



The Scrap Tire Management Regulations

Product Stewardship Program Guidelines

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The Scrap Tire Management Program is an important recycling initiative for the people of Saskatchewan. The program focuses on collection, transportation and recycling of tires no longer suitable for their original purpose because of wear, damage or defect (i.e. scrap tires).

The following guidelines are intended to provide clarity on how best to establish, maintain and meet the regulatory requirements for a successful and sustainable tire stewardship program in Saskatchewan. The guidelines provide an overview of the minimum requirements and contents of the Product Stewardship Program (PSP), program operator reporting requirements, important considerations, and PSP evaluation criteria.

The Scrap Tire Management Program is designed to:

- Place the cost of recycling or environmentally sound disposal of scrap tires on the consumer, retailer and manufacturer;
- Divert scrap tires away from disposal at municipal landfills and increase the lifespan of landfills;
- Provide universal access to the program, including service to northern and remote communities;
- Limit health and environmental concerns associated with stockpiled scrap tires through solutions and prevention;
- Ensure compliance with acceptable uses and manufactured products for processed tires; and
- Encourage a sustainable industry that benefits the people of Saskatchewan.

1. Product Stewardship Program Development and Process Overview

The Scrap Tire Management Program is managed as an Extended Producer Responsibility (EPR) program, which identifies end-of-life product management as the responsibility of producers and consumers. As such, first sellers are legally obligated to operate a scrap tire recycling program, or have an entity operate a program on their behalf. The source of this legal obligation is *The Environmental Management and Protection Act, 2010* (the Act) and *The Scrap Tire Management Regulations, 2017* (the Regulations). Under the Regulations, a first seller is defined as:

- a. A manufacturer, distributor, owner or licensee of intellectual property rights of a tire that is sold, offered for sale or otherwise distributed into or in Saskatchewan;
- b. A vendor of a tire outside of Saskatchewan and who, as an ordinary part of his or her business, sells tires to consumers in Saskatchewan;
- c. A person or business that imports tires into Saskatchewan for resale in Saskatchewan; or
- d. A person or business that purchases tires outside of Saskatchewan for use in Saskatchewan.

As part of the Scrap Tire Management Program, a first seller who operates or intends to operate a PSP, or a person or organization who operates or intends to operate a PSP on a first seller's behalf, is required to apply to the Minister of Environment by submitting a PSP and any other relevant information required for approval. During development of the PSP and prior to submission, stakeholders should be consulted to ensure the proposed program will meet their needs. Approval will be accompanied with an Approval to Operate, which may include terms and/or conditions that the Minister considers are in the best interest of the public. The program operator is obligated to be in compliance with any such terms and conditions.

Every three years from the date of approval, the program operator must review the approved PSP and seek approval from the Minister on any proposed amendments to the PSP, or notify the minister in writing if no amendments are expected. This process may include review by an external third party. If a PSP is not operating in accordance with the Act, the Regulations, the terms and conditions of approval, or is failing to act in the public’s best interest, the Minister may amend the approval by imposing new or additional terms and conditions, or suspend or cancel the approval. The guidance material will be updated every three years to remain a relevant and valuable reference for updating a PSP.



2. Tire Stewardship Roles and Responsibilities Overview

The following table provides an overview of the roles, responsibilities and obligations of each stakeholder within the scrap tire stewardship system in the province. Role definition is important for enabling robust governance, accountability and oversight, as well as strong collaboration to support positive outcomes for all stakeholders involved.

Tire Stewardship Participant	Role and Responsibilities
Provincial Government	The Minister of Environment is responsible for establishing the mandate for tire stewardship in Saskatchewan through legislation and regulations. The Ministry of Environment is responsible for ensuring first sellers comply with the Regulations, including approving Product Stewardship Programs (PSPs). The ministry is responsible for monitoring the operator’s adherence to the details of the PSP and conditions put on its approval, including regular audits and penalties for non-compliance. In addition, the ministry as the regulator enforces compliance of environmental standards and acceptable uses with tire processors located within Saskatchewan.
Saskatchewan First Sellers	First sellers in the province are responsible for establishing a tire recycling program for scrap tires or to participate in a recycling program operated on their behalf. First sellers are responsible for registering with the program and remitting consumer-paid tire recycling fees to the program operator for tire collection, transportation and recycling. First sellers must adhere to standards related to tire storage on site and ensure fee remittance and collection is completed on a regular basis.
Program Operator	The approved program operator is responsible for executing the approved PSP to manage the tire recycling program on behalf of the first sellers. The program operator is expected to focus on the necessary activities to administer an effective and cost-efficient system for managing scrap tires to end-of-life and for responsible reuse, including supporting a sustainable tire recycling industry in Saskatchewan. The program operator must build positive working relationships for collection, transportation and recycling of scrap tires in the province to bring the most benefit for Saskatchewan consumers and businesses.
Tire Processors	Processors are responsible for the safe and environmentally responsible processing and recycling of scrap tires into acceptable uses and end products for sale into the market. Processors must obtain an approval to operate from the Ministry of Environment and provide the required financial assurances to address reclamation of tires in the event the processor discontinues business. Processors must comply with all applicable regulations and standards put forth by the ministry related to acceptable end uses, site storage, unlawful dumping, etc. Processors should be focused on market development and value-added products to build sustainability beyond processing incentives.
Tire Collectors	Collectors are responsible for the timely collection of tires from retailers and transportation of these tires to processing and recycling facilities. Collectors should develop positive working relationships with fellow collectors to ensure efficient and cost-effective collection and transportation of tires.
Municipal Governments	Municipalities are responsible for ensuring any processing and recycling facilities adhere to requirements within their community plans and bylaws. This includes enforcing building code requirements as per the National Building Code of Canada, and enforcing fire code requirements under the National Fire Code and <i>The Fire Safety Act</i> . Local municipalities should have systems in place to complete proper compliance inspections and ensure the safety of the community.

