Annual Report for Fiscal Year 2003

Report for the
Senate Education, Health and Environmental Affairs Committee
and the
House Environmental Matters Committee

November 1, 2003
Table of Contents

List of Figures and Tables

Executive Summary

Introduction

Scrap Tire Stockpile Cleanups

Cleanup Accomplishments in FY 2003
Stockpile Cleanup Actions Planned for FY 2004
Cost Recovery Actions

Scrap Tire Projects

Projects Initiated During FY 2003
Projects Continuing from Previous Years
Scrap Tire Projects Planned for FY 2004

Licensing

Licensing Accomplishments in FY 2003

Scrap Tire Markets and Market Development

Market Analysis
Maryland’s Scrap Tire Flow and Destinations
Projected Markets for FY 2004

Compliance & Enforcement Activities

Goals for Compliance and Enforcement Actions in FY 2003
Accomplishments in FY 2003

Used Tire Cleanup and Recycling Fund Fiscal Report
List of Figures

Figure 1  Maryland’s Tire Processing Capacity FY 1999-2003..............................11
Figure 2  Destination of Scrap Tires Generated in Maryland FY 2003...........12
Figure 2  Tire Flow...............................................................................................12

List of Tables

Table I  Stockpile Cleanups Completed in FY 2003........................................3
Table II  Large Stockpile Cleanups Ongoing in FY 2004..............................4
Table III Initiated Cost Recovery Actions FY 2003......................................4
Table IV  Scrap Tire Licenses – FY 2003.............................................................10
Table V  Maryland Licensed Scrap Tire Processing Facilities.........................14
Table VI  Maryland Used Tire Clean Up and Recycling Fund FY 2002 Revenues and Expenditures.................................................................16
This document is the Fiscal Year (FY) 2003 Scrap Tire Annual Report as required by Environment Article, Section 9-275(b) and prepared for the standing committees of the Maryland General Assembly. The report addresses Maryland’s Scrap Tire Program activities as undertaken by the Maryland Department of the Environment (Department) and the Maryland Environmental Service (MES) from July 2002 through June 2003 and describes future activities for the coming year.

**FY 2003 Objectives And Accomplishments**

In keeping with the stockpile cleanup and tire recycling objectives as directed by the Act, the Department’s FY 2003 priorities were:

- In accordance with guidance from the year 2000 Maryland legislative session, accelerate the expenditure of funds in the State Used Tire Cleanup & Recycling Fund (Fund) to clean up remaining illegal scrap tire stockpiles; in conjunction with MES implement scrap tire projects to reduce, recover, and recycle scrap tires; and to expand the scrap tire recycling system on a regional basis to provide additional processing and recycling capacity to manage more effectively the ongoing generation of tires.

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**Accomplishments –**

- Through continued scrap tire projects on stockpile cleanups, the Fund balance was reduced to an ending balance of $3.1 million in FY2003 from $3.3 million 7% reduction.

- A total of 3.2 million scrap tires were processed by Maryland licensed scrap tire facilities. Approximately 70% of these tires were recycled while the remaining 30% were used as supplemental fuel in cement plants and waste-to-energy facilities.

- Pursue the cleanup and recovery of illegally stockpiled tires through administrative and State-initiated measures.

**Accomplishments –**

- Since the inception of the Scrap Tire Program in 1992, over 7.8 million scrap tires have been recovered from stockpile cleanup sites.

- 62 illegal scrap tire stockpile sites were cleaned up in FY 2003 and approximately 279,000 tires were recovered and recycled.

- Approximately 77% of all stockpile site cleanups accomplished in FY 2003 were achieved by using administrative means, allowing responsible property owners to perform their own cleanups.
Additionally, the Department continues to review and take action on all scrap tire license applications and renewals within designated approval times.

**Accomplishments** –
- A total of 335 new scrap tire licenses were issued, primarily for scrap tire collection facilities and scrap tire haulers.
- A total of 90 scrap tire licenses were renewed, all for scrap tire collection facilities and scrap tire haulers.
- At the end of FY2003, there were a total of 3,064 valid Maryland scrap tire licenses.
- Over 1,000 scrap tire site inspections/investigations were performed.

