

Tire Stewardship B.C.
BOARD MEETING
September 22, 2023
Consent Agenda
(agenda item #3 on the main agenda)

Distribution List:

TSBC Board

Carol Hochu, Ken Rees, Mark Endersby, Glen Ringdal, Norm Schmidt, Adrian Courtenay, Tim Hollett

TSBC Staff

Rosemary Sutton, Joel Butler

a. Action Item list (Appendix A)

b. Executive Director's report

- Eco Fee Increase
 - TSBC has received no comments of substance from the retailers. Reminder notices will continue to be sent to ensure no-one claims they have not been told.
- Strategic Planning
 - Since the meeting in June, a final report has been worked on with timelines and resources identified. Brad has also been in touch with each board member identified as being responsible for each of the 3 pillars identified: Carol, Adrian and Glen. Brad will be at the board meeting to present the report and discuss next steps.
- Compliance
 - The issue regarding the remittance of the eco fee on tires sold via 3rd party "Marketplace" sellers continues to be on the Stewardship Agencies of BC agenda and will be raised at an SABC / Ministry meeting in October. The Ministry is making amendments to the Recycling Regulation to clarify online sellers but it does not extend to addresses the 3rd party marketplace sellers. The Ministry consulted with TSBC on the amendment to the Recycling Regulation during which TSBC took the opportunity to comment on the lack of compliance efforts by the Ministry and the need to amend the Regulation in the future to address the marketplace issues. However, it is becoming apparent as these conversations continue that it may be Federal legislation that is required, not provincial. Any further updates will be provided by email or at the next board meeting.
- Communications & Outreach
 - A copy of the August Social Media report is attached as **Appendix B.**
 - Bianca will present at the September meeting on YTD activities and results, where possible, including the community outreach teams' activities. The annual consumer awareness survey is underway, but the results will not be available until the December board meeting.
 - TSBC will have a booth at the UBCM conference and tradeshow Sept 19-21. This has always proven to be a worthwhile tradeshow as the attendees are Ministers, Local Government and Mayor and Council.
 - TSBC is also experimenting this weekend with a tire collection event in Kelowna by having a company on site to de-rim any tires and another company to take the rims – both are participating for free. The intention of this is to reduce the costs (and GHG) to TSBC for transporting the rimmed tires to Delta, and to pay for the de-rimming on site at Western. If

- this is a success, TSBC will try to take this approach with future collection events and could be used to promote a TSBC environmental success story.
- Directors are encouraged to view our [News and Update](#) section and the [Community Events](#) section on the TSBC web site.
 - CATRA
 - The 2023 annual meeting is scheduled for Oct 1 -3 in Halifax, followed by the Tire & Rubber Association symposium Oct 4 & 5. Glen, Rosemary and Joel will be in attendance.
 - Transportation Incentive Model Review
 - This project was initiated because of discussion at the June board meeting and the request from Neil for a 10% increase in the transportation incentive. This project was split into 3 phases of which Phases 1 & 2 are done and will be reviewed with the team at Western on Sept 15. A summary of the project will be on the main agenda.
 - Succession Planning
 - This was another project identified at the strategy session in June, this is well underway with oversight by the HR committee and the committee will report out at the board meeting with a summary document provided to the board prior to the meeting.
 - Regulation of non-program OTRs
 - TSBC has been working with Kal to initiate the process to request non program OTRs up to 39" are regulated. TSBC has also spoken with the Ministry, who for the first time in many years did not reject the idea outright. The committee's report will be on the main agenda.
 - Budget and Audit
 - TSBC will start the 2024 budget process in the coming weeks, presenting a final draft to the board 2 weeks prior to the December board meeting. The 2023 audit will start late October with the auditors on site in early November. These 2 significant pieces of work will be driven by me but our new Finance Administrator, Dianne, will play an integral role in ensuring its success.
 - Work with Tyre Stewardship Australia
 - I would like to thank the board for allowing me to accept the request from TSA to attend a weeks' worth of meetings with the TSA team and presentations to its stakeholders. There were 11 meetings / presentations in total, ranging from internal meetings with the TSA staff, the Minister of Environment, the Minister's staff, local state officials, local government, Federal Auto Makers Assoc, haulers, recyclers, retailers, tire manufacturers etc. TSA currently runs a voluntary program with some tire manufacturers and very few auto makers participating by remitting a 25-cent fee on every tire. This money is used to fund research and the development of a regulated program. The haulers and recyclers are funded by the retailer that charges a tipping fee charged to the consumer when the scrap tire is returned for recycling. As I am sure you can imagine, this approach is not leading to great environmental outcomes and the cost to the consumer is very high. TSA wishes to adopt a program like the BC model but with revenue at the brand owner/first importer level vs retailer. My role was to present the BC model and to show the significant environmental, economic and social benefits of moving from a ministry led program to an EPR regulated program. Also, in attendance to present at these meetings were the CEO from Italy and the CEO from NZ – the NZ program is set to launch February 2024 and were possible they have

also followed the BC model as we had assisted that team back in 2011 when they first started their journey. Neil Bansal was also asked to present at a few of these meetings as a recycler who has worked in both environments and to speak firsthand about operating under a regulated environment. I am happy to speak further to this at the meeting if you wish.

