



Ms. Kaitlin Hanrahan
Adjudication Branch
Australian Competition & Consumer Commission
GPO Box 3131
Canberra
ACT 2601

25 January 2018

Dear Ms. Katilin Hanrahan

TYRE STEWARDSHIP AUSTRALIA – INTERESTED PARTY CONSULTATION

I refer to your letter dated 13 December 2017 titled 'Tyre Stewardship Australia ("TSA") applications for authorization AA1000409 – interested party consultation'.

Michelin Australia Pty Limited ('Michelin') would like to respond to this invitation by ACCC.

Michelin is the importer and distributor of Michelin Group tyres (Michelin, BF Goodrich, Uniroyal and Kleber) in Australia. In addition Michelin has licensed the Recamic retread brand to independent licensees in capital cities for used truck and bus tyres.

Michelin is a member of both TSA (founding member) and the Australian Tyre Industry Council. Michelin has devoted substantial resources and money over the last fifteen years in order to facilitate the formation of the TSA (as well as other similar attempts) to improve the end of life tyre (EOLT) situation in Australia.

Please find below Michelin's comments to the questions in Attachment A:

Likely future without

1. Absent the proposed conduct, can you comment on how the Tyre Stewardship Scheme would operate?

TSA is a body represented by the tyre industry to create awareness and increase the recycling rate of EOLT. It is also responsible for setting standards for the disposal of tyres. Without TSA, there would be no common objective amongst the stakeholders to address public concerns in respect of EOLT, recycling and reduction of waste going to landfill.



2. Similarly, please provide any comments on how end of life tyre recycling would operate if the Scheme was no longer in place.
There would be a lack of industry participation in this matter and there would not be an industry standard to govern the treatment of EOLT. Michelin would have to lobby Federal Government in order to resolve the issue in Australia.
3. How would the situation be different with the proposed scheme in place?
Same answer in accordance with question 2 above.

Areas of competition

4. Please provide any comments regarding the area(s) of competition that may be affected by the Scheme.
Any decision by the TSA members to pass on the levy to customers is made independently by the respective importers and manufacturers independently. Michelin has fully paid the Tyre Stewardship Levy since its inception in order to ensure the success of TSA. We have also encouraged our networks to become registered participants of TSA on a number of occasions. In Michelin's opinion, there is insignificant effect in the areas of competition that may be affected by the Scheme as most of the levy is usually borne by the importer/ reseller.

Public Benefits and Detriments

5. Please provide any comments on the current operation of the Scheme, and its ability to meet its objectives regarding end of life tyres.
Michelin supports the objectives of increased resource recovery and recycling to minimise the environmental, health and safety impacts of EOLTs generated in Australia. Michelin also supports the transparent development of Australia's tyre recycling industry with the objective to achieve optimal end of life tyre disposal always with the environmental, health and safety aspects at the forefront. Michelin is looking forward to identification of and investment in projects that will reduce EOLT pollution.
6. TSA is seeking authorization for specific clauses within the Guidelines, to allow for greater flexibility in administering the Scheme. If possible, please comment on any changes to the public benefits and detriments that might arise given the greater flexibility.
Michelin agrees to the greater flexibility in administering the Scheme. It would be publicly beneficial if it is mandatory for all tyre importers and car retailers to enrol and comply with TSA requirements.
7. Please provide any other comments regarding the public benefits claimed by the Applicants or other public benefits of the proposed Guidelines clauses.
No additional comments apart from the public benefits as explained in the TSA application.



8. Please provide any other comments regarding the public detriments claimed by the Applicants or other public detriments arising from the Guidelines clauses.
No additional comments apart from the public detriments as explained in the TSA application.

Yours sincerely

A handwritten signature in red ink, appearing to be "David Issautier", is written over a horizontal line. The signature is stylized and somewhat illegible due to the cursive and overlapping strokes.

David Issautier

Managing Director

cc: adjudication@acc.gov.au