

September 2, 2014

Nova Scotia Environment
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Revising Our Path Forward Consultation

I am writing to express the Mining Association of Nova Scotia's (MANS) concerns about the proposed off-the-road (OTR) tire recycling program discussed Nova Scotia Environment's solid waste consultation paper, "Revising Our Path Forward."

Because NSE did not make us aware that it is considering applying a recycling fee to tires used in our industry, and we only learned of the issue through the media a few days before the August 1 deadline to provide comments, we informed NSE on August 1 that we were unable to meet the deadline. We respectfully request that our comments now be given due consideration and that we be included in any additional discussions related to the OTR tire recycling issue.

Background

While the mining and quarrying industry is a large and important industry in this province – we employ 5500 people and generate \$420 million per year in economic activity – we also face significant challenges:

- The Ivany Commission said traditional industries like mining and quarrying "will provide the essential foundations for Nova Scotia's rural economy."¹ At the same time, Ivany also highlighted the significant challenges our industry faces.
- According to 2013 research commissioned by the Department of Natural Resources, Nova Scotia's mining and quarrying industry lost approximately 800 jobs in the past five years, and its economic output shrank by \$80 million per year.²
- According to PricewaterhouseCoopers, we are the highest cost jurisdiction in Canada in terms of tax/royalty payments to the provincial government.³
- According to the Fraser Institute's global survey of mining executives, Nova Scotia is seen as the least attractive province for mining companies to invest in, and government

¹ <http://onens.ca/>, page 54

² http://novascotia.ca/natr/meb/data/pubs/13ofr03/ofr_me_2013-003.pdf

³ www.pwc.com/ca/canminingtax, see exhibit 6, page 21 of the 2013 edition

policies are a major reason.⁴ 2013 was the fifth year in a row that Nova Scotia ranked last in Canada.

Our industry faces significant challenges, both because of the global downturn in the industry and because of Nova Scotia-specific policies that are preventing the industry from growing and creating jobs for Nova Scotians.

Comments on OTR Recycling Proposal

The modern mining industry has an excellent track record of environmental management and we believe in reducing our environmental footprint as much as possible. However, while we agree that used OTR tires from mine and quarry sites should not end up in landfill or be buried, we do not believe that is generally happening with our tires today. We are therefore concerned that extending the tire recycling program to OTR tires used in our industry, and imposing significant new tire recycling fees on us, would create additional costs and environmental impacts, and harm the industry financially, to solve a “problem” that we believe does not really exist.

We Reuse our Tires

While each company handles its used tires based on its unique circumstances, most OTR tires used in our industry are reused in various ways, including:

- Retreading them if the tire casing is still good and the tire’s life can be extended. Tires can often be retreaded several times;
- Cutting them up and using them as blasting mats;
- Using them as bumpers on docks;
- Using them to build retaining walls, berms and guards which contribute to both safety and improved environmental management on mine/quarry sites; and
- Selling/giving them to others who can reuse them, such as farmers who also have need of structures like retaining walls and berms, and who may require less tread on their tires than our members.

Reusing tires on mine/quarry sites is the simplest and most cost-effective way of dealing with them. It eliminates the need for a new recycling fee at the time of purchase which would be an additional cost for companies – ranging from several thousand dollars per year up to tens of thousands of dollars per year depending on the fee structure, the size of the tires a company uses and the number of tires they purchase each year.

Reusing these tires, which range in weight from hundreds to several thousand pounds each, is also the most environmentally-responsible way of dealing with them. It does not require transporting them from all over the province to a centralized recycling facility, processing them

⁴ <https://www.fraserinstitute.org/research-news/display.aspx?id=20902>

and then transporting them again to their next use, all steps that would create costs and additional energy consumption and emissions.

The three Rs – reduce, reuse, recycle – deliberately put “reuse” before “recycle.” Put simply, used tires are useful to our members so they reuse them. Reusing them on mine/quarry sites is a better, cheaper, more environmentally-responsible way to deal with used tires than creating a new OTR tire recycling system.

No Market for TDA

All recycled tires in Nova Scotia are currently processed into tire-derived aggregate (TDA), a product for which there is almost no local market. Nova Scotia roadbuilder and construction companies, a number of whom are MANS members, use traditional rock aggregate, not TDA, because rock aggregate is competitively priced, good quality and relatively easy to access throughout the province.

