

Summary of CIWMB Staff Interviews Regarding Increased Usage of Tire-Derived Products in Construction

Background

Six Board staff members were interviewed to obtain insights and suggestions on how the Board could be more successful in increasing the use of Tire-Derived Products (TDPs) in construction-related industries. The staff members represented a broad range of expertise, experiences and responsibilities regarding increasing the use of TDPs. The staff members were asked questions in each of the following areas:

1. How do you currently obtain market intelligence to assist with outreach efforts?
2. What additional information would be useful?
3. What barriers need to be overcome in order to be more effective in conducting outreach?
4. What potential pilot programs should be considered?
5. Who are potential external partners that could help increase the use of TDPs?

Following is a summary of the interviews conducted between Oct. 28-Nov. 20, 2008.

Current Market Data Sources

Board staff indicated a variety of sources for obtaining market intelligence. These include:

- Grants Management System (GMS) database;
- McGraw Hill database (staff thought CIWMB had access to, but didn't know if anyone was using it.);
- Caltrans relationships and communications;
- America Public Works Association (APWA);
- American Society of Civil Engineers (ASCE) mailing list; and
- Classes and presentations given by Board staff as requested by industry groups.

When discussing the various sources of information, a few common themes surfaced throughout the interviews. First, the databases have not appeared to be consistently current enough to be useful. There appears to be a lack of maintenance on the databases such that the data was frequently too old to be useful for strategic and positioning purposes.

Second, the interviewees generally felt that the databases seem to be useful for obtaining information on past events and projects out for bid, but have not been as useful for projecting future projects, and opportunities to utilize TDP early enough in the bid

process to influence specifying and purchasing decisions. This information gap is addressed further in the next section.

Additional Information Sources

While the sources of market information mentioned above provide some useful information, there are strong sentiments that additional information would be extremely useful in marketing TDPs more successfully.

Many staff members indicated the need to have information on potential projects that could utilize TDP long before the projects go out for bid. As mentioned above, the existing databases seem to contain information on approved projects, in which case it is frequently too late to have TDP included in the project design and specifications.

Besides obtaining market info in a timelier manner, staff also felt that more-detailed information would be extremely useful. Examples of useful data suggested by Board Staff include:

- Who has the money to do projects, or how much money project owners are considering spending;
- Contact information for multiple project stakeholders (Mayor, Public Works Director, Project Coordinator, etc.);
- Time frames for upcoming projects;
- Geographically listed potential projects;
- GPS mapping and contact information of TDP manufacturers and the products they produce;
- Map of projects within certain radius of TDP supply sources that enable cost-effective material transportation;
- Contact information for stakeholders that already specify or use recycled content products and who might be interested in learning about other available products such as TDPs.

Additionally, Board staff felt that an internal database that tracks projects that utilized TDPs would be useful. This is different from the databases listed under Current Market Data Sources as those projects were generally announced or planned, but not necessarily completed. This database could include completed projects where TDPs have been used, the type of TDPs used, feedback from project owners about product performance and savings experienced (both from a capital and an O&M perspective), and project contact info so the project can be referenced to prospective project owners. The rebate program asks for a report that would contain some of this information, but this data apparently isn't utilized or input into a database. Additionally, some staff felt that this historical data might be useful as a type of predictive tool to list communities who have been receptive to using TDPs in the past and therefore may have interest concerning upcoming projects.

Existing Barriers

Board staff was able to identify many barriers to successfully marketing TDPs. These generally can be classified as external and internal barriers.

External Barriers

The most commonly addressed barrier is the “myth” regarding negative environmental impacts of TDPs. The first response from many prospective project owners is that TDPs have too many environmental and leachate concerns. Some staff interviewed felt that the Board should be more aggressive in dealing with this myth. Occasionally the tone of this dialog is in a defensive posture, and they believe it needs to also be provided in a more aggressive and promotional tone, highlighting the benefits of this material – both environmentally and financially. Multiple staff commented that one of the most successful methods to deal with this myth is to have Board engineers speaking with the project engineers. They speak the same language, and can more easily address the concerns from a technical and credible perspective.

Another commonly cited barrier was lack of information about the availability of various TDPs and their potential applications. For example a landscaper might be familiar with rubber mulch products, but might not be aware of TDPs such as soaker hoses, curbing materials, and pavers. The same is true for various materials used in building construction.

Additionally, staff felt that Tire-Derived Aggregate (TDA) applications aren’t widely understood or accepted. This is also likely due to a lack of knowledge regarding the material properties of modern TDPs. Education programs targeted to specific geographic regions could help address this concern. For example, the use of TDA as a lightweight fill might be beneficial in areas prone to landslides.

Another external barrier is insufficient supply of TDPs in certain areas of the state. Currently there is only a handful of TDP manufacturers in California, and TDPs such as TDA are costly to transport. Existing and potential processors need to be educated on how they can make money from producing certain TDPs so that additional supply can be generated. This problem is exacerbated by the export of TDP material to foreign markets.

