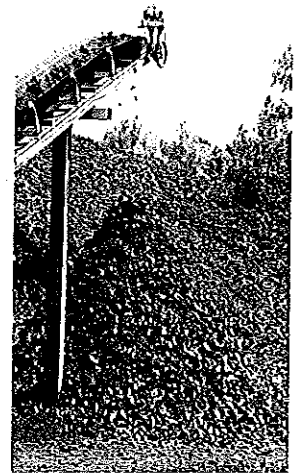
The couple ran the hauling operation for better than twenty years, all the while seeing the tire recycling market grow, mature and, according to Jenkins, occasionally stumble.

"I sat on the sidelines and watched this recycling thing for years. In that time, I saw so many businesses fail — mostly, I feel, because the technology wasn't where it needed to be. But in 2005 we felt we were ready to move over to recycling and submitted a grant proposal to the State of Kansas. Because that proposal only covered us creating product for alternative daily cover (ADC), we were initially turned down."

See CATSCO page 7...



Tires (mostly truck tires) are primary-shred through a Saturn 62-40HT shredder



Material off the belt of the Saturn 62-40HT is used for TDF or as a crumb rubber feedstock

CATSCO, Continued from page 1...

Reversal of fortune

Undaunted, and confident about the business plan they put together, the couple moved forward, borrowing the money to purchase a Saturn Model 62-40HT shredder to create the ADC. Before they could get the unit installed, however, the State contacted Tom Jenkins.

"They had \$100,000 returned to them from a different grant recipient, and they were making it available it to us. Now in looking back, in spite of all our calculations, I don't know how we would have gotten established without that grant. It was that reversal on the part of the state that kept us in the business."

As they were just getting online to create the ADC product, a competitor who had recently installed a granulator discovered he needed an additional supply of truck tires; knowing that was the bulk of CATSCO's inventory, he contacted Tom and Cathie.

"That was a better use than what we had in store for the tires, so we essentially started providing our competition with a feedstock in the form of 4" to 6" chips that would be used for crumb rubber applications such as playground mulch, artificial turf, and so on. Around that same time the State of Kansas wanted to encourage development of a playground-grade material produced in-state from Kansas-only scrap tires. As a first step towards achieving this goal, all Kansas tire recyclers were given an opportunity to request funding for equipment to produce the necessary crumb rubber material.

"When the legislature initially agreed to do this, I made sure Tom was one of the first people I contacted," says Ken Powell, Environmental Scientist for Kansas Department of Health and Environment (KDHE).

"I met him early on in my 16-year career with the state, and one of the first things he said to me was how much he hated the idea of throwing tires into a hole. Even back then he knew there had to be a better way, so I'm pretty sure he had been formulating this idea for a long time."



Overseeing daily operations at CATSCO are (l to r) owners Cathie and Tom Jenkins, and plant manager Mike Libeer

Making things fit

Once again Tom and Cathie put pencil to paper laying out their plans for bringing one of their dreams to fruition. Based on what they felt was needed to get the expanded operation up and running, they came up with a cost of roughly \$1.25 million.

The couple submitted their proposal to the state requesting a grant of \$600,000 and, in June of 2006, the state came back with an approved grant for \$235,000. "It was far less than we had hoped for, but a big help nevertheless," says Tom Jenkins. "We felt that we could get resourceful in other areas and still get the project off the ground."

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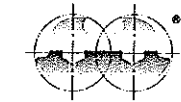
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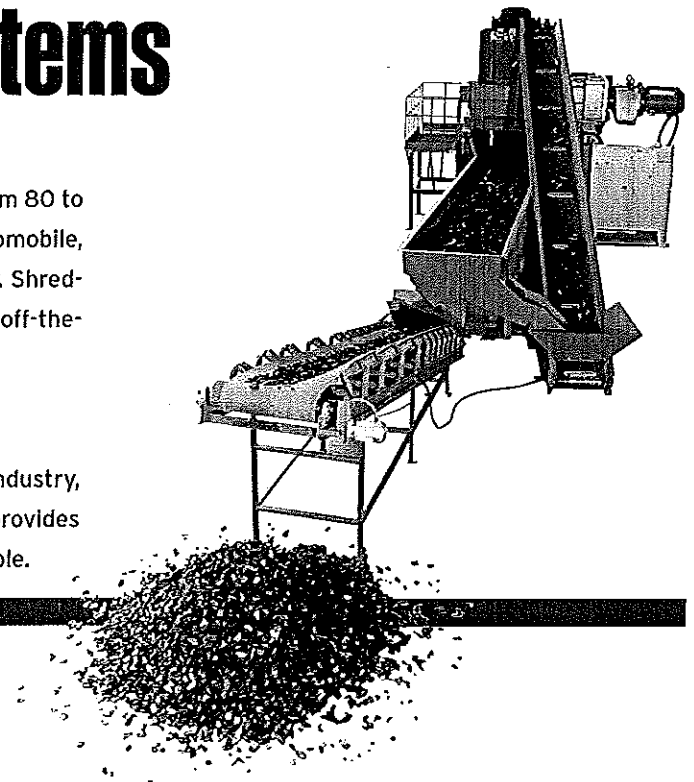
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CATSCO, Continued from page 7...

