



October 13, 2010

Alberta CARE  
Linda MacDonald, Executive Director  
5212 - 49 Street  
Leduc, AB T9E 7H5

**Re: Proposed changes to Alberta's  
Tire Recycling Program**

Dear Ms. MacDonald,

Alberta's tire recycling program, with a history of 60,000,000 tires successfully recycled, continues to evolve and grow. In 1992, a \$4.00 environmental fee was introduced to recycle our old car and truck tires, thereby avoiding the threat of a tire fire and contamination of the soil, air and water. In addition, keeping all these tires out of landfills has saved Albertans on the order of \$200,000,000 in valuable space and costs. On top of that, Albertans have benefitted from the valuable recycled products and materials that have been produced by our tire recycling industry.

With the continuing development of tire recycling in Alberta, there now needs to be changes to the fees that support recycling. These changes affect the industrial, off-road and commercial truck tires used in Alberta, which number approximately 500,000 per year, but not the tires the public puts on their cars and light trucks, which number 4,000,000 annually.

The attached table presents the fees proposed for off-road and industrial tires, medium truck tires, and farm and small specialty tires. With the table are notes explaining the proposed changes for each category of tires. Generally, the fees represent about 2% of the price of the tires. We are including the proposed changes to all three categories for two reasons: many companies use more than one of the categories of tires; and to be transparent so all industries are aware of the scope of the proposed changes.

Consultation and Approval Process

While Alberta Recycling manages the programs and recommends fee changes, the Government of Alberta approves the proposed changes through regulation. Alberta Recycling has been asked to present the proposed changes to those industries directly affected by the changes and seek their comments and questions. The results of the consultation will be provided to the Minister of Environment for presentation to his government colleagues.

The input of your organization is very important to these consultations. We would appreciate very much receiving any comments you may have, in writing if that is convenient, or meeting with representatives of your organization.

The timeline for the consultation is relatively short with the process to be completed by mid-November. Please call us if we can be of assistance in your considerations; contact: Betty Gray toll-free at 1.888.999.8762 or [bettygray@albertarecycling.ca](mailto:bettygray@albertarecycling.ca). If you would like to speak with a representative from Alberta Environment about the changes, please contact Patrick Kane at 780.422.2136 or [patrick.kane@gov.ab.ca](mailto:patrick.kane@gov.ab.ca)

Yours truly,

A handwritten signature in black ink, appearing to read "Doug Wright". The signature is fluid and cursive, with a large initial "D" and "W".

Doug Wright  
Chief Executive Officer

## Proposed Surcharge by Type of Tire

Category	Examples	Size	Typical Max. Selling Price	Cost/Tire to Process	Current Fee	Proposed Fee/Tire
----------	----------	------	----------------------------	----------------------	-------------	-------------------

### Tires for Off-road Vehicles

Industrial Off-the-road Tires (OTR)*						
Small Industrial OTR	Grader tires, loaders	rim 13" to 24"	\$2,300	\$80	0	\$40
Medium Industrial OTR	Forestry skidders, construction	rim 24" to 33"	\$6,000	\$200	0	\$100
Large Industrial OTR	Road building (scrapers), mining	rim 33" to 39"	\$9,000	\$400	0	\$200
Farm Tires						
Farm Drive Tires	Tractor and other drive tires e.g. combine	greater than 24" rim	\$1,000	\$40	0	\$9
Farm Implement Tires	Farm equipment free rolling tires	maximum 24" rim	\$150	\$10	0	\$4
Small Recreational, Commercial Tires	Specific small off-road tires e.g. All-terrain vehicles	maximum rim 24"	\$125	\$10	0	\$4

### Tires for Highway Vehicles

Medium Truck Tires	Semi-trailers, buses, freight vans	greater than 19.5" rim**	\$600	\$18	\$4	\$9
Passenger Car and Light Truck Tires	No increase is proposed to the \$4 per tire fee on cars, pickup trucks, vans, motorcycles, scooters and trailers.					

\*There is another category of industrial OTR tires not included in this table - those used on very large mining trucks. For program purposes, they are named Giant Mining Tires. Work has begun to have the recycling of these tires from oil sands mining funded directly by each oil sands company.

\*\*There are some specialty car and light truck tires with rims larger than 19.5" on which the fee is \$4.00.