![General Scrap Tire Collection Facility License](image_url)

**Financial Statement Summary***

The Fund, as authorized by the Environment Article, Section 9-275, provides the funding for administration of the Scrap Tire Program. In FY 2003:

- The Fund generated fee revenues of: $2,200,355.35
- Scrap Tire Program Expenditures by the Department and MES totaled: $4,395,888.40
- The Fund balance at the end of FY 2003 was: $3,096,871.70

*See Table VI for additional detail

**FY 2004 Objectives**

The Scrap Tire Program’s Objectives for the coming year include:

- Continue to pursue the cleanup and recovery of the remaining scrap tires from Maryland stockpiles through administrative and state-initiated measures.
- Ensure implementation of procedures established in coordination with the Maryland Department of Health and Mental Hygiene (DHMH) and the Maryland Department of Agriculture (MDA) for the expeditious and timely cleanup of scrap tire stockpiles that have a high mosquito infestation concern.
- Expand the Scrap Tire Recycling Facility system to further increase capacity for dirty, difficult to dispose of tires.
- Review and take action on all scrap tire license applications and renewals within the standard approval times.
Introduction

This report has been prepared for the Senate Education, Health, and Environmental Affairs Committee and the House Environmental Matters Committee as required by the Scrap Tire Law to advise the Standing Committees of the progress the Department is making in implementing the law and ensuring the proper management of scrap tires in Maryland. This report is structured to include additional information about the program and future activities.

The Scrap Tire Recycling Act established a mechanism for the cleanup of scrap tire stockpiles and for the collection, transportation and recycling or processing of all scrap tires that are generated annually in Maryland. The Act established the Scrap Tire Cleanup and Recycling Fund (Fund) as the funding support for the Scrap Tire Program.

- The Department uses the Fund for administration of the program, licensing activities, stockpile cleanups, enforcement/compliance, remedial actions, and for the development and distribution of public information concerning scrap tire issues.
- Under the Department’s authorization, MES may use portions of the Fund to implement and oversee programs established as part of a Scrap Tire Recycling System and other projects that reduce, recover and/or recycle scrap tires.

Since the inception of the Act, the Scrap Tire Program’s responsibilities have included licensing, compliance, and enforcement activities for scrap tire collection, recycling/processing and tire derived fuel facilities, and haulers.
Scrap Tire Stockpile Cleanups

The cleanup goal for FY 2003 was the continued clean up and recovery of the 2.1 million scrap tires identified in stockpiles at the end of FY 2002, along with those tires which may be newly identified from stockpiles during the year.

In order to achieve this goal, the following strategies were undertaken:

- The initial employment of administrative procedures to persuade property owners to remove stockpiles using their own resources;
- Use of the Fund to cleanup stockpile sites only when administrative efforts were unsuccessful; and
- Targeting efforts toward eliminating the larger scrap tire stockpile sites (over 5,000 tires).

Cleanup Accomplishments in FY 2003

- Since the inception of the Scrap Tire Program in 1992, over 7.8 million scrap tires have been recovered from completed and ongoing stockpile cleanup sites.

- During FY 2003, the Scrap Tire Program successfully completed clean up of 62 illegal scrap tire stockpiles, consisting of approximately 279,000 scrap tires. These sites were located in 18 of the State’s 24 jurisdictions and ranged in size up to 90,000 tires. (See Table I)

- Much of this scrap tire stockpile cleanup success occurred without using the Fund. Seventy seven percent of all stockpile abatements completed in FY 2003 (48 out of 62 completed stockpile cleanups) used the administrative approach. The remaining 14 sites for which cleanup was completed in FY 2003 (23 % of the stockpile abatements) were conducted using the Fund for cleanup activities. Cost recovery is being pursued for these sites.
Table I
Stockpile Cleanups Completed in FY 2003

<table>
<thead>
<tr>
<th>Site Name</th>
<th>County</th>
<th>Number of Tires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jordan/Oakville</td>
<td>Prince George’s</td>
<td>90,100</td>
</tr>
<tr>
<td>Jackson Tire/Forestville</td>
<td>Prince George’s</td>
<td>46,700</td>
</tr>
<tr>
<td>Howard/Crisfield</td>
<td>Somerset</td>
<td>21,500</td>
</tr>
<tr>
<td>Insley/Cambridge</td>
<td>Dorchester</td>
<td>20,750</td>
</tr>
<tr>
<td>Buchanan/Denton</td>
<td>Caroline</td>
<td>10,400</td>
</tr>
<tr>
<td>Eastern Corporation/Federalsburg</td>
<td>Dorchester</td>
<td>10,000</td>
</tr>
<tr>
<td>R.L Jackson/Port Deposit</td>
<td>Cecil</td>
<td>10,000</td>
</tr>
<tr>
<td>Route 301/Brandywine</td>
<td>Prince George’s</td>
<td>10,000</td>
</tr>
<tr>
<td>Wilmer Park/Brandywine</td>
<td>Prince George’s</td>
<td>10,000</td>
</tr>
<tr>
<td>Myers/Baltimore</td>
<td>Baltimore</td>
<td>7,200</td>
</tr>
<tr>
<td>Various smaller sites</td>
<td>---</td>
<td>42,350</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>279,000</strong></td>
</tr>
</tbody>
</table>