It is here, he adds, that the value of relying on an equipment manufacturer genuinely committed to customer service paid dividends. He contacted Mike Hinsey at Granutech-Saturn, with whom he had worked setting up the primary grinding system.

"We really can't overstate the help we got from Mike and Granutech — during the planning stages, all through the installation process, and to this day," he says. "At the time Granutech's secondary grinding approach was limited to their larger Grizzly grinders which I felt were physically too big for our facility, too overpowered for our needs and, in light of the funding issue, too expensive to work into our budget. Mike suggested an alternative machine the 200HP Grizzly M50 which was just being introduced. Because ours would be the first unit installed domestically, they took extraordinary measures to work with us."

The mother of invention

In January 2008, the Jenkins moved the business to a new location and construction of the crumb system was started. To keep costs down, CATSCO opted to do the majority of the installation and system construction themselves. Jenkins says he was blessed having a plant manager, Mike Libeer, who literally does it all.

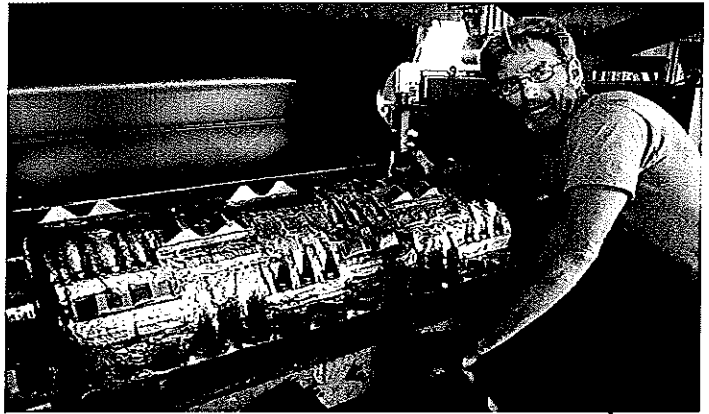
"We brought in an electrician to run service to the building," says Libeer. "But we took it from there. We dug a hole in the ground to run our underground utilities, did the wiring, did the concrete work, and built all our own conveyors. There's really not much in the plant — with the exception of the shredding and grinding units — that we didn't fabricate ourselves."

The system currently in place at CATSCO has a capacity of 50,000 tons on the primary side and 25,000 tons on the secondary. The process consists of the Saturn 62-40HT shredder generating product either in the 1- to 2-inch range for TDF in an area cement kiln, or 4- to 6-inch for use as crumb feedstock. Secondary processing is handled by the M50 Grizzly which, depending on screen size, can produce 6-mesh to 30-mesh product. Even a year after installation, the Grizzly's performance continues to impress them, Jenkins said.

"We can get solid production rates of about 6,000 pounds an hour — and that's clean, virtually steel-free product. Couple that with the power saved by running at 200HP versus 300HP and those are very nice numbers," he said.

Help when you need it

While the austerity measures it put in place during construction were helpful, it was simply not feasible for CATSCO to put together a plant capable of giving the state what they needed for the playground material. Relegated to creating a TDF product and the crumb feedstock for his existing customer, the company was nevertheless optimistic that, with an additional infusion of cash, they could



CATSCO's plant manager, Mike Libeer finishes maintenance on the rotor of the company's Granutech M50 Grizzly

purchase the equipment needed for the playground-grade product. In the fall of 2008, the Governor's Solid Waste grants committee was able to grant CATSCO's request for an additional \$168,000 towards the project.

Since then, CATSCO has been busy sourcing equipment, and is set to purchase additional magnets, conveyors, a screener, a granulator and bagging equipment to make the playground material a reality, Jenkins said.

Finding it a home

As any self-respecting scrap tire processor knows (and many ex-processors learned the hard way), product is worthless without a market for it. The state of Kansas realized that as well, and introduced an innovative grant program. Using funds raised from a 25-cent tax on new tire sales KDHE has awarded roughly \$1.5 million in scrap tire recycling grants to municipalities and school districts across the state. A portion of the grants will help partially fund the purchase of products made from scrap tires that provide safe surfacing at playgrounds.

Cathie Jenkins agrees that the latest grants are a great way to promote the concept of recycling. "It's really an outstanding step the state has taken," she says. "For a number of years now, they have been addressing the state's scrap tire issue by helping companies like us to broaden our scope. At the same time, they have been encouraging towns, cities, and public schools to purchase the material derived in one form or another from scrap tires. In this way, they are establishing — and building — markets for the material."

Adds Tom Jenkins, "When we have the additional equipment in place, and are certified according to ASTM 1292 standards, we can move ahead with the playground program. Just as important for us, however, is the fact that we will be helping out the state. We're very grateful for the confidence they've shown in us, and equally thankful for the support we've gotten from everyone at Granutech. The road here hasn't been easy but I'm sure when we look back it will have been worth it all." ♦