c. Operations Report

Revenue statistics (includes all revenue)

Tire Category	YTD Jul 31, 2023 vs. YTD Jul 31, 2022 - % Change
PLT	0%
MT	-11%
AG	5%
LS	-19%
ALL	-2%

RIV revenue 16%

- Overall revenue split for YTD Jul 31 2023 compared to YTD Jul 31 2022 is approximately:
PLT 76% (74%), MT 22% (24%), AG 1% (1%), LS 1% (1%)

Please find below the new report on revenue by business type by tire type for PLTs and MTs. TSBC is seeing a rebound in the PLT category but the MT category continues to see a decline. There will be discussion at the board meeting under the Audit & Investment committee report as this has been discussed in detail including outreach to TRAC, Kal and other provinces for information.

Medium Truck Tires – we have 4 business types (in yellow) that represent 88% of our revenue that are down on average by 13%. TSBC staff will also be conducting a deeper dive but please keep in mind we did see a banner year for MT sales in 2022, so the comparative numbers are a bit misleading.

MTs	2023	Jan to July 2023 vs 2022
Business Type	Total Fee %	% difference
Auto Service	4.71%	23.96%
Auto Service Chain	0.11%	20.47%
Equipment Dealer	15.39%	-21.90%
Mass Merchandiser	0.99%	36.07%
Motorcycle Dealer	0.00%	-92.62%
National Account	8.79%	-15.36%
New Car Dealer	1.52%	49.75%
Other	2.75%	-13.96%
RV Dealer	0.24%	28.97%
Tire Dealer	30.09%	-15.70%
Tire Retail Chain	34.06%	-4.90%
Tire Wholesaler	0.64%	-12.01%
Trailer Manufacturer	0.71%	-45.53%
Total	100.00%	-11.28%

Passenger & Light Truck Tires – the only story here is that we eventually see the New Car Dealer category sales start to grow and is expected to continue climbing.

PLTs	2023	Jan to July 2023 vs 2022
Business Type	Total Fee %	% difference
Auto Service	4.51%	3.14%
Auto Service Chain	0.71%	12.15%
Equipment Dealer	1.25%	-7.75%
Mass Merchandiser	10.48%	-2.44%
Motorcycle Dealer	2.52%	-3.15%
National Account	0.97%	7.45%
New Car Dealer	39.95%	6.26%
Other	2.55%	0.16%
RV Dealer	0.77%	-27.60%
Tire Dealer	10.59%	-7.09%
Tire Retail Chain	23.08%	-3.33%
Tire Wholesaler	2.31%	-15.90%
Trailer Manufacturer	0.32%	-37.30%
Total	100.00%	-0.34%

Measures, Targets and Results - Important to note is that none of the targets are approved by the Ministry – the targets presented are the ones put forward in the new plan.

1. Recovery Rate Targets (units collected / units sold from 5 years prior)

	2023 Target	As of Jul 31, 2023	YE 2022
Total	90%	101%	89%

Recovery rate above 100% but units sold typically rise in Q3 and Q4 while units collected will drop relatively speaking which will drive down the recovery rate.

PLT makes up approx 90% and MT approx 10% of the units collected and sold.

AG and LS units collected and sold have a negligible impact on the overall recovery rate.

2. End Fate Targets (Pollution Prevention Hierarchy)

Component (Target%)	YTD Jul 30, 2023 (2022 actual)			Total
	Recycle	Energy Recovery	Landfill	
Rubber (88,11,1)	87.7 (95.5)	9.8 (3.1)	2.5 (1.5)	100%
Steel (100,0,0)	100.0 (100)			100%
Fibre (0,98,2)		100 (100)	0 (0)	100%

For YTD Jul 2023 compared with 2022 within Recycle, all steel and fibre is recycled and the relative mix of crumb to mulch is 81:19 vs 78:22 for last year.

Western must seek approval from TSBC if directing more to Energy Recovery than budgeted.