Stockpile Cleanup Actions Planned for FY 2004

The Department plans to complete or initiate the cleanup of the majority of known scrap tire stockpiles throughout Maryland. Unfortunately, numerous new stockpile sites are continually being identified for cleanup in Maryland.

Twenty-seven large stockpile sites (over 5,000 tires) have been targeted for either continuation of cleanup efforts or completion in FY2004. (See Table II)

- In instances in which administrative efforts are not successful in encouraging owner cleanups, the Department will file (or has filed) complaints with the court system for State access to these properties.
- After access to these stockpiles is granted by the court, State-sponsored cleanup of these stockpiles will likely be completed or initiated during FY 2004. (see Table II)
- The Department will seek cost recovery for expenses incurred from those determined to be responsible parties.
### Table II

**Large Stockpile Cleanups Ongoing in FY 2004**

<table>
<thead>
<tr>
<th>Site Name</th>
<th>County</th>
<th>Initial Number of Tires</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Boehm/Crownsville</strong>*</td>
<td>Anne Arundel</td>
<td>301,125</td>
</tr>
<tr>
<td>Hodge/Northeast</td>
<td>Cecil</td>
<td>250,000</td>
</tr>
<tr>
<td><strong>St. Mary’s County/Sandgates</strong>*</td>
<td>St. Mary’s</td>
<td>159,880</td>
</tr>
<tr>
<td><strong>Morgan/Mechanicsville</strong>*</td>
<td>St. Mary’s</td>
<td>150,000</td>
</tr>
<tr>
<td>Millenium Unlimited Recycling/White Hall</td>
<td>Baltimore</td>
<td>112,000</td>
</tr>
<tr>
<td>Tucker/Bowie</td>
<td>Prince George’s</td>
<td>100,000</td>
</tr>
<tr>
<td>Schultz/Denton</td>
<td>Caroline</td>
<td>78,500</td>
</tr>
<tr>
<td>Tyler Towing/Clarksville</td>
<td>Howard</td>
<td>50,000</td>
</tr>
<tr>
<td>Polvi/Brandywine</td>
<td>Prince George’s</td>
<td>50,000</td>
</tr>
<tr>
<td>Bay Country Campground/Rock Hall</td>
<td>Kent</td>
<td>25,000</td>
</tr>
<tr>
<td>Sachs/Linthicum</td>
<td>Anne Arundel</td>
<td>25,000</td>
</tr>
<tr>
<td>Easton Auto Parts/Preston</td>
<td>Caroline</td>
<td>21,000</td>
</tr>
<tr>
<td>A Plus Auto Recyclers Inc.</td>
<td>Baltimore</td>
<td>20,000</td>
</tr>
<tr>
<td>Miller/Churchton</td>
<td>Anne Arundel</td>
<td>16,000</td>
</tr>
<tr>
<td><strong>Johnson/Sunderland</strong>*</td>
<td>Calvert</td>
<td>10,700</td>
</tr>
<tr>
<td>Bank’s Auto Recyclers/Conowingo</td>
<td>Cecil</td>
<td>10,000</td>
</tr>
<tr>
<td>Auto Wreckers/Edgewood #2</td>
<td>Harford</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Palmer State Park #1</strong>*</td>
<td>Harford</td>
<td>9,000</td>
</tr>
<tr>
<td><strong>Palmer State Park #2</strong>*</td>
<td>Harford</td>
<td>8,100</td>
</tr>
<tr>
<td>DeLeonibus/Davidsonville</td>
<td>Anne Arundel</td>
<td>7,000</td>
</tr>
<tr>
<td>Auto Wreckers/Edgewood #1</td>
<td>Harford</td>
<td>7,000</td>
</tr>
<tr>
<td>Brown’s Auto Parts/White Hall</td>
<td>Baltimore</td>
<td>6,000</td>
</tr>
<tr>
<td>Bragg/Hughesville</td>
<td>Charles</td>
<td>5,000</td>
</tr>
<tr>
<td>Reynolds/Joppa</td>
<td>Harford</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Christensen Auto/North East</strong>*</td>
<td>Cecil</td>
<td>5,000</td>
</tr>
<tr>
<td>Szymanski/Rock Hall</td>
<td>Kent</td>
<td>5,000</td>
</tr>
<tr>
<td>Wood/Bel Air</td>
<td>Harford</td>
<td>5,000</td>
</tr>
</tbody>
</table>