3. Product Stewardship Program Requirements

The following provides an overview of the requirements and additional instructions that must be included in the PSP, as outlined in section 5 of the Regulations. All program plans, fees, obligations, practices, standards, and other details should be contained within a single PSP document, with no reference to past Product Management Program documentation.

The resulting PSP should support the development and operation of an effective scrap tire management program that incorporates regular collaboration, transparency and accountability to increase recycling outcomes, and promote a healthy and sustainable tire recycling industry in the province.

3.1 Governance, Management and Stakeholder Collaboration

There are many key stakeholders and participants involved in the scrap tire stewardship system. Strong collaboration is essential to achieve the intended outcomes of the program. All participants and stakeholders need to collaborate, integrate and support one another to manage scrap tires through to a useful end life based on the importance of recycling, accounting for reduced greenhouse gas emissions, avoiding hazardous stockpiling, and increasing sustainability for the industry. The program operator plays a critical role in creating and nurturing effective collaboration. It is essential to have clear definitions of roles, responsibilities and lines of accountability for an effective and efficient system to get the best value for consumer-paid recycling fees. Transparency and open communication are critical.

The governance and management structure for the program should be detailed within the PSP and should ensure efficient and effective operation. Preferred governance features may include:

- a. The establishment of a non-profit corporation, with members consisting solely of industry members (i.e. first sellers) with sufficient Saskatchewan interests.
- b. A corporation board of directors that includes three to five members representing and nominated by industry. In addition, the board should include sufficient Saskatchewan representation and independent experts to provide a strong mix of skills and competencies in program leadership, accountability, and end-of-life product management. Further details should be provided in terms of how the board will develop and manage good governance policies, including bylaws, code of ethics and conflicts of interest.
- c. The establishment of an advisory committee of industry and key stakeholders for regular and meaningful dialogue, advice and input. The advisory committee receives feedback from industry and stakeholders regarding key strategic and program decisions, improvements and new opportunities. The PSP should also define details on the role of the advisory committee in supporting the operation of the program, including demonstration of representation from key stakeholders, provincial and municipal governments, and related associations, retailers, processors, collectors and environmental and recycling interest groups. Independent experts may also participate in the advisory committee to provide objective advice on best practices. SARM and SUMA are recommended as founding members on the advisory committee. For more detailed input and discussion on various aspects of the program, the advisory committee could consider including working groups focused on specific components of tire stewardship (i.e. retailers, collectors, processors, etc.).

3.2 Program Operation and Management

a. Tire Recycling Fees and Remittance:

The program operator is responsible for establishing a process for setting fees. In developing the proposed fees, it is essential that the program operator consult with first sellers and the advisory committee. The PSP must provide details on:

- The process for setting fees and the proposed fees for the PSP period. Fees must be reasonable, minimize cross-subsidization, and align with industry and consumer expectations.
- The approach to be utilized for developing and managing an effective system for fee collection and remittance on behalf of the first sellers.
- The approach for auditing Saskatchewan tire retailers to ensure they are collecting and remitting fees paid by consumers on a regular basis.
- The documentation that will be regularly provided to retailers regarding their credit balance. A retailer's credit balance is based on the fees collected by the retailer and remitted to the program operator. The number of tires collected by the program operator depends on the retailer's credit balance.

b. Scrap Tire Collection and Transportation:

The program operator is responsible for establishing and managing an effective and efficient process for tire collection, including collection and transportation of scrap tires in a manner that will result in the smallest possible amount of greenhouse gas emissions. The program operator will secure and manage contracts with tire collectors to ensure timely pickup at locations throughout the province and transportation to processing and recycling facilities. Timely collection will ensure tire retailers can adhere to standards related to tire storage on site. As such, it is important for the program operator to have oversight mechanisms in place to ensure tires are collected regularly.