Related to the supply issue is the disposal of an estimated 4 million to 6 million tires per year by Waste Management at the largest monofill in California. This is believed to be the largest untapped source of unprocessed scrap tire supply in the state. If the Board can successfully address this situation, it will have a significant impact on this external barrier.

Outdated specs and ordinances was another external barrier identified by Board staff. Many local governments still do not allow the use of TDPs due to various historical issues or current myths.

Lastly, a few interviewees mentioned the lack of capital available or allocated to projects that can use TDPs. Given the current economic conditions in the U.S., as well as California, they believe many communities are postponing construction projects that could utilize TDPs.

Internal Barriers

The primary internal barrier mentioned by staff is the lack of resources available to promote the use of TDPs. This lack of resources includes not only financial resources, but also personnel, skill sets and technical support.

This relates closely to another perceived barrier. Board staff interviewed believe they are already marketing to the low-hanging fruit—the challenge is to develop strategies that will help the Board target the more difficult tiers of potential clients. The barrier here is the lack of a more effective marketing approach, and the more rigorous allocation of resources required to tackle these projects.

Potential Pilot Programs

Board staff generated numerous ideas for pilot projects to increase the use of TDPs. Some of these pertained to using marketing databases, while others did not. These ideas are summarized below, beginning with database related project ideas.

Market Database Use

Acquire one of the recommended databases, then identify existing TDP users and seek to interest them in using other types of TDPs.

Utilize database information as part of a cooperative marketing strategy to promote TDP use by contacts identified in the database as having potential interest and/or capability to use TDPs.

Increase Visibility of TDPs

Staff felt that increasing the visibility of TDPs would help generate interest in the concept. Ideas include:

- Spearhead an integrated, comprehensive “Green Road Vision” project that utilizes numerous TDPs. The project could use TDPs for road base, shoulder backing, sound walls, landscaping/erosion control, vibration mitigation of nearby rail lines, etc. This type of project could showcase the numerous possibilities of TDPs and serve as a showroom for a other comprehensive projects.
- Publish more articles in APWA and ASCE trade journals. These articles should be written by Public Works Directors (on behalf of the Board) or Civil Engineers so that the articles address the hot buttons important to their respective audiences.
- Find more effective methods of touting the success of projects that used TDPs. This could include more visible news stories, press releases, kick-off ceremonies with dignitaries, and trade publication articles.
- Increase publicity regarding the grant programs. Staff feels these grant programs can be enticing enough to get the attention of Public Works Directors and project engineers, but they are not aware of the programs. Staff felt that many of the grant programs for flooring, sports fields/synthetic turf, playgrounds, and equestrian

- applications were not visible enough. Direct mailing and personal calling campaigns could be utilized, along with targeted advertising.
- Create a more integrated promotional product, such as a DVD or website, which showcases various projects and their respective financials, and addresses the environmental myths in a straightforward manner.

Data Management

Certain pilot program suggestions pertained to management and presentation of supplier, project, and target market data. Many of these could be integrated into the promotional product mentioned previously. One idea was to build a database of existing customers and their use of products, testimonials, etc.—not heavy research on performance. Useful mapping tools include interactive maps of tire suppliers (including which suppliers might be best for modification to make multiple products); maps of existing projects with TDPs including project metrics and contact information; and maps of TDP producers with estimated radius of cost-effective transportation.

Other Ideas

Some staff thought the Board should work with communities to help modify old ordinances to be in compliance with current TDP specifications. This will not only help establish relationships between the Board and their target market, but will also provide opportunities to address any myths and concerns regarding project the cost or environmental impacts of using TDPs.

One Board staff interviewed suggested that consideration be given to providing loans to companies that can produce TDA as well as fuel chips for export, with caveat that chips are first made available to California projects at market price (not undercutting market price). This would result in increasing the availability of TDA supply without hampering the manufacturer's ability to move product into the marketplace between project opportunities.

Potential External Partners

Government entities can often increase effectiveness and efficiency of available resources by partnering with external partners. These partners can be private sector entities, complimentary industry players, customers with high visibility, or even other government entities. Project staff was asked about potential strategic external partners and following are their suggestions.

Numerous suggestions revolved around various professional trade associations. The Board current works with many of these, but staff thought it could be beneficial to formally and informally strengthen the relationships. The suggested trade associations include:

- American Society of Civil Engineers
- Rubber Manufacturers Association
- Rubber Pavements Association

- American Public Works Association
- Public Works Directors associations

Government-Related Entities Include:

- National League of Cities
- League of California Cities
- United States Conference of Mayors
- Economic Development commissions
- Caltrans

Lastly, staff suggested it might be possible for the Board to work with tire manufacturers regarding product end-of-life producer responsibility initiatives. Manufacturers in other industries have begun to tackle the issues caused by their end-product at the end of the product's useful life. The Board could work with tire manufacturers to pilot test various options to foster "cradle to cradle" producer responsibility. This pilot test directly aligns with the Board's "Strategic Directive 5" regarding producer responsibility.