

Ontario used tire program upsets consumers

Claims of free tire recycling belies upfront charges on sale of new tires

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(Drayton, ON) With the peak tire selling upon them Ontario tire dealers are facing angry consumers over recent press releases and advertisements by Ontario Tire Stewardship (OTS) claiming that, "*Ontarians can now drop off their old tires at no charge, rest assured that they will be recycled and repurposed and not contribute to waste.*"

Ontario tire dealers are facing irate consumers who are surprised that program touted as "no charge" does involve consumer charges - tire manufacturers are passing their financial obligations to cover the costs of recovering and recycling tires to consumers by charging tire stewardship fees (TSF) on the sale of new tires into Ontario.

Ontario tire consumers can expect to pay the following TSF on each tire they buy in Ontario:

Passenger/Light Truck Tire:	\$5.84
Medium Truck Tire:	\$14.65
Agricultural Drive Tire:	\$15.30
Small Off-the-road Tire (OTR) < 23.5R25:	\$22.26
Medium OTR > 23.5R25 to 33":	\$97.38
Large OTR > 33" to 39":	\$104.34
Giant OTR > 39":	\$250.41

Says Glenn Warnica President of the OTDA, "Since September 1st 2009 many tire consumers have been surprised and angered by the unexpected TSF that they are charged when they buy a set of new tires." adding, "Tire dealers are the face of the tire industry. We bear the brunt of poor communication that infers tires can be dropped off and recycled at no charge when in fact there are up-front recycling charges on new tires."

Of note, the TSF is subject to Goods and Services Tax (GST) and Provincial Sales Tax (PST) which means the Ontario government collects \$1.87 and the federal government collects \$1.17 in tax for every passenger tire change of four tires.

The OTDA supports tire recycling and this program will certainly increase the recycling of tires. However OTS has left consumers with the impression that the program is "free".

Implemented on September 1st 2009 the OTS program supplants what was a free market system for the collection of tires. That system recovered over 95% of passenger and truck tires generated in the province annually with about half of those recycled back into rubber products and the remainder burned as tire derived fuel. That system cost Ontario consumers an average of \$3/passenger tire.

"We have consistently found that every new tire coming into Ontario irrespective of who manufactured it is bearing the same fixed stewardship fee. Not one tire manufacturer or importer has said 'we'll pick up the cost of recycling'", Warnica notes, adding, "Why would they? Every manufacturer or tire importer's fee is the same. We find it peculiar that in a tire market characterized by intense competition that everyone's tire recycling costs are the same and that consumers are given no choice but to pay."

"We are encouraged by the fact that the Ontario Government is reviewing the provincial recycling laws and that there is some consideration being given to make recycling programs more

competitive”, states Warnica, adding, “Tire manufacturers should bear the costs of tire recycling individually and not have their recycling prices set by an industry organization. Competition on who can recover and recycle their tires most cost-effectively will mean lower costs to consumers.”

The OTDA is a tire dealer association comprised of almost 650 members distributing, retailing and recovering about 50% of the passenger and virtually all of the truck tires sold in Ontario annually. The OTDA’s mandate is to promote, educate and represent its members in all areas that impact the growth and prosperity of the Tire Industry in Ontario.

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