The Kawasaki-KCM 80Z7 stages tires for processing.

TIRES GALORE!

AND MOVED WITH THE GRACE OF AN 80Z7

If there are cars, there are scrap tires…and for the most part, until recently, they decorated vacant lots, creek beds, land fills and junkyards. But in 1995, Louisiana became one of the first states in the U.S. to pass legislation to kick-start a program of recycling all tires—from automobiles to construction equipment tires, and all tires in between.

"Our family started in the recycling business over 30 years ago, primarily with hazardous waste," says Kip Vincent, owner of Colt Scrap Tire Centers, headquartered in Scott, Louisiana. "We had been shredding tires on a contract basis with portable shredders in six different states since 1984, but when Louisiana passed their landmark legislation in 1995, I decided it was time to establish a shredding business that served the entire state. Colt was formed in 1995 and we've been working to build and expand it ever since. We started with two people, my brother and me, and we now have 76 employees."

A GROWING DEMAND

"The state program basically provides the incentive for me to gather the tires at no charge to the tire dealer. This cost is covered in the recycling charge the consumer pays at the time of their tire purchase" notes Vincent.

"The fee goes into a state fund. After we pick up the tire, we process it for either resale as a used tire or shred it. Once it is shredded, we have a choice. We can sell it immediately as a civil engineered product for construction use, which pays 7.5 cents a pound, after delivery. That's called a Tire Derived Aggregate (TDA). "Or, we can re-shred it to a much smaller size, which is used as an alternative fuel. That's our second product and it's called a Tire Derived Fuel (TDF)," says Vincent.

"With the TDA, we see that as pretty much a negative market commodity for which we see no income after all trucking and handling expenses. With the TDF, we do see a profit.

We sell an amazing quantity of the material. It is usually mixed with Natural Gas in varying ratios, depending on the Natural Gas price at the time. Tires actually burn cleaner than coal and nearly as clean as gas. The primary market for TDF is in cement plant kilns, electric energy plants and paper mills."

About 65% of all tires shredded in the U.S. go to the production of TDF. There are two other value added products as well; Shredded tires, used for colored landscape mulch, or playgrounds and horse arenas. Or, finely ground 'crumb' material that is used as the filler cushion in artificial turfs at competitive sports fields, molded products and in rubber asphalt. This is simply the crumb going into liquid asphalt for road construction.

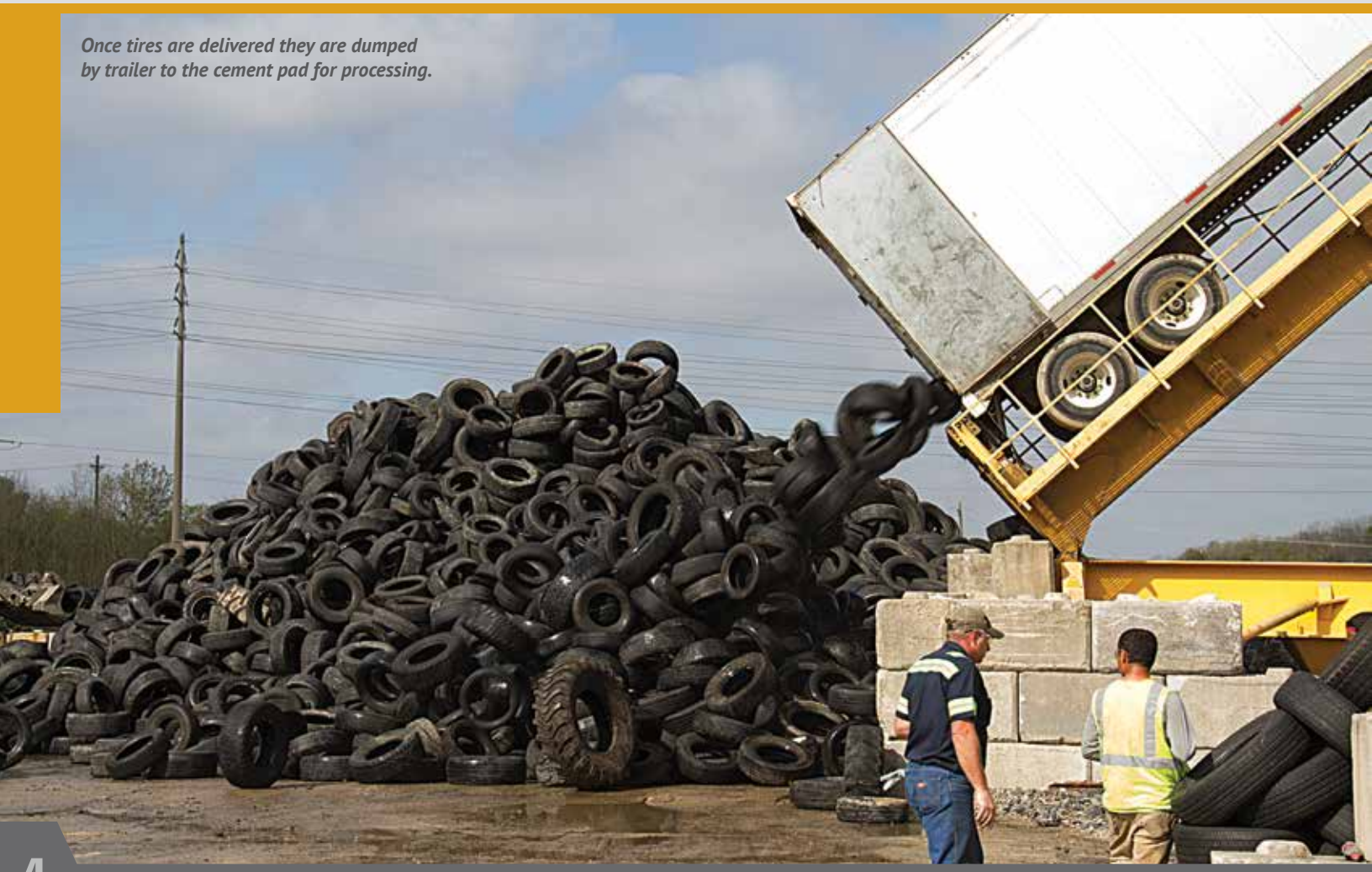
Bobby Kennerson, Account Manager CLM Equipment, Kyle Vincent, Vice Pres. of Operations, Colt Scrap Tires Centers, Kip Vincent, Pres., Colt Scrap Tire Centers, Floyd Degueyter, Pres./CEO, CLM Equipment, and Dana Degueyter Reynolds, Director of Marketing and Communications, CLM Equipment