**Total Tires from Targeted Sites** 1,451,305

* Sites in **bold** referred to MES for a State sponsored cleanup.
Cost Recovery Actions

- The Department continues to use the services of the Attorney General’s Office to handle scrap tire cost recovery actions (see Table III for details).

- To date, twenty seven (27) scrap tire cleanups initiated by the State and utilizing the Used Tire Cleanup & Recycling Fund have been referred to the Attorney General’s office for cost recovery purposes.

- Since FY 1997, the Department has sought a total of $2,813,111 and has collected a total of $253,618 in cost recovery actions. Many of these cases are still in litigation.

- Collected through FY 2003 from Cost Recovery actions: $253,618
- Amount sought in cases still in litigation: $1,138,677
- Referred to the Central Collections Unit: $602,327

Table III

Initiated Cost Recovery Actions
FY 2003

<table>
<thead>
<tr>
<th>Site Name</th>
<th>County</th>
<th>Cleanup Year</th>
<th>No. of Tires</th>
<th>$ Amount Sought</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dotson/Preston</td>
<td>Dorchester</td>
<td>2000</td>
<td>24,000</td>
<td>$26,403</td>
</tr>
<tr>
<td>Husted/Crisfield</td>
<td>Somerset</td>
<td>2003</td>
<td>1,650</td>
<td>$7,598</td>
</tr>
<tr>
<td>Blades/Crisfield</td>
<td>Somerset</td>
<td>2003</td>
<td>3,000</td>
<td>$3,224</td>
</tr>
<tr>
<td>Goodyear/Elkton</td>
<td>Cecil</td>
<td>2003</td>
<td>1,013</td>
<td>$1,200</td>
</tr>
<tr>
<td>Truxon/Hillsboro</td>
<td>Caroline</td>
<td>2003</td>
<td>758</td>
<td>$1,799</td>
</tr>
<tr>
<td>Thomas/Rhodesdale</td>
<td>Dorchester</td>
<td>2003</td>
<td>350</td>
<td>$2,450</td>
</tr>
<tr>
<td>Lane/Princess Anne</td>
<td>Somerset</td>
<td>2003</td>
<td>300</td>
<td>$750</td>
</tr>
<tr>
<td>Turner/White Hall</td>
<td>Harford</td>
<td>2003</td>
<td>500</td>
<td>$500</td>
</tr>
<tr>
<td>Myers/Baltimore</td>
<td>Baltimore</td>
<td>2003</td>
<td>7,179</td>
<td>$22,349</td>
</tr>
<tr>
<td>Williams/Vienna</td>
<td>Dorchester</td>
<td>2003</td>
<td>3,642</td>
<td>$14,611</td>
</tr>
<tr>
<td>Wilkinson/Oldtown</td>
<td>Allegany</td>
<td>2003</td>
<td>248</td>
<td>$800</td>
</tr>
<tr>
<td>Betts/Crisfield</td>
<td>Somerset</td>
<td>2003</td>
<td>922</td>
<td>$23,877</td>
</tr>
</tbody>
</table>

Total Amount Sought (FY2003): $105,561
MES has the primary role in the planning and implementation of scrap tire projects to promote the development of new technologies for recycling scrap tires while reducing, recovering and recycling scrap tires from stockpiles in Maryland.

Projects Initiated During FY 2003

Public School Playground Construction (Statewide)

- The Department, MES and the State Department of Education again partnered to create scrap tire playground projects at various Maryland public schools.
- The Department and MES are working with the Department of Education to construct and/or renovate several playground facilities using recycled tires and recycled tire materials to improve these public facilities and educate students and the public on the usefulness of recycling technologies. Since this ongoing program began, 25 schools throughout the State have participated in and benefited from the program.
- A total of $200,000 was encumbered for the project.

