



ONTARIO TIRE STEWARDSHIP

**Used Tire Stewardship Plan
Consultation Report**

February 13, 2009

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1.0 Background

The Waste Diversion Act (WDA), 2002 empowers the Minister of the Environment to designate a material for which a waste diversion program is to be established. Once the Minister has designated a material through a regulation under the WDA, the Minister directs Waste Diversion Ontario (WDO) to develop a diversion program.

WDO, a non-crown corporation, was established under the Act to develop, implement and operate waste diversion programs for a wide range of materials. To date, the Minister has requested diversion programs for Blue Box Wastes, Used Tires, Used Oil Material, Waste Electrical and Electronic Equipment (WEEE) and Municipal Hazardous or Special Waste (MHSW).

WDO is required by the Act to develop the Waste Diversion Plan for the designated waste in co-operation with an Industry Funding Organization (IFO). WDO is further required by the Act to conduct public consultation on any matter referred to it by the Minister.

In March, 2003, the Minister filed a regulation under the WDA designating Used Tires.

On, August 14, 2008, the WDO Board of Directors received a Program Request Letter from the Minister of the Environment requesting a diversion program for Used Tires. It also outlined program requirements and requested a Consultation Plan.

In response, WDO developed a *Consultation Plan to Support the Development of a Used Tire Diversion Program Plan* and conducted a Consultation Workshop and Webcast on December 18, 2008.

On September 10, 2003, Ontario Tire Stewardship (OTS) was incorporated and was subsequently approved by WDO as the IFO for Used Tires. OTS is responsible for implementing this Consultation Plan and managing the development and implementation of the Used Tire Diversion Program Plan, in co-operation with WDO.

The OTS website address is www.ontariotirestewardship.org .

2.0 Objectives and Scope

WDO has directed OTS to develop and implement a consultation process that is thorough and ensures a beneficial exchange of information, ideas and opinions, among those who may be affected by the development and implementation of a diversion program for Used Tires.

A number of parties were considered to be stakeholders in this process, including the stewards which include tire brand owners and first importers, and industry associations that support their work. Additional interested stakeholders included affected industries; municipalities; environmental and community groups with a particular interest in waste management and public health issues related to used tires; industrial, commercial and institutional generators of Used Tires; professionals working in related fields (e.g. environmental consultants); and the general public.

Stewards of obligated materials under, as well as stakeholders interested in these materials were encouraged to participate in the consultation process for the development of a diversion program for Used Tires.

While this Consultation Plan was being implemented, the plan development process also included:

- Periodic review of information arising from the consultation process and related to Used Tire plan development by the OTS Board and those Used Tire stewards directly involved with OTS in plan development;
- Periodic review of information arising from the consultation process and related to Used Tire plan development by the WDO Executive Director and WDO Board; and
- Periodic meetings among WDO staff, OTS and Ministry of the Environment staff and legal counsel.

3.0 Key Participants in Consultation

The consultation process targeted five key audiences:

3.1 Industry Stewards

Stewards

This group referred to tire brand owners and first importers of tires supplied in Ontario that result in Used Tires, who will register with the IFO (or implement their own Industry Stewardship Plan as allowed under the Act) upon approval of the Used Tire Program Plan.

Industry and Trade Associations

Industry and trade associations may assist in the identification and notification of individual company representatives, their members. These associations included but were not limited to:

- Rubber Association of Canada (RAC)
- Retail Council of Canada (RCC)
- Ontario Tire Dealers Association (OTDA)
- Ontario Automotive Dealers Association (OADA)
- Canadian Vehicle Manufacturers Association (CVMA)
- Association of International Automobile Manufacturers of Canada (AIAMC)

3.2 Affected Industries

Representatives of other industries that might be affected by the development and implementation of a diversion program for Used Tires included:

- distributors of tires
- companies providing vehicle repair services
- tire retailers
- vehicle disassemblers
- generators of Used Tires
- used tire collectors
- used tire haulers
- used tire processors

