

May 8, 2023

Honourable Dana Skoropad
Minister of Environment and MLA for Arm River
Room 340, 2405 Legislative Drive
Regina, SK, S4S 0B3

Re: Concerns Regarding Tire Stewardship Program

Dear Minister Skoropad,

NSBA – Saskatoon's Business Association is a member service organization that goes above and beyond by serving, protecting, and promoting its members and businesses in Saskatoon and beyond. One of our purposes remains to share the Saskatchewan success story with the world. That being said, the recent news regarding the potential closure of the 30-year-old Saskatchewan company Shercom Industries raises several issues that warrant reconsideration.

Today, I am writing to express the NSBA's deep concern regarding the recent decision by Tire Stewardship of Saskatchewan (TSS) to redirect the free market supply of recyclable tires away from the reputable Saskatoon-based company, Shercom Industries. Over the course of its existence, which has seen many competitors try and fail, Shercom has built its supplier network in Saskatchewan. With the injection of a competing company, which market conditions do not likely support if past performance is any indication, collection of these tires will now fall to an American company that does not have a plant operating in Saskatchewan.

Shercom Industries has long been a trusted and valued contributor to the tire recycling industry in Saskatchewan. The company has demonstrated a strong commitment to environmental stewardship and has played a crucial role in diverting tires from landfills while creating valuable recycled rubber products. Shercom exports about 15,000-20,000 pieces of manufactured moulded goods out of the Province every week, which has returned approximately \$40 million to the Province. Their local presence in Saskatoon has contributed to the provincial economy and provided employment opportunities for residents, creating over 130 jobs.

Redirecting the supply of recyclable tires to an American company raises concerns about the environmental impact, economic implications, and loss of jobs which is currently occurring. Today Shercom has had to reduce its staff size to 75 staff, being forced to lay off employees that have had a 15-20 year career with Shercom. Shercom Industries has established itself as a leader in the tire recycling industry and has made significant investments in infrastructure, technology, and expertise within the Province. Their expertise and presence ensure that tires are processed responsibly and efficiently, reducing the environmental burden.

Moreover, supporting local businesses like Shercom Industries aligns with the principles of promoting a sustainable and circular economy that works for Saskatchewan people. By redirecting the tire supply to an external company, the NSBA believes this risk undermines the progress made in the Province and the local economic benefits derived from Shercom's operations.

The NSBA understands that Tire Stewardship of Saskatchewan (TSS) is an independent non-profit organization. This independent body also operates under the authority of The Tire Stewardship Regulations established under *The Environmental Management and Protection Act, 2010*, which your

Ministry, the Ministry of Environment, oversees. For this, the NSBA respectfully requests that the Province consider the two recommendations outlined below.

NSBA recommendations:

- The Ministry of Environment intervenes to investigate the TSS decision further and take appropriate action to ensure a viable recycling and rubber manufacturing industry remains in the Province.
- The Province does not intervene with the free market system presently in place in the tire collection and recycling industry.

We strongly urge you to give due consideration to the recommendations put forth. The NSBA appreciates your attention to this matter and would welcome an opportunity to discuss this issue further.

Sincerely,



Keith Moen
Executive Director
NSBA – Saskatoon's Business Association

Cc: Hon. Scott Moe, Premier of Saskatchewan
Hon. Don Morgan, MLA for Saskatoon Southeast
Hon. Gordon Wyant, MLA for Saskatoon Northwest
Hon. Paul Merriman, MLA for Saskatoon Silverspring-Sutherland
Hon. Bronwyn Eyre, MLA for Saskatoon-Stonebridge-Dakota
Mr. Ken Cheveldayoff, MLA for Saskatoon Willowgrove
Mr. Marv Friesen, MLA for Saskatoon Riversdale
Ms. Lisa Lambert, MLA for Saskatoon Churchill-Wildwood
Mr. David Buckingham, MLA for Saskatoon Westview
Mr. Terry Jensen, MLA for Martensville-Warman