State Park Tire Playground Improvement Project

- MES will participate with the Department of Natural Resources (DNR) in providing repairs and improvements to nine of the ten previously constructed scrap tire playgrounds.
- This project is intended to foster cooperation between State agencies (Department, DNR and MES) in a state-funded parks recycling improvement project.
- A secondary objective of the project is to educate citizens about the beneficial uses for scrap tire material and to promote scrap tire recycling.
- The intended repairs and improvements will focus on the reapplication of ground cover (both tire and wood mulch) and the repair/replacement of structures to ensure compliance with current guidelines.
- Funding for project materials and services is to be provided through the Tire Fund.
- MDE, MES, DNR and community volunteers will provide all necessary labor to complete the improvements.
- A total of $70,000 was encumbered for the project.

Development of Scrap Tire Chip Design Manual Project

- The Department, MES, and GeoSyntec Consultants have partnered to develop a guidance manual, for using scrap tire chips in various civil and environmental engineering applications.
- The purpose of the manual is to provide design guidelines that would be used as a practical reference tool by both regulators and engineers.
- Some scrap tire recycling applications that would likely be included in the
The manual would be engineering properties of scrap tires, use as light weight backfill in retaining walls and trenches, drainage layers, gas collection conduit, and light weight aggregate in pavements.

- The project is funded through encumbered monies for the Newland Park Landfill scrap tire demonstration project.

Public Education Campaign

- **TV Commercials** - The Department partnered with WBAL-TV to create a public service announcement campaign.
  - The focus of the campaign was on the threats posed by illegal dumping of scrap tires.
  - Because of concern about the spread of West Nile virus, the Department created a message on the importance of taking tires to a licensed facility and reporting illegal dumping so that scrap tire stockpiles do not become breeding sites for mosquitoes.
  - 30-second spots were shown in conjunction with the morning, noon, and evening news.

- **Informational Posters** - The Department developed posters and placards that illustrated how scrap tires could be used rather than being illegally dumped such as applications in highway soundwall barriers, state park/school playgrounds, civil engineering projects and scrap tire recycled content products. The posters were distributed to facilities that hold scrap tire collection licenses to be displayed to the public.

- **Community Events** –
  - The Department exhibited at a community event, Free Friday Flicks, hosted by TV Fox45/WB54. Information was distributed to the public on scrap tire recycling, the dangers of scrap tire stockpiles, illegal dumping and proper disposal. Approximately 6,500 attended the event.
  - The Department exhibited at the Washington, Maryland, Delaware Service Station and Automotive Repair Association’s Convention and Mega Show in Ocean City, MD. There were approximately 1,800 attendees that represented tire dealers, service stations, auto parts stores, and more.

- **Training** - The Department, in conjunction with the Maryland Fire and Rescue Institute, hosted a Scrap Tire Fire Prevention and Firefighting Training Seminar.
  - The training educated attendees on prevention actions, pre-incident planning, tire fire impacts to the environment and business, funding available for the fire departments, and an overview of the Maryland Scrap Tire Program. A fire chief from Roanoke, Virginia also spoke about his experience, response taken, and lessons learned from a tire fire that consumed approximately 3 million tires in that State.
There were 50 participants in attendance at the training who represented firefighters, MDE emergency response personnel and environmental specialists, auto wrecking facilities, processing and hauler representatives from Maryland.

Projects Continuing from Previous Years

Beulah Landfill Closure Cap (Dorchester County)

- This project involves the use of tire chips in combination with stone aggregates as an alternative to sand aggregates and/or a geotextile drainage net in the closure cap of the landfill.

- Design work on the engineering plans continued throughout FY 2003, and construction is expected to begin during FY 2004.

Reich’s Ford Landfill (Frederick County)

- This application involves the use of tire chips as a protective cover layer in the construction of a cell bottom liner system of a municipal solid waste landfill.

- Design work on the engineering plans is completed and construction began during FY 2003.

Westernport Landfill (Allegany County)

- This project incorporates the use of scrap tire chips in lieu of stone aggregate as a drainage medium in the toe slope berm of the closure cap.

- Design work on the engineering plans is completed and construction began during FY 2003.

Westover Landfill (Somerset County)

- This project incorporates the use of scrap tire chips in lieu of stone aggregate as a drainage medium in the toe slope berm of the closure cap.

- Contracts were awarded for the scrap tire portions of the project.

- Due to problems during construction of the traditional (non-scrap tire) portion of the project, construction of the scrap tire portion has been delayed.

Maryland State Fairground Horse Stall Project (Baltimore County)

- Permanent rubber matting was installed in the Horse Show Ring Area barns available for use by public groups during equestrian competitions and events at the State Fairgrounds.

