



August 2019

## Tire Recycling Fee Increase on Passenger/Light Truck (PLT) Tires

The Tire Stewardship of Saskatchewan (TSS) Board of Directors has passed a motion to **increase the tire recycling fee (TRF) on PLT tires to \$5.00** – an increase of \$1.00. As a result, the TRF on new vehicle sales will also increase from \$20 to \$25 for vehicles with a spare (\$20 for vehicles without). This change will take effect **November 1, 2019** for all new tire sales on and after this date. This is a necessary measure in order for the program to remain viable and effective. The PLT rate has remained the same since February, 2007. The Ministry of Environment has approved this increase.

### Reasons for the Increase

#### 1. Revenue remains flat.

The TSS' single source of funding comes from consumer paid fees on the sale of new tires. Tire sales in 2018 were down 2.39% from the previous four-year average (2014 to 2017). Revenue generated from those tire sales was also down 2.13%. During the first half of 2019, the TSS has already seen a 3.65% decrease in revenue over the same period in 2018.

#### 2. Tire collection and processing has increased.

The TSS' continues to collect more scrap tires than what was collected, on average, over the previous four years. In 2018, the TSS collected 10.16% higher volume of tires than the previous four-year average. Volume collected is up 5.32% in 2019 over the same period in 2018.

#### 3. TSS requires financial reserves.

The TSS requires a financial reserve in order to meet its financial obligations should it cease to operate or have to deal with an unforeseen emergency. Currently, there are no reserves available.

#### 4. Stockpiles of tires continue to accumulate.

The TSS is aware of the large number of scrap tire stockpiles on both public and private land. Without a fee increase, these piles will continue to grow both in size and number.

#### 5. Continuation of retailer compliance audits.

The TSS needs to continue with the important initiative of 3<sup>rd</sup> party retailer audits. Internally, the TSS works every day on bringing retailer accounts up to date, however the 3<sup>rd</sup> party audit, performed by MNP, is another mechanism for the TSS to use to ensure retailers are compliant with their financial obligations under the Government of Saskatchewan's *Scrap Tire Management Regulations, 2017*.

A new remittance form and TRF classification table is included with this mailing, and will be available on the TSS website at [www.tssk.ca](http://www.tssk.ca) under the Retailer tab. **Please use this new form starting November 1 2019.**

**Reminder: tire retailers are required to remit fees to TSS every month unless otherwise directed by TSS.**

If you have any questions, contact the TSS office.

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