The program operator should determine a fair payment structure for collectors that considers haul distances and tire volumes. In addition, scrap tires should be transported directly to a processor whenever possible, unless an extraordinary circumstance exists in which a processor does not have capacity to accept additional tires. Use of marshaling yards should be eliminated or minimized. Tires should be transported directly to a regulated processor in compliance with environmental and permitting obligations.

The PSP must provide details on how the program will address requirements for scrap tire collection and transportation, including:

- How the program will accept all types of scrap tires for collection, recycling and management.
- How scrap tires will be collected and recycled in all areas of Saskatchewan, including municipal stockpiles and scrap tires at legacy processing facilities, and collection services in northern and remote communities.
- How contracts will be managed with collectors.
- How the collection and transportation of scrap tires will minimize greenhouse gas emissions.

c. Scrap Tire Processing and Recycling:

The program operator is responsible for establishing comprehensive contractual arrangements with processors to provide clear obligations, allow for effective and efficient planning of tire shipment flow, and enable sustainability for the Saskatchewan scrap tire industry. Processors are responsible for the safe and environmentally responsible processing and recycling of scrap tires into acceptable uses and end products. The figures below provide acceptable and non-acceptable uses for scrap tires.

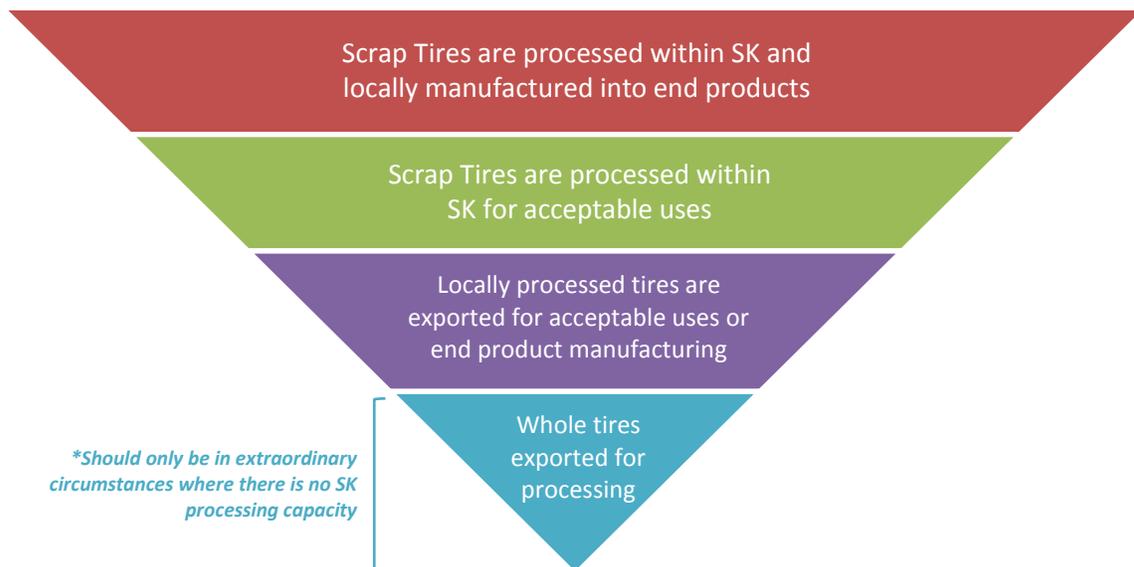
As the regulator, the Ministry of Environment will be responsible for establishing and enforcing environmental standards for processors in Saskatchewan, including permitting and licensing requirements. Processors will be required to provide financial assurances for potential reclamation costs should a processor become insolvent or bankrupt. The ministry will work with the program operator to develop a retailer compliance and enforcement plan. To encourage industry sustainability, the program operator should adhere to the industry sustainability and best management framework outline in the figures below.

Acceptable and Non-Acceptable Use Framework

Acceptable Uses and End Products	Prohibited Uses
<p><u>End Products:</u></p> <ul style="list-style-type: none"> • Moulded or manufactured products • Examples include mats, vehicle ramps, traffic cone weights, paving stones, parking curbs, landscape mulch, planters, mud flaps, truck box liners, feeders, livestock application, blast mats, sidewall rings and die cut. <p><u>Acceptable Uses:</u></p> <ul style="list-style-type: none"> • Culled tires for safe re-use and retread. • Tire shred for civil engineering • Crumb rubber material or modifiers for tire derived aggregate and paving for roadways, walkways, playground material, sports track and roofing material. • Tire derived fuel. 	<ul style="list-style-type: none"> • Improper storage and stockpiling • Illegal dumping • Unlicensed burning • Non-compliant geotechnical projects • Landfilling

Please note: The acceptable and non-acceptable end uses listed in the table above are not exhaustive, and other acceptable end uses may be developed as technology advances. Additional end uses should be discussed with the ministry, the program operator and the processor.