- The mats were manufactured from 13,840 scrap tires. The benefits of using rubber stall mats include lower maintenance costs versus other types of stall flooring and better hoof health as well as less hoof wear for the animal.
Design, construction and installation were completed in FY 2003. The project is being undertaken in conjunction with the Maryland State Fair and Agriculture Society.

Continuing Project Monitoring

- Several scrap tire projects that were completed in previous years have ongoing monitoring programs to assess the suitability of these scrap tire applications and their success in meeting project goals.
- Monitoring continues for the following projects.
  - **Highway Soundwall Barrier**
    - (I-95) Baltimore County
  - **Round Glade Landfill**
    - Garrett County
  - **Garrett County Landfill**
    - Garrett County
  - **Nicholson Road Landfill**
    - Kent County
  - **Newland Park Landfill**
    - Wicomico County
- At the completion of the project monitoring periods final reports will be prepared that summarize the data collected and conclusions reached.

Scrap Tire Projects Planned for FY 2004

- **Renovation-Reconstruction of State Park Scrap Tire Playgrounds throughout Maryland** – (Statewide)
- **Public School Scrap Tire Playgrounds Project** - (Statewide)
- **Scrap Tire Amnesty Program** – (Statewide)
- **Scrap Tire Pre-washing unit – MES Crumb Rubber Recycling Facility** – A tire pre-washing unit at the MES crumb rubber production facility in Baltimore County, which will allow for the expeditious recycling of difficult to dispose of dirty tires.

*MD State Fairground Horse Stall Project*

*MES Crumb Rubber Recycling Facility*
By Maryland law (Section 9-228 of the Environment Article), the Department is required to regulate scrap tire facilities and scrap tire haulers.

- Facilities that collect or process scrap tires are required to obtain an appropriate license for their respective operation.

- Scrap tire haulers are also required to obtain licenses for their activities.

- This comprehensive licensing program allows for the efficient management of scrap tires from the point of generation through a licensed or approved transportation system to a licensed or approved scrap tire facility for the transfer, collection, or processing of scrap tires.

The Department issues the following type of scrap tire licenses:

- **Scrap Tire Recycler License:** For activities that convert scrap tires into a marketable product.

- **Scrap Tire Collection Facility License:** For operations that collect or accumulate scrap tires temporarily on a site and transfer scrap tires to licensed or approved scrap tire facilities. There are three categories of collection facility licenses:
  - **General License:** Sites with up to 50 scrap tires at any given time.
  - **Secondary License:** Sites with up to 1,500 scrap tires at any given time.
  - **Primary License:** Sites with more than 1,500 scrap tires at any given time.

- **Scrap Tire Hauler License:** For a person who, as a part of a commercial business, transports scrap tires in the State.

- **Substitute Fuel/Tire Derived Fuel (TDF) Facility Approval:** For operations that use scrap tires (whole or chips) to replace existing fuel sources.

- **Solid Waste Acceptance Facility Approval:** For a permitted refuse disposal or acceptance facility that accepts scrap tires for collection or processing.
Licensing Accomplishments in FY 2003

- A total of 425 scrap tire licenses (335 new licenses and 90 renewals) were issued. (see Table IV).
- All (100%) of the license applications received were processed within the standard license application processing time of 60 days, exceeding the Department’s goal of 90%. Approximately 70% of the license applications were processed within 30 days.

Table IV
Scrap Tire Licenses – FY 2003

<table>
<thead>
<tr>
<th>Type</th>
<th>Issued</th>
<th>Renewed</th>
<th>Total Valid Licenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Collection</td>
<td>174</td>
<td>N/A</td>
<td>1,554</td>
</tr>
<tr>
<td>Secondary Collection</td>
<td>107</td>
<td>36</td>
<td>751</td>
</tr>
<tr>
<td>Primary Collection</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Recyclers</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>TDF Facility</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Haulers</td>
<td>144</td>
<td>54</td>
<td>750</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>425</strong></td>
<td><strong>90</strong></td>
<td><strong>3,064</strong></td>
</tr>
</tbody>
</table>
Scrap Tire Markets and Market Development

Market Analysis

During FY 2003, the State’s scrap tire processing capacity handled approximately 3.2 million tires.

- Figure 1 represents a 33% decrease from the previous year. This is due, in large part, to the fact that Lehigh Portland Cement did not process any scrap tires during FY 2003 as a result of the plant closing for construction and installation of a new kiln.

- Emanuel Tire Company also processed about 45% fewer tires than in FY 2002.

- A new MES scrap tire crumb rubber production facility in Baltimore began operations in 2003 which helped add to the number of tires processed and recycled.