- tire retreaders
- vehicle manufacturers
- vehicle dealers

Industry associations representing these affected industries were included in the consultation process. These associations included:

- Ontario Automotive Recyclers Association (OARA)

3.3 Municipalities

Some municipalities collect Used Tires or provide special Used Tire events while other municipalities do not provide this service. Consultation with both types of municipalities was important in developing an understanding of the role of municipalities in the delivery of a Used Tire program. Municipalities or representatives of municipalities included:

- Association of Municipalities of Ontario (AMO)
- Cathy Wiebe County of Wellington
- Randall Roy, Sault Ste. Marie

3.4 General Public

Residents of Ontario are consumers of tires and have a direct interest in the development of a diversion program for these products.

There are two elements of the general public: those members of the public who are already engaged in the issue, either through direct involvement in Used Tire management or other waste management issues; and those members of the public who have no awareness of the challenges involved with end-of-life management of Used Tires.

It was important to engage members of the public in the process of designing a provincial plan to ensure the effective and environmentally sound management of Used Tires. This will include environmental and consumer groups with a strong interest in waste diversion, issues related to public health that may concern the life-cycle of tires, water quality, and environmental policy. The organizations include:

- Consumer Association of Canada - National office
- Canadian Institute for Environmental Law and Policy (CIELAP)
- Clean Air Foundation
- Ministry of the Environment
- Pollution Probe
- Toronto Environmental Alliance
- Ontario Ministry of Economic Development and Trade
- Recycling Council of Ontario (RCO)

It also was considered important to educate members of the public who were not aware of the Used Tire management implications, and provide them with information about diversion program plan development and the consultation process.

4.0 General Elements of Consultation

The consultation process contained the following elements:

4.1 WDO Website

The WDO website was used to outline the consultation process and schedule, post consultation documents for comment and receive comments from industry, municipalities and the general public.

4.2 IFO Website

The Ontario Tire Stewardship website was dedicated to Used Tire program development. The website was used to outline the consultation process and schedule, post consultation documents for comment and receive comments from industry, municipalities and the general public.

4.3 Database of Identified Stakeholders

An inventory of identified stakeholders had been created in database format and was used to inform the stewards and stakeholders of the consultation activities.

4.4 Electronic Notice to Identified Stakeholders

Electronic notices outlining the consultation process, schedule and key dates for meetings and comments were distributed to stakeholders.

4.5 Consultation Workshops/Webcasts

Issues have been presented to stakeholders at a workshop that was simultaneously webcast. Questions and comments were solicited from meeting and webcast participants during the event. Information presented at workshops and questions asked by participants were available via archived webcasts for a minimum of 90 days.

The following described the topics discussed at the workshop/webcast.

Workshop/Webcast – December 18, 2008

Subjects discussed included:

- Waste Diversion Act
- Waste Diversion Ontario
- Regulation Designating Used Tires
- Final Program Request Letter
- Consultation Plan
- Presentation of the draft Used Tire Program Plan
- Draft Program budget
- Steward definitions and obligations
- Q&A on all topics

Comments were requested on the draft Consultation Plan and the governance proposal. Comments received following the Workshop/Webcast were considered when finalizing the Consultation Plan.

4.6 Plan Submission and Explanation of Results

Ontario Tire Stewardship considered all comments received to date from stakeholders and amended the draft final Used Tire program plan as appropriate, based upon the comments. The draft final plan includes responses to significant comments received during the consultation process, regardless of whether the comments were incorporated into the draft final program plan. This consultation document includes an accounting of how the comments were considered in the preparation of the subsequent versions of the draft final program plan. A table indicating responses is included in Appendix I.

OTS will submit the draft final program plan to WDO for review, post the draft preliminary program plan on its website and provide notice to all stakeholders regarding the posting. The WDO will also post the draft final program plan on its website.

4.7 Comments to WDO

Once the draft final program plan has been submitted to WDO, affected stakeholders and members of the public may submit comments on it directly to WDO if they believe the plan does not adequately take into account comments submitted during the consultation process. WDO will consider any such comments when it is evaluating whether to approve the plan and forward it to the Minister for final review and approval or to request that Ontario Tire Stewardship modify the program plan.

