

SWRC/SWANA ReForum Conference Panel

TSS Update

Tire Stewardship of Saskatchewan (TSS)

- TSS is a non-profit corporation established in 2017 by the Retail Council of Canada (RCC) and the Western Canada Tire Dealers (WCTD) to serve as the scrap tire recycling program operator in Saskatchewan replacing Saskatchewan Scrap Tire Corporation (SSTC)
- TSS operates under a Product Stewardship Program (PSP) approved by the Ministry of Environment on a 3 year timeframe
 - Next PSP is due by end of 2024
- TSS is led by an industry focused Board of Directors with input and advice from an Advisory Committee from Industry Working Groups.

Program Overview

- Program is designed to place the cost of recycling on consumers, retailers, and manufacturers, to divert scrap tires away from landfills, and to support the development of a viable and sustainable scrap tire processing industry in SK.
- TSS requires first sellers to collect from consumers a Tire Recycling Fee for every tire sold or otherwise distributed into or in Saskatchewan and remit to TSS
 - Sole source of funding for TSS are these remittance fees
- TSS uses this environmental levy from the sale of new tires to pay for the collection of scrap tires, to pay processing incentives, to create awareness, to develop the industry, and to operate the program.

When an Industry Changes...

- Many have heard of some of the changes underway in the scrap tire industry in Saskatchewan
- Some of this change has been reported and highlighted in the media
- Industries and business approaches need to change from time to time to keep up with the times
- Change can be hard on those making the change, those affected by the change, and those less willing to change

Change started in our industry in 2017...

Based on government driven, independent review of the scrap tire industry in 2017, the previous program operator was replaced by TSS, and there was new legislation put in place

Tire retailers in Saskatchewan are legislated to operate a scrap tire program, and TSS was established to operate a program on their behalf

While TSS is independent, we do have to submit every three years a “PSP” or product stewardship program for approval by the Minister of the Environment

The PSP is a public document, available on our website, and outlines the approved and mandated goals for the program

Key recommendations...

- Create collection zones to ensure accountability, improve efficiency and ensure everyone, big or small, gets pickups
- Change payment model from “at the gate” when tires are dropped off at a processor, to when the finished product is produced and sold
- Increase the production of higher value products from the historical dependence on “TDA” which is a minimally processed scrap tire product of limited value
- Find efficiencies in the program to keep consumer recycling fees low
- Address the growing problem with “legacy tires” – is you only recycle 70% of your yearly sales, where do the other tires go, it can become a staggering problem

What's changed...

- We have implemented collection zones, using local contractors through a public RFP
- We have completed two separate RFPs, and awarded a contract for the Moose Jaw location that will handle our southern tires, and just this week, the same contractor was awarded a Saskatoon location for the northern tires
- Saskatchewan no longer “pays at the gate”
- TSS is compiling a listing of known legacy tire piles and has cleaned up two large “abandoned” piles from many years ago

Crumb Rubber Manufacturers (CRM)

- In December 2022, Crumb Rubber Manufacturers (CRM) announced as a 2nd Processor for the southern half of the Province and opened up in July 2023
- Largest Tire Processor in North America and are seasoned operators in this space with established markets for their products - Currently process over 40 million tires annually through facilities located in Canada and the United States
- Produce a higher value product (Crumb for Rubber Modified Asphalt)
 - The benefit to the system is a **higher value product does not require continued increases of subsidies to maintain profitability.**
 - Their **goal is to reduce the incentive over time** as they are able to improve profit margins from what they produce
 - **TSS doesn't want to increase rates** and would prefer to identify savings to allow for increased amounts of legacy tire cleanup to occur.

RFP 2nd (Northern) Processor – posted Dec 15/23

- SK Builds has assisted in converting our format to theirs and will be posted on SK Tenders website
- All submissions and process will be administered by SK Builds
- SK Builds to conduct Fairness Review on final selection
- RFP closed on Jan 31st (was extended from Jan 15th)
- Northern Processor Chosen On May 27th – Crumb Rubber Manufacturers
- We anticipate this process to be completed in Spring 2024

GHG Impact of Program

- Under a 2 processor system and assuming the product mix doesn't change for the Northern processor we anticipate that the yearly impact will double and each year will be roughly half the combined benefit of the program over the past 5 years combined.