Maryland’s Scrap Tire Flow and Destinations

Since the inception of the scrap tire program, there are now over 2,300 locations in the State where a citizen or a business may bring scrap tires and know that they will be properly handled.

All licensed scrap tire facilities and haulers are required to submit semi-annual reports to the Department. Reports must include:

- The origin and number of scrap tires received at the facility
- Identification of scrap tire haulers transporting the scrap tires, and other scrap tire pick up and delivery facility information.

Figure 2 (on the following page) shows how scrap tires generated in Maryland were managed in FY 2003.

Figure 1
Maryland’s Tire Processing Capacity
FY 1999 - 2003
Figure 2 illustrates that 15% of the scrap tires generated in Maryland were used as fuel. That number decreased from last year because Lehigh Portland Cement plant closed for construction of a new kiln.

30% of the scrap tires generated in Maryland were recycled. Emanuel Tire Company’s numbers decreased due to a poor economy and end market, and this resulted in a decrease in the overall recycling percentage.

There was an increase in the number of tires that were recycled or used as fuel out-of-state due to the reduced capacity in Maryland.

Figure 3 shows schematically the flow and processing of tires in and out of the State of Maryland.
Projected Markets for FY 2004

The Department estimates that the processing capacity for scrap tires will increase in FY 2004 compared to FY 2003 (see Figure 1).

- The new MES crumb rubber facility will increase the scrap tire processing capacity in Maryland by approximately 1.2 million tires per year. If Emanuel Tire Company’s processing remains the same as in FY 03 then the overall number of tires processed in Maryland will increase.

- St. Lawrence Cement Company in Washington County is licensed for TDF but did not process any scrap tires in FY 2003. The Company performed a test burn in the summer of 2003 and is scheduled to be in operation for usage of scrap tires in FY 2004. This will also increase the State’s processing capacity by approximately 1.2 million tires per year.

- During FY 2003, Lehigh Portland Cement Company did not process any scrap tires. Lehigh has been in the process of upgrading the facility and has completed monitoring and calibration of a new kiln, which has required the company to stop processing TDF for a minimum of one year. The Company plans to be in operation in FY 2004.
### Table V

*Maryland Licensed Scrap Tire Processing Facilities*

<table>
<thead>
<tr>
<th>Facility Name/Type</th>
<th>Location Address</th>
<th>Operation</th>
<th>Telephone</th>
<th>Tires Processed FY-2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emanuel Tire Company/ Recycler</td>
<td>1300 Moreland Avenue, Baltimore MD, 21216</td>
<td>The company has been processing scrap tires for last three decades. The operation converts scrap tires into 1 to 2 inch size tire chips.</td>
<td>(410) 947-0660</td>
<td>1,924,254</td>
</tr>
<tr>
<td>Maryland Environmental Services Facility</td>
<td>4653 Hollins Ferry Road, Halethorpe, MD, 21227</td>
<td>The operation processes scrap tires into 100 mesh crumb rubber.</td>
<td>(410) 242-5039</td>
<td>320,000</td>
</tr>
<tr>
<td>ESSROC Cement Corporation/ TDF</td>
<td>4120 Buckeystown, Lime Kiln, MD, 21702</td>
<td>The operation utilizes whole passenger scrap tires as a supplemental fuel in its two cement kilns to replace 20 to 30 percent of the process heat needed to convert the raw material into cement.</td>
<td>(301) 874-8271</td>
<td>351,842</td>
</tr>
<tr>
<td>St. Lawrence Cement Co./ TDF</td>
<td>1260 Security Road, Hagerstown, MD, 21741</td>
<td>The operation utilizes tire chips as a supplemental fuel in its cement kiln to replace up to 35 percent of the process heat needed to convert the raw material into cement.</td>
<td>(301) 739-1150</td>
<td>None</td>
</tr>
<tr>
<td>Lehigh Portland Cement/ TDF</td>
<td>117 South Main Street, Union Bridge, MD, 21702</td>
<td>This facility's operation is similar to ESSROC's operation. Lehigh constructed a new kiln during FY 2002, requiring them to cease TDF burning operations for most of FY 2002.</td>
<td>(410) 775-1000</td>
<td>None</td>
</tr>
<tr>
<td>Baltimore RESCO, Waste-to-Energy Facility /Incinerator</td>
<td>1801 Annapolis Road, Baltimore, MD, 21230</td>
<td>The facility processes 2,250 tons per day of municipal solid waste and was approved to burn tires in FY 1997. Steam generated at the facility to generate electricity for sale to BG&amp;E.</td>
<td>(410) 234-8271</td>
<td>4,500</td>
</tr>
<tr>
<td>Harford Waste-to Energy Facility/ Incinerator</td>
<td>1 Magnolia Road, Joppa, MD, 21085</td>
<td>The facility processes up to 360 tons per day of municipal solid waste with a tire content of up to 72 tons per day. Steam is generated at the facility to generate electricity for Aberdeen Proving Ground Army facility.</td>
<td>(410) 679-6200</td>
<td>571,000</td>
</tr>
</tbody>
</table>