Saskatchewan Industry Sustainability Hierarchy – Best Management Practices



The PSP must provide details about how the program will address requirements for scrap tire processing and recycling, including:

- How the PSP will adhere to the Saskatchewan Industry Sustainability Hierarchy – Best Management Practices provided above.
- How contracts and processor reporting will provide clear guidelines and allow for better planning regarding tire shipment flow.
- How contracts will be managed with processors to ensure adherence to acceptable uses, end products and prohibited uses.
- How the payment model will provide incentives for processors to recycle scrap tires quickly, reduce the risk of stockpiles, account for the market in Saskatchewan, and recognize potential challenges with economies of scale that may exist in the province.
- How the program will enable a stable environment for industry to invest and support best practices to encourage industry sustainability in the province.
- How the program will encourage research and market development for the provincial tire recycling industry.
- The processes that are in place to ensure appropriate end use and processing.

d. Other Key Program Components:

The following additional elements must be addressed in the PSP to ensure an effective scrap tire program, address public safety and environmental issues, promote an accountable and collaborative EPR model, and encourage a sustainable tire recycling industry in Saskatchewan:

- Clearly defined outcomes and expectations, including performance measures.
- An accounting system for the number of scrap tires collected, transported and recycled by the first seller or the program operator.
- How contracts will be managed with other third-party contractors or service providers.
- A description of the program operator’s provisions to ensure all federal, provincial and municipal laws are followed by the operator, processors, collectors and other contracted parties. The PSP must include inspection and auditing processes for the collection and processing of scrap tires.
- How the program will be funded, administered and managed to support getting the most value from the recycling program for the collected tire recycling fees.
- The quality control and assurance aspects of the program, including tracking and auditing mechanisms that will be used by the program operator to ensure first sellers, collectors, and processors are meeting their respective obligations, and the program is delivering a high value program.
- The manner in which disputes related to the program will be resolved to ensure fair, transparent and unbiased independent processes from all perspectives.
- A cost-effective public education, awareness, and communication strategy for the program.
- How the program will address legacy stockpiles and prevent future stockpiling.

4. Reporting Requirements

Accountability, transparency and open communication are critical components for a successful tire stewardship program. It is important for consumers, first sellers and stakeholders, including provincial and municipal governments, to be aware of the results of the program. As such, the following reporting requirements are included under the Regulations and should be observed by the program operator and the ministry:

4.1 Quarterly Reporting

As outlined in section 9 of the Regulations, the program operator must submit quarterly reports to the Minister, outlining activities of the program during the reporting period, including:

- Description of tire shipments, including the volume and type of tires shipped to each shipping destination; and
- The end use at each shipping destination.

4.2 Annual Reporting

As outlined in section 10 of the Regulations, the program operator must submit an annual report each year to the Minister outlining activities of the program during the reporting period, including:

- The number of tires sold;
- The number of scrap tires recycled, and the manner and location in which tires were recycled;
- The number of stockpiled scrap tires recycled and the manner in which they were recycled;
- The names of the first sellers; and
- Any other information that the Minister may reasonably require.

4.3 Ministry Reporting

The Minister is required to post the Approval to Operate for the PSP and any notices of cancellation or suspension on the government's website.

5. PSP Evaluation

In evaluating a PSP submission, the Minister may consider a number of criteria. Among other things, the Minister will need to know if the proposed PSP:

- Addresses the requirements prescribed in *The Scrap Tire Management Regulations, 2017* and the guidance document.
- Provides province-wide tire recycling and collection, including services in northern and remote communities.
- Is financially able to cover the costs of managing the program, and delivers the best value and outcomes from tire recycling fees paid by consumers.
- Incorporates collaboration, consultation and feedback mechanisms with industry and key stakeholders related to important program decisions, operations and management.
- Demonstrates strong communication, transparency and accountability with industry, stakeholders and the public for an effective and efficient operation.
- Manages greenhouse gas emissions related to the collection and transportation of scrap tires in a manner that will result in the smallest possible amount of greenhouse gas emissions.
- Promotes a climate for industry investment and sustainability in the province.
- Incorporates the Saskatchewan Industry Sustainability Hierarchy – Best Management Practices and Acceptable and Non-Acceptable Use frameworks.
- Outlines short- and long-term plans to clean up legacy stockpiles in Saskatchewan and tools to prevent stockpiling of scrap tires in the future.