In contrast, the cost of trucking TDA to a construction site is very high unless the site happens to be close to the tire processing facility – vast quantities of TDA are required for construction and therefore very large numbers of trucks must be used, which makes TDA uneconomical in most cases. Also, the light weight of TDA compared to regular rock aggregate makes it unsuitable for most roadbuilding and infrastructure projects. The province’s own Department of Transportation and Infrastructure Renewal, for example, uses almost no TDA and a March 2014 Chronicle Herald article says a short access ramp recently built at a Metro Transit facility was the first time TDA was used in a Nova Scotia road.⁵

A list of projects that used TDA in the past two and a half years, which was recently shared with us by the Resource Recovery Fund Board (RRFB) and Nova Scotia Environment, illustrates the extent to which there is almost no demand for TDA in Nova Scotia.⁶ The list mentions only thirteen projects (including minor uses such as “drainage for flower pots”), and says a total of 33,631 tons of TDA were used. However, almost two-thirds of the TDA (20,939 tons) was used by Halifax C&D, the company that does the tire recycling. The fact that Halifax C&D has used so much of the TDA on its own properties highlights that it has been unable to find other buyers for it.

It is also worth noting that Halifax C&D gets two separate fees for its role in tire recycling: one fee for recycling the tires into TDA, and another “marketing” fee for selling the TDA back into the market. We understand from RRFB that Halifax C&D received the marketing fee for the 21,000 tons of TDA it used on its own sites, including the 19,000 tons it recently buried at 108 Lohnes Rd. in Milford (next to Casey Concrete at exit 9 on highway 102). While we have no comment on the appropriateness of Halifax C&D receiving a sales fee for TDA it has not actually

⁵ <http://thechronicleherald.ca/business/1193205-hittin-the-road-on-recycled-tires>

⁶ The list is appended.

sold, the arrangement further highlights that the market does not want the TDA that the current tire recycling system is producing.

Creating additional TDA by shredding our OTR tires would only result in a larger stockpile of a product that the market does not want. It does not make sense to establish a new OTR tire recycling program - to incur the costs and all the environmental impacts of transportation and processing - if there is insufficient demand for the product that results from the system: tire-derived aggregate. Reusing the tires on mine/quarry sites is a better and more environmentally-responsible solution.

Contrary to Principles of Recycling Fees

We also suggest that imposing a recycling fee on tires that NSE knows would not be recycled due to the industry's practice of reusing them would be contrary to the basic policy principle behind recycling fees – that fees only be used to cover the cost of recycling a product. If the tires are not generally going to be recycled, but instead reused, there is no policy justification for imposing a recycling fee on them.

Conclusion

In summary, we are opposed to establishing a new recycling program for OTR tires used on mine and quarry sites for the following reasons:

- Most old tires in our industry are reused in various ways, and this is an appropriate, environmentally-responsible practice that NSE should endorse;
- Creating a program to recycle OTR tires would create an additional and unnecessary cost for the industry, and it would cause significant environment impacts, including additional trucking and fuel usage, electricity consumption and the generation of additional emissions;
- There is already an over-supply of tire-derived aggregate in Nova Scotia so it does not make sense to incur the costs and environmental impacts of transportation and processing of OTR tires just to produce TDA for which there are few uses; and
- There is no policy justification for imposing a recycling fee on tires that will continue to be reused, not recycled.

Thank you for your kind consideration.

Yours truly,



Sean Kirby, Executive Director
Mining Association of Nova Scotia

From Jan 2012 to July 31/14

108 Lohnes Road Milford	18,825.49	base for 8 acre commercial property
Cornwall Road, Blockhouse	2,114.56	base for C&D site
Miscellaneous Locations	1,164.32	testing septic systems
Stewiacke Ball Field	203.08	overflow drainage for park area and ball field when Shubenacadie River over flows
Bus Depot Ragged Lake	4,354.22	base area for bus ramp to St Margarets Bay Road
Shad Bay	7.69	back fill around foundation
Stewiacke	6,506.09	6 acre sub-base in soft soils for log storage yard
3719 St Margarets Bay Road	73.69	backfill retaining yard
Mills Painting & Sandblasting	27.15	Loading ramp base
Hubbards	265.23	private road base through soft soils
101 East Side Road, Ketch Harbour	32.87	Back fill foundation
14 Park Drive Mill Cove. Hubbards	55.08	backfill
46 Diana Grace, Halifax	1.63	drainage for flower pots
Total tonnage to date	33,631.10	