**Total**                                                                                     |                                                                       |                                                             |               | 3,163,600              |

Source: Scrap Tire Semi-Annual Report
Compliance and Enforcement Activities

The goal of the Department’s compliance and enforcement program is to ensure that all of Maryland’s licensed scrap tire facilities and scrap tire haulers are in full compliance with the scrap tire law, regulations and license conditions.

Goals for Compliance and Enforcement Actions in FY 2003

- Continue to maintain the quality of compliance and enforcement activities and to perform at least 800 inspections and investigations.
- Provide professional high quality service to Maryland’s scrap tire business community.

Accomplishments in FY 2003

- The Solid Waste Program’s inspectors conducted a total of 1,061 scrap tire investigations and inspections, exceeding the program’s goals for inspection.
- Scrap tire sites inspected included both licensed and unlicensed scrap tire facilities, as well as sites that have been designated for cleanup by the Department.
- The Department issued 563 Notices of Violation (NOV’s) to licensed scrap tire collection facilities who failed to submit semi-annual reports documenting how many tires were collected, the name of their scrap tire hauler, and the final destination of the scrap tires. The issuance of these NOV’s resulted in the collection of $22,700 in fines.
- The Department, in conjunction with the Environmental Crimes Unit and the Attorney General’s Office, prosecuted 4 cases suspected of illegally dumping scrap tires in Maryland, resulting in 4 convictions.
- Since FY 1997, eleven (11) scrap tire enforcement actions have been pursued that resulted in assessment of civil and administrative penalties totaling $214,000 and collection of $26,010.
  - Collected through FY 2003 from penalty actions: $26,010
  - Outstanding penalty payments on-schedule: $45,000
  - Referred to the Central Collections Unit: $142,990

- During FY 2003, the Department, in conjunction with the Attorney General’s Office, assessed administrative and civil penalties totaling $95,000 against individuals suspected of illegally dumping scrap tires in Maryland and violating the scrap tire laws and regulations.
Environment Article, Section 9-275, Annotated Code of Maryland, provides the Department with the responsibility for administering the Fund.

The Fund is generated through the collection of a forty cent tire recycling fee on the first sale of any new tire in the State.

Table VI summarizes the scrap tire program expenditures for FY 2003.

Table VI
Maryland Used Tire Clean Up and Recycling Fund
FY 2003 Revenues and Expenditures

<table>
<thead>
<tr>
<th>Fund Balance (7/1/2002):</th>
<th>$ 3,336,000.28</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2003 Revenues</strong></td>
<td></td>
</tr>
<tr>
<td>Gross Used Tire Fees Revenues:</td>
<td>$ 2,200,355.35</td>
</tr>
<tr>
<td>Adjustment for Comptroller’s Fees:</td>
<td>($ 158,426.85)</td>
</tr>
<tr>
<td>Adjustment of the Department’s Prior Costs:</td>
<td>$ 2,109,908.02</td>
</tr>
<tr>
<td>Cost Recovery Revenues:</td>
<td>$ 2,163.30</td>
</tr>
<tr>
<td>Fines</td>
<td>$ 2,760.00</td>
</tr>
<tr>
<td>Accrued Revenue</td>
<td>$ 0.00</td>
</tr>
<tr>
<td><strong>Total Revenue for FY 2003:</strong></td>
<td>$ 4,156,759.82</td>
</tr>
</tbody>
</table>

| **FY 2003 Expenditures** |                |
| MDE Program Expenditures: | ($ 969,216.87) |
| Stockpile Clean Ups: | ($ 2,634,474.87) |
| MDE Indirect Costs: | ($ 296,094.95) |
| MES Projects and Administration: | ($ 496,101.71) |
| **Total FY 2003 Expenditures:** | ($ 4,395,888.40) |

| Fund Balance (6/30/2003): | $ 3,096,871.70 |