Sunday, June 18th

Post: Updated GHG Impact

Caption:

🔄 Update! 🔄

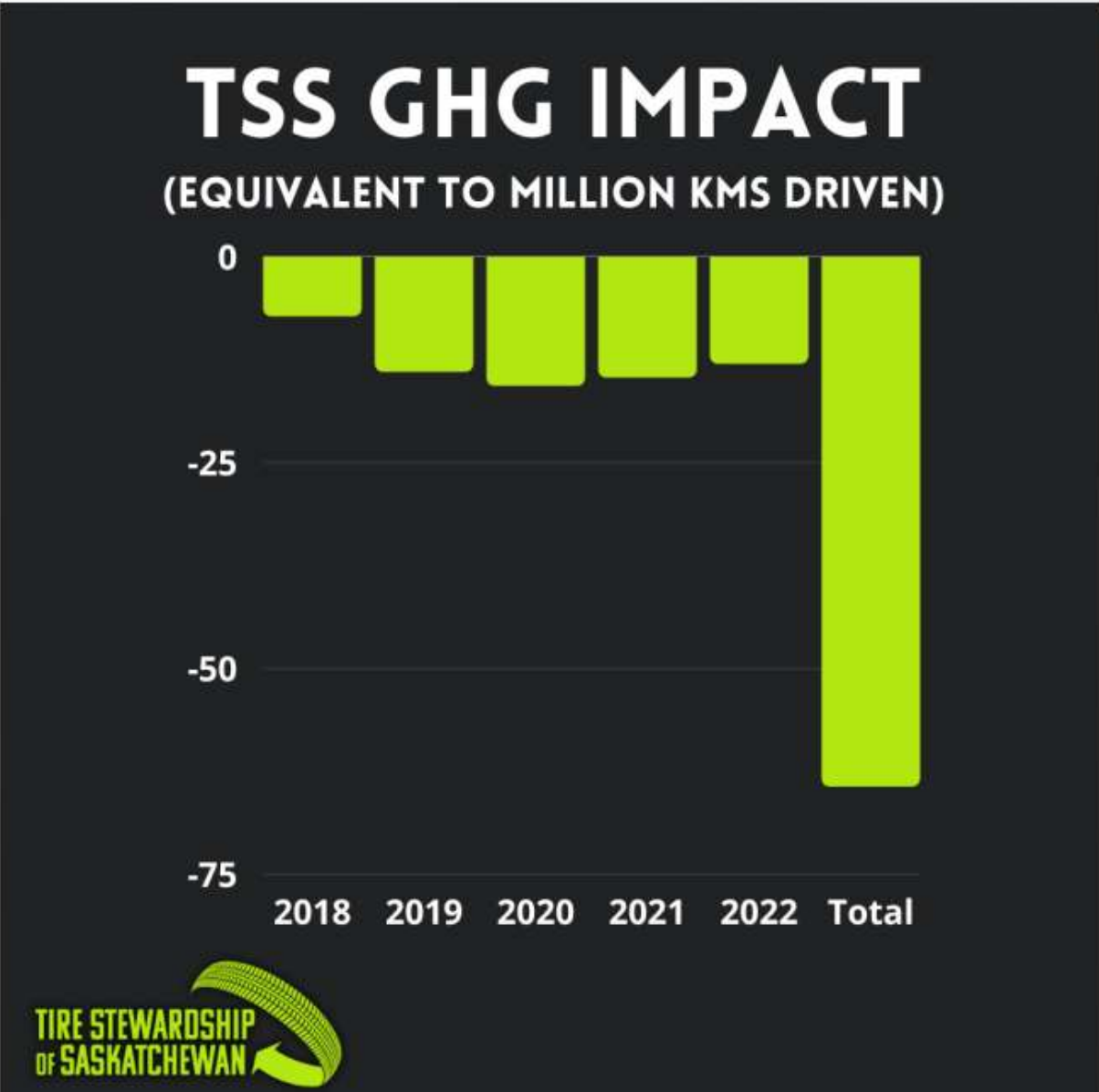
We have refined our methodology in calculating the GHG impact.

Since 2018, the reduction of GHG emissions is equivalent to 64.34 million kilometres driven.

- 2018 → -7.19
- 2019 → -13.94
- 2020 → -15.62
- 2021 → -14.62
- 2022 → -12.97

Total → -64.34

#tirestewardshipsk #recyclesaskatchewan #tirerecycling



Still not done, as change takes time...

- The Moose Jaw processor is currently handling all Saskatchewan tires and doing final processing outside the province; this will change with the installation of their crumb line, expected later this year
- The Saskatoon location still needs to be developed before receiving scrap tires so I admit we do have some bottle necks as all of the changes take place
- In fact, as we have making these changes, a limited number of scrap tires were processed outside the province, and we did have some temporary stockpiles, in order to keep our service levels up to our retailers

What the new industry will look like...

- Six collection zones for efficient pickups
- Two locations for processing scrap tires into higher value crumb, paid on production
- All contractors determined by competitive process
- Increasing annual recovery rates and growing legacy tire program
- A special note about Shercom Industries:
 - I want to thank Shercom for the work they have done over the years in the scrap tire industry
 - And we are excited they continue to produce high quality molded and manufactured products for the Saskatchewan market, and beyond
 - We plan to tour Shercom and see the work they are doing, and help them source locally produced crumb in the future