AN INTERESTING PROCESS

"We start by collecting used tires from tire dealers and other sources through the state. We're the largest processor of tires in Louisiana and we handle about 50% of all tires. We provide roll-off containers for our largest customer, which we pick up with our specialized roll-off trucks, and then we hand load other trucks that we keep on the road picking up from smaller customers,' says Vincent.

The tires are brought to the Scott facility and dumped on a concrete pad for sorting. Fairly good tires are pulled for possible resale as used with the rest going into a group of three Barclay Shredders. The first pass cuts the tire to 4.9 inch strips, the second pass to a 3.6 inch piece and the third pass cuts to a finished 2.0 inch piece. These shredders are fed with skid steers equipped with grapples. These pieces can be sold as TDA product.

The second shredding effort produces the TDF product and is a more involved process. "We use one of our Kawasaki-KCM 80



Once tires are delivered they are dumped by trailer to the cement pad for processing.

loaders to move the Barclay material to our Granutech Saturn System, which pulls out the steel bead wire and the chunks of rubber that have high concentrations of wire. The product then goes through inch and 1¾ screens. We then have a #1 TDF product that has very little wire left and a #2 TDF wire that has some wire exposed, which are called spiders. The cement plants like the #2 product while the other customers like the #1 product," says Vincent.

NO SPECIAL OPTIONS REQUIRED

"We love Cummins engines and have them in every truck and piece of equipment we can," exclaims Vincent. " It is just an excellent product. Second though, **I'm quite impressed with the Kawasaki-KCM hydraulics and overall dependability. It is a first class machine.** Tires are tough and they can tear up a lot of things. The Kawasaki-KCM loaders are working well for us. In the shredding business, there are multiple cases where you buy a machine based on what it's supposed to do and then you spend money to customize it so that it works for your application. With the Kawasaki-KCM loaders, there was none of that. We bought it and it worked.

"Our first Kawasaki 80 loader now has over 12,000 hours on it and we're using it every day. We're looking to expand with a second plant in north Louisiana and we'll put it there with the expectation of using it for years to come, says Vincent. "Our new model 80Z7 is an excellent newer version. In fact, I simply said I want another loader just like the first." Both loaders have on-board scales and 7.5 cu. yd. Tink Roll-Out buckets.

OUR DEALER IS EXCELLENT

"Frankly, we had already developed a very good relationship with our dealer, CLM Equipment, before buying the Kawasaki-KCM loader by buying a variety of other pieces of equipment from them," says Vincent. "Having the two Kawasaki-KCM loaders has only strengthened our friendship."

One of 16 trucks bringing tires into the facility for processing.

Kawasaki-KCM 60ZV 80 picking up Barclay material that will be loaded into the Granutech System or loaded into trucks to go directly into market.