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of the
Environment

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AUG 14 2008

Ms. Gemma Zecchini
Chair
Waste Diversion Ontario
45 Sheppard Avenue East, Suite 920
North York, ON M2N 5W9

Dear Ms. Zecchini:

Pursuant to subsection 23 (1) of the *Waste Diversion Act, 2002* (WDA), I am pleased to write the Board of Directors of Waste Diversion Ontario (WDO) to require WDO to develop a waste diversion program for used tires as defined in O. Reg. 84/03 made under the WDA.

This letter, including the attached Addendum, replaces the former program request letter dated March 20, 2003.

Waste Diversion Ontario shall either develop the program in co-operation with an existing Industry Funding Organization (IFO) or incorporate an IFO as described in section 24 of the WDA. I would also ask that WDO take on an active role as the IFO develops the program.

In order to be consistent with principles of the WDA, the proposed funding rules should designate and define stewards under the program as brand owners and/or first importers of tires into Ontario.

I ask that the program be developed to address the diversion of all motor vehicle tires including 'off the road' (OTR) tires, industry and farm vehicle tires that are supplied into the Ontario market.

The program should place a priority on the diversion of used tires into higher end uses whenever possible, based on the principle of the 3Rs [reduction, reuse (i.e. retreading where feasible) and recycling]. Landfilling, the use of used tires as daily cover at landfills, or incineration, shall not be part of the program unless the 3R options are not available or not technically feasible.

The program shall include all aspects associated with the management of used tires once they are removed from a vehicle, including the handling, storage (temporary or otherwise), collection, transportation, reuse, processing, recycling and disposal of used tires.



The program should be consumer-focused and designed in a manner to ensure that the program and its return options are user-friendly, available across the province and accessible to all Ontarians. There shall be a single fee paid by the stewards that is associated with the program. Collectors of tires, including retailers, that are participating in the program, shall not charge consumers an additional fee for the management of tires following the removal of the tire from the vehicle.

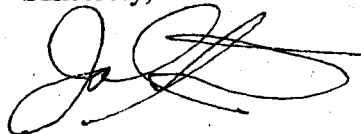
The program should also seek to foster the development of green technology and a green economy in its efforts to develop and promote an Ontario-based market for recycling and recycled products that can be made from scrap tires.

The program shall also include a plan to address the clean-up of existing stockpiles of used tires across the province. This plan should promote the diversion of stockpiled tires into recycling and higher end uses whenever possible, depending on the quality of stockpiled tires. The clean-up of stockpiles should be considered a priority under the early mandate of the program and expedited as much as possible. WDO should work with Ministry of the Environment staff to identify and prioritize stockpile sites for clean-up.

It is extremely important that we implement a tire program as soon as possible. I therefore must insist that the used tire program shall be submitted to me by December 31st, 2008 for my approval.

I am pleased that we are moving ahead with this much needed initiative. This government is committed to the development and implementation of a used tire program. I look forward to working with you in order to deliver a program that meets Ontario's ambitious environmental agenda.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Gerretsen', written in a cursive style.

John Gerretsen
Minister of the Environment

Addendum to the Minister's request for a used tire diversion program.

1. For the purpose of this program, a brand owner means:
 - a. The registered owner of the brand, or
 - b. A licensee of the brand, or
 - c. A person who owns the intellectual property rights to the brand, or
 - d. A person who is the licensee, in respect of the intellectual property rights of the brand.

For the purpose of this program, a first importer means a person who imports tires into Ontario, for which a brand owner does not exist in Ontario, and who is the first to take title to the tires upon or after arrival in Ontario from elsewhere.

A retailer shall not be identified as a steward in the funding rules for the program unless the retailer is a brand owner or first importer of tires.

2. Designated stewards shall be responsible for the payment of all program costs. At a minimum, program costs shall include the costs incurred for the following activities:
 - a. Collecting, storing, transporting, processing and marketing all used tires collected for diversion and actually diverted.
 - b. Collecting, storing, transporting, processing and disposing all used tires collected for diversion but not diverted.
 - c. Research and development activities to support and increase the effectiveness and efficiency of used tires collection and diversion.
 - d. Activities to develop and promote the diversion of used tires that are available for collection under the program.
 - e. Education and public awareness activities to support the used tire program. These activities should enhance the program's accessibility for consumers as well as public and stakeholder understanding of the program and its environmental benefits.
 - f. Activities to develop and promote value added markets for recycled products.
3. Funding rules for the program:
 - a. The proposed funding rules shall clearly identify used tires included under the program for which fees are payable.
 - b. Fees collected during the program shall be used to pay for program activities.
 - c. In addition fees collected during the program shall also consider capital costs to meet program accessibility targets.
4. The program submission shall include a set of vendor qualification requirements to ensure used tires are stored, handled and processed in a safe and environmentally sound manner that satisfies local, provincial and national regulations and international obligations as they may apply.

5. The program submission shall identify a tracking and auditing mechanism for used tires from the point of collection through to their final destination, including verification of processing.
6. The program shall at a minimum, describe and include an assessment of the following elements:
 - a. A breakdown of the quantity of tires introduced into the Ontario marketplace.
 - b. An estimate of the quantity of tires that is available for collection.
 - c. Anticipated collection and diversion targets for used tires for the first five years of the program. By Year 5, the program shall achieve, at minimum, a target of 90% diversion.
 - d. Program accessibility targets to ensure that the program is convenient and accessible to all Ontarians, including, but not limited to: high-density urban areas, rural communities and northern Ontario, and the proposed methodology for defining the appropriate accessibility targets.
 - e. The methodology for expanding and improving the existing collection and diversion infrastructure for tires to meet the capture and accessibility targets.
 - f. A description of any tire diversion and recovery infrastructure in place.
 - g. Descriptions of markets for used tires.
 - h. A list of benchmarks and performance measures used to encourage the 3Rs, promote best practices and encourage the development of innovative diversion techniques
 - i. A detailed breakdown of financial payments including:
 - i. Specific payments directed to collecting, transporting, processing, marketing, and disposing.
 - ii. Capital to improve the existing collection and diversion infrastructure.
 - iii. Criteria to be applied to determine payment eligibility.
 - iv. The procedure for eligible parties to request and receive payments.
 - j. A tracking and audit mechanism to ensure overall program compliance.
7. The program shall consider incentives encouraging stewards to initiate measures designed to reduce waste resulting from their products, increase reuse (i.e., retreading where feasible), increase recyclability of products and increase use of recycled content of products.
8. The program should encourage sufficient re-use and recycling capacity to maximize management of used tires.
9. The program shall also include provisions to establish and/or expand the availability of used tire collection programs and sites to make them convenient and accessible to all Ontarians, including, but not limited to: high-density urban areas, rural communities and northern Ontario. It should ensure return options for used tires are consumer focused and consumer friendly.