## NOTES FOR SURCHARGE TABLE

### Industrial Off-the-road Tires

- a. Alberta's tire recycling industry now has the capability to process "off-road tires" - the tires used on equipment in road building, construction, forestry, mining, manufacturing and similar industries. Previously, these big, tough tires had to be stockpiled or buried because the processing equipment couldn't handle them.
- b. Since 2005, over 22,000 tonnes of off-road tires have been collected from landfills, tire and vehicle dealers, and industrial sites throughout the province and successfully processed and the material recycled. The cost since 2005 was \$6.7 million and this cost was 100% funded from program revenues (the fee on car and truck tires).
- c. There is now a proven recycling solution for industrial off-road tires, and the backlog of old tires has been cleaned up. However to continue to recycle off-road tires, the program requires an environmental fee on the sale of the tires in a manner similar to that for car and truck tires. Without an adequate fees, the collection and processing of off-road tires will likely stop in 2011, and those who sell or use the tires will have to find other solutions.
- d. The total cost to collect and process the various types and sizes of off-road tires has been determined through actual analysis of field processing (Alberta is the only province to have conducted such an analysis). The fees are proposed at only 50% of the total cost to recycle the tires in order to ensure that fees are not higher than necessary, for example should costs come down as volumes, experience and markets grow.
- e. Included are a range of smaller specialty tires (rim size less than 24"), most notably all-terrain vehicle that are used for both industrial and recreational purposes. Please note that this category does not apply to a number of miscellaneous smaller tires; for example those used on bicycles, wheelchairs, motorized mobility aids or devices designed to be moved by human power.

### Medium Truck Tires

- a. As noted above, medium truck tires (MTT) - for example the tires on large transport trucks, sand and gravel trucks, buses – have a fee of \$4 per tire, but the cost to collect and process is \$18 per tire.
- b. Generally, on the order of 400, 000 MTT's are collected and recycled at a cost of \$7.2 million. Revenues are approximately \$1.6 million, leaving a shortfall of \$5.6 million which is drawn from program revenues on car and light truck tires. As with off-road tires, the program requires an increase in the \$4 fee to bring revenues in closer alignment with costs.
- c. It is proposed that the fee increase to \$9, which sets funding at 50% of costs, similar to the off-road tires and consistent with fees in other provinces.

### Farm Tires

- a. Fees have also been proposed for farm tires - \$9 on the larger farm drive tires e.g. tractors, combines; and \$4 on farm implement tires.

### Small Recreational, Commercial Tires

- a. There are large numbers of specialty off-road tires for recreational and commercial vehicles, for example all-terrain vehicles, forklifts. The tires are pneumatic; solid rubber tires are not included.

Environmental Fees - Current as of April 1, 2010	AB	BC	SK	MB	ON	NB	NFLD	NS	QB
PLTT (car and light truck tires)	\$4.00	\$5.00	\$4.00	\$4.50	\$5.80	\$4.50	\$3.00	\$3.00	\$3.00
MTT (Large Truck Tires)	\$4.00	\$9.00	\$9.00	\$9.00	\$14.65	\$13.50	\$9.00	\$9.00	\$3.00
<b>OFF-ROAD TIRES:</b>									
Small Utility and RV trailer Tires, (Motorcycle, Golf Cart- BC,MB,NB)	-	\$5.00	-	\$4.50	-	\$3.00	-	-	-
Forklift, Bobcat/Skid Steer Tires, Small OTR	-	\$15.00	-	-	\$22.24	-	-	-	-
Free Rolling Farm	-	\$5.00	-	\$4.50	-	-	-	-	-
Farm Drive Tires (Medium --> 16.5"-25.5")	-	\$15.00	-	\$4.50	-	-	-	-	-
Farm (24"-54")	-	-	\$15.00	\$30.00	-	-	-	-	-
Logger/Skidder Tires, Agricultural Drive Tires (Large → 26"+)	-	\$35.00	-	-	\$15.29	-	-	-	-
OTR Medium (23.5R25 Mining/Construction tires, Forestry tires, Farm and rubber tracks)	-	-	\$35.00	\$60.00	\$97.30	-	-	-	-
OTR Large(Mining/Earthmover/Construction tires 26.5-25 up to and including all 39" rim size)	-	-	\$75.00	\$135.00	\$97.30	-	-	-	-
OTR Large (33" to 39")	-	-	-	-	\$104.25	-	-	-	-