

**Tire Stewardship Manitoba  
Consultation Meeting  
Canad Inns Polo Park, Winnipeg, Manitoba  
July 12<sup>th</sup>, 2007**

**ATTENDANCE:**

Shirley Canty	MB Motor Dealers Association
Dan McInnis	City of Winnipeg
Ken Friesen	Earthbound Environmental
Jim Bakken	Green Manitoba
Brett Eckstein	Green Manitoba/Tire Stewardship Board
Ron Wally	Interim TSB
Jim Fogg	MPSC
Ron Benson	MB Association for Resource Recovery
Serge Scrafield	MB Conservation/TSB
Peter Schroedter	OTR Recycling
Harvey Stevens	RCM
Ashley Leibl	Reliable Tire Recycling
Brandi Wermie	Reliable Tire Recycling
Joe Casciano	TSM/Retail Council of Canada
Paul Courteau	TRC
Moe Tresoor	TSM
Joe Zirino	Zirino's Auto Truck
Doug Smith	Green Manitoba
Glenn Maidment	Tire Stewardship Manitoba/RAC

Glenn Maidment, Chairman, welcomed everyone to the Consultation Meeting. All attendees introduced themselves and gave their expectations of the meeting.

Mr. Maidment opened the discussion by noting everyone should by now have read the TSM proposal, and that the purpose of today's meeting was to ask questions pertaining to the TSM Plan to assist them in preparing their own submission, which are due August 7<sup>th</sup>. Maidment urged the stakeholders to express support for the TSM Plan if they are unhappy with the status quo.

The following questions and answers and exchanges formed the basis of the discussion:

**Q**     ***What will be done with automotive shredding facilities?***

**A**     Scrap tires should be picked up now and will be continued to be done under the TSM proposal.

**Q**     ***What about scrap metal from out-of-province tires?***

**A**     Scrap metal is not part of the TSM plan and will not receive any sort of transportation credit.

- Q ***Did TSM give any thought to the producer paying, instead of the consumer?***  
A Yes. Virtually every province has looked at a producer-pay model, but all have decided to introduce the levy at the retail level to ensure a level playing field. Unlike many other products, new tires enter the province through a multitude of distribution channels, making it almost impossible for the funding agency to ensure all fees are being collected. Though there are more retail locations, it is much easier to track compliance and therefore most fair for all participants.
- Q ***Why is TSM's Plan proposing only .70 cents for transportation credit when other provinces allow \$1.10?***  
A I don't have a specific answer for you as yet, but I can tell you TSM participated in a national review of the processing and transportation credit structure and TSM is committed to ensure Manitoban transporters are not uncompetitive.
- Q ***Why don't we just go back to a free market system?***  
A That's a good question but it should more properly be asked of Government. TSM produced its industry plan because we were obligated by Regulation to do so. That said, TSM will encourage the free market in terms of access to scrap tire supply and market development, as much as possible.
- Q ***I question how TSM established its Recycling Forecast. How did you budget crumb rubber production, for example, over the 5 years?***  
A The chart on recycling diversion on Page 25 of the plan clearly states it is intended to be illustrative in nature. That is, TSM is intending to demonstrate how we believe the markets will evolve over the next five years under our plan. Generally speaking we expect to see an emphasis on higher value added materials and a reduction in lower value goods. We expect this trend to occur because we intend to introduce an incentive structure for processors to encourage them to invest in higher value goods.
- Q ***Does Manitoba generate enough tires for the number of processors here?***  
A That is probably the most difficult issue processors face in Manitoba. It would be far worse for the province not to have any processing capacity, which has certainly been the issue from time to time in various jurisdictions, but I agree it is a valid concern. TSM would, under the current situation, not encourage any additional processing capacity, but nor will we pick winners and losers. We are hopeful the existing processors will work things out amongst themselves.
- Q ***Who should decide what the processing targets should be?***  
A TSM's approach is that scrap tires should, as much as possible, be diverted to the highest and best use. Some provinces are blessed with having crumb rubber facilities and rubber manufacturers able to use this material to create new products. But where these facilities do not exist, perhaps the best use is tire-derived fuel. Through its incentive structure TSM is inherently encouraging one over the other, but we are not excluding any environmentally acceptable solution.
- Q ***Would R&D funding to a university be part of the TSM Plan?***

A We believe the existing Tire Board has in the past provided some funding for specific relevant study such as the West Nile Virus work, so yes we would continue this idea, so long as the research had a practical application.

Q ***Has Government requested specific targets for the TSM Plan?***

A No.

Q ***What about recovery targets for scrap tires?***

A The targets are in the Plan on Page 25. It shows our recovery rate actually dropping in the first two years because of the inclusion of OTR tires, but then increasing to 100% recovery in Year 3 and beyond.

Q ***Are you addressing existing stockpiles?***

A In the plan we say TSM will not be held responsible for existing stockpiles. One of the major problems is we don't know how many stockpiles there are, but we understand the government is actively addressing this issue.

Q ***Why doesn't the Tire Board tender municipalities for collecting scrap tires?***

A Under the previous tire board, some municipalities were offered a handling fee to act as a marshalling yard, which helped to bring efficiencies to tire collection. TSM will review this idea with municipalities after transition.

Q ***Will the CATRA report be made public?***

A Yes, it will be posted on the TSM website.

Q ***How does this TSM program compare to other provinces?***

A This will be right up there at the top. Manitoba is very fortunate to have a distribution and processing network already well established.

Q ***We are concerned about licensing processors. Is TSM going to do that?***

A We want to work with our existing processors. But it is important to establish specific agreements between TSM and the processors. Hopefully the existing agreements you have in place with the current tire board are sufficient, but we really need to review these documents to be sure.

Q ***Is TSM open to the Alberta Model, which allows a primary shredder to send material to another firm for furthering processing?***

A TSM is willing to look at the Alberta structure. In principle it sounds like a good idea.

Q ***I question the number of OTR tires at 52,000. How did TSM come up with that figure?***

A The figures would have come from The Rubber Association of Canada. Mr. Maidment will confirm these numbers.