



For immediate release:

The Rubber Hits the Road on the Huge Gap in Canada-US Tire Prices

**Senate Committee confirms discriminatory pricing of tires sold to Canadian tire dealers
result in tire prices that are on average 32% higher than in the US**

February 11, 2013 (Drayton, Ontario) The Senate Committee on Finance has confirmed the Tire Dealers Association of Canada's (TDAC) findings that discriminatory "country pricing" by tire manufacturers is forcing tire consumers across Canada to pay anywhere from 30 to 50% more for the same tires selling in the US.

"Many US-based tire manufacturers use their supplier contracts with Canadian tire retailers to force them to buy tires wholesale directly from their Canadian affiliates rather than directly through much less costly US wholesale distribution channels." Says Bob Bignell, Chair of the Tire Price Disparity Committee of the Tire Dealers Association of Canada adding, "If a Canadian retailer buys wholesale tires from a US wholesale distributor rather than through the manufacturer's Canadian sales division, both the Canadian retailer and the US distributor have their supplies of tires cut off by the manufacturer. In the end it's the Canadian tire consumer who gets gouged by higher tire prices."

Notwithstanding tire manufacturers' practices of barring cheaper US wholesale tires from being imported into Canada, even Canadian-made tires are more expensive in Canada than they are in the US. In October 2011, TDAC wrote to Finance Minister Jim Flaherty noting that, "Incredibly the wholesale prices of tires manufactured in Canada are 30% cheaper in the United States than in Canada."

Bob Bignell notes that, "Given that the US and Canadian dollars have been at parity for a long time, that many tires sold at higher prices in Canada are made here and that there are no import duties or tariffs on imported tires, there is no excuse whatsoever for tire prices in Canada to be more than 5% higher than they are in the United States. There is simply no rationale whatsoever for a tire made in Nova Scotia to cost a Nova Scotian more than an American."

Over the next year TDAC will be undertaking a number of measures to protect Canadian consumers in the next year:

- A Canada-U.S. border-wide, brand-by-brand tire price survey of passenger, light truck and medium-truck tire prices to highlight the worst offenders in penalizing Canadians on tire pricing;
- Publishing the results of those price surveys and making those results available to consumers and Canadian regulators;



Tire Dealers Association of Canada

- Petitioning tire manufacturers directly on behalf of Canadian tire consumers to get them to recognize the consumer impacts of the massive disparity between Canadian and US wholesale tire prices. The basic premise of TDAC's position to manufacturers is that "There is no excuse for Canadians paying more for tires than Americans do."

About the Tire Dealers Association of Canada (TDAC)

The Tire Dealers Association of Canada is comprised of the Western Canada Tire Dealers Association, Ontario Tire Dealers Association, L'Association des Specialistes Pneu et Mecanique du Quebec and Atlantic Tire Dealers Association representing over 2,000 tire dealers across Canada.

For further details, please contact:

Don Huff, Environmental Communication Options, 416-972-7404,
416-805-7720 (cell) or huffd@ecostrategy.ca

Bob Bignell, Tire Dealers Association of Canada, 1-888-207-9059 bbignell@otda.com