

Digest of A Performance Audit of Waste Tire Recycling

Our limited review of Utah's waste tire recycling program found that Utah's prior legislation was unsuccessful because it lacked sufficient regulatory control in conjunction with adequate incentives to develop recycled tire markets. Creating interest in tire recycling through an adequate subsidy program and regulating alternatives to tire recycling, such as landfilling whole tires, can effectively address waste tire problems. There appears to be sufficient demand for waste tires as fuel in Utah's cement industry to utilize the supply of tires disposed each year and also address existing tire piles and landfills.

Waste tire disposal is recognized as a national environmental problem. Tire characteristics make them unsuitable for landfill operations where tires are prone to fires and vermin infestation. Waste tires do, however, lend themselves to recycling because there is a retrievable value in waste tires, primarily as a fuel source. A number of states have successfully addressed waste tire recycling but we could find no consensus as to how a program is best operated. Each of the programs we reviewed does have some commonality of components. Most states utilize some form of incentive either in the form of a direct per tire subsidy or in the form of a grant or loan providing seed money or program support. Additionally, each state we contacted regulates its market to direct tires toward recycling and away from landfills and tire piles.

Our review of waste tire recycling costs in Utah found that between 38 and 78 cents per tire is necessary to collect, process, and dispose of waste tires as alternative fuel. Utah's existing program provided for these funds by subsidizing 20 cents per tire from state collected waste tire fees, 15 to 25 cents per tire from tire retailers, and 12 to 16 cents per tire from the ultimate user (cement kiln operator) for a total of 47 to 61 cents per tire. This level of funding appeared to be sufficient to cover the cost of processing waste tires, a cost we estimate to be between 23 and 37 cents per tire.

While this level of funding might have been sufficient, the program did not offer any protection from competition for waste tires from landfills. Currently, tire transporters accept payment from tire retailers to dispose of waste tires. They must then pay either a recycling operation or a landfill to take the tires from them, landfills can accept the tires for far less than recycling operations who need that money to defray the cost of processing the waste tires.

Utahns discard over 1.6 million tires each year and, as a state, we have accumulated an additional 5 million tires. We believe that legislation to control waste tires is necessary. In addition to a subsidy, any legislation should ban whole tires from landfills and require participant registration and material manifesting to ensure tires are recycled.