#	Measure	2023 Target	YTD Result*	2022 actual
3	Number of collection sites (i.e., registered retailers that will take back a scrap tire from the consumer at the time a new tire is sold)	1,850	2,095	2,059
4	a) Total number of retailers and generators in BC that take back orphan tires (R2R) b) Number of R2Rs in each Regional District	a) A minimum of 25% of "registered retailers" ~ 525 b) At least 25% of registered retailers in each Regional District are R2R locations	787 28 of 28	775/800 target Achieved
5	Education and Awareness a) Awareness of where to take scrap tires for safe disposal b) Awareness of where to go to find information on safe disposal locations	a) Maintain or increase awareness level of 61% b) Maintain or increase awareness level of 77%	N/A** N/A	47% 61%

*As of Jul 31, 2023 ** Survey will be Fall 2023

Compliance & Education

There are currently four IntegriServ resources working on the reviews (varying degrees of time). As required, additional resources will be retained to ensure as many reviews as possible are conducted.

2023 TSBC reviews – conducted by IntegriServ

- 152 reviews completed or in progress as of August 31, 2023
- Costs YTD: \$81,000 (~\$11,000 relates to work to finalize 2022 reviews)
- Revenue YTD: \$41,175

Compliance Review Survey

- Three surveys returned – responses positive including an additional comment that the reviewer was professional and easy to deal with.
- The return rate of surveys is extremely low despite being encouraged to do so. The process will continue so the retailer is aware their opinion matters.

Planning

- Most reviews will continue as desk audits – less expensive approach and much preferred by retailer. On site will occur either at the request of the retailer or if TSBC determines this is the best approach for a particular retailer.

Errors

- Wrong ADF rate applied to tire (PLT rate on MT tires).
- ADF not remitted on tires sold via service departments at new car dealerships.
- ADF omitted due to manual invoicing errors.

- Internal accounting staff errors - monthly reconciliation issues, calculation errors.
- System issues at NCD resulted in omission of ADF on new vehicle leases and on some vehicles.
- NCD applying ADF on 5 tires whether vehicle has a spare or not.
- Refunds due to several accounts as retailers paid TSBC and also paid their wholesaler. Common cause is lack of staffing, inexperienced / poorly trained staff.

CATRA Harmonized Compliance Reviews – conducted by IntegriServ

2023:

- Reviews have been completed for - Mitsubishi Motor Sales Canada, Groupe Touchette (Dealer Tire/Tirelink), Toyo Tire Canada, PartsEngine.ca
- Les Pneus Moins Chers Inc (PMC Tire), Hyundai Auto Canada Corp. – both in “final review by agencies” stage
- Canadian Tire Corp., TireDirect.ca – reviews are in progress, completion expected in November
- **2023 costs billed to date:** \$4,300 (related to 2022 reviews) and \$6,000 for 2023 reviews.
- **Revenue YTD:** \$6,182
- **2021 review:** Quattro Tire – very little progress - participant remains un-cooperative – likely that individual agencies will conduct their own reviews (with assistance from their legal support)

Grant Program

- The program opened on June 5th with applications accepted until July 31. TSBC received 22 applications and has selected 10 projects totaling \$250,000 (grant budget). The recipients will be advised the week of Sept 11, with a press release issued shortly after announcing the grants awarded. The location of the recipients ranges from south island to lower mainland in addition to Osoyoos, Prince George, Sparwood and Squamish. A couple will be high profile as they are a clean up of previous homeless encampments – Oppenheimer Park in Vancouver and Rutledge Park in Victoria.

d. Partnership reports

- Western Rubber – monthly meetings continue to occur – June 22, July 26, Aug 25 and the next scheduled meeting is Sept 25. There will be a report on the main agenda.
- Lehigh
 - No meeting held.
- North West Rubber
 - Meeting scheduled for September 18 – report on main agenda
- Advisory Committee
 - Meeting held June 7, 2023, nothing scheduled for the remainder of 2023.
- Ministry of Environment & Climate Change Strategy (Ministry)
 - TSBC met with senior Ministry staff to discuss the regulation of non program OTRs. The OTR committee will provide an update on this work on the main agenda.
 - The Ministry appears to be trying to get their operations in order and prioritize their work. SABC will meet with the Ministry in October, the same day as the members meeting.
- Stewardship Agencies of BC (SABC)
 - Meetings held (member & committee): Numerous committee meetings have been held and next member meeting is scheduled for October 24.
 - In addition to being on the Policy committee, TSBC is also on the Governance Committee and will likely be on the Executive as of this October.

e. Board committee reports

- Audit & Investment committee
 - Meeting held August 28 – report on main agenda.
- HR Committee
 - Meeting held August 23 – report on main agenda.
- Market Development Committee
 - No meeting was held.
- Governance Committee
 - Meeting to be held September 11 – report on main agenda.
- OTR committee
 - Meeting to be held September 20 – report on main agenda.

f. Board Calendar (Appendix C)