5.0 Consultation with Industry Stewards

In addition to the general elements listed above, the consultation process with industry stewards and stakeholder continued on a regular basis. To date, OTS distributed five electronic communications, advising of the consultation Workshop, and has held a minimum of 12 consultations sessions with other Used Tire Program stakeholders.

6.0 Consultation with Affected Industries

Affected industries were encouraged to participate in the consultation process outlined in Section 4. In the event that the workshop and additional consultation sessions proved inadequate to deal with sectoral issues arising from the affected industries, OTS held additional working sessions with the affected stewards or stakeholders.

7.0 Consultation with Municipalities

In addition to the general elements listed in Section 4, the consultation process with municipalities has contained the following elements:

- AMO has been provided information to keep their members apprised of persons for further information.

- Notices to Municipalities: Municipalities have been notified directly that materials are available via the websites and of the consultation workshop.

Municipal issues raised during the workshops/webcasts were addressed through discussions with representatives from affected municipalities and/or with representatives from the Association of Municipalities of Ontario.

8.0 Consultation with the General Public

In addition to the general elements listed in Section 4, the consultation process with the general public contained the following elements:

- Websites: The availability of the background information package and details regarding the development of the program plan were posted on the WDO and OTS websites.
- Workshop: Representatives of Consumers' associations were invited to attend the workshop held on December 18, 2008.

Notices to identified community interest groups: Identified interest groups were notified directly that materials were available via the websites. These groups included:

- Clean Air Foundation
- Consumers' Association of Canada
- Canadian Taxpayers Federation
- Pollution Probe
- Recycling Council of Ontario
- Toronto Environmental Alliance

URL Links to Archives of Workshop/Webcasts

Workshop/Webcast: Archive:

<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2487540>

The following chart lists all the stakeholders that have been involved in the Used Tire Program Plan development consultation process, either through the submission of comments, attendance at one of the workshop/webcasts, or both Please note that the content of the workshop/webcasts can be viewed on Ontario Tire Stewardship's web site at:

<http://www.ontariotirestewardship.org>

Workshop/Webcast Registrants / Participants

Aaron Santarosa	Buffalo Fuel Corp./ Innovative Waste Recovery
Adrie Lamers	AL5 Tire Recycling Inc.
Al Tomek	NORTH BAY, CITY OF
Andrew MacIntosh	Recycling International Petroleum Products
Andrew Morin	Assoc' of Int' Automobile Manufacturers' of Canada
Andrew Soifert	A Soifert Tires
Andrew Steele	National Rubber
Andrew Winters	NIAGARA, REGIONAL MUNICIPALITY OF
Anton Lamers	AL5 Tire Recycling Inc.
Aziz Dedhar	Eco Tire Recovery
Betty Ramsay	BRANTFORD, CITY OF
Bev Crowther	Perth Recycling Inc.
Bill Daves	Toronto Automobile Dealers Association
Bill Davis	Ontario & Toronto Auto Dealers Association
Bill Shields	GUELPH, CITY OF
Bob Ferguson	IBM Business Consulting Services
Bob Galway	Firestone Textiles Co.
Boutros Houchaime	
Brad Schultz + 2 others	Alberta Recycling Management Authority
Brian Moroz	Mitsubishi
Cam Wright	Essex-Windsor Solid Waste Authority

Charles Juranvinski	Juravinski Group: Canadian ECO Industrial Park Association
Chris Leary	C-Tec Consulting Inc.
Chris Wright	A Soifert Tires
Cindy Buckingham	Ministry of the Environment Ontario
Colleague of Michael Rennie	Enviro-Can Disposal Services
Craig Warden	Modern Corporations
Dan Seif	US Renewables Group
Dave Clare	US Renewables Group
Dave Fraser	Nu-Roads Environmental Inc.
Dave Williams	Tire Disposal;
David Adams	Assoc' of Int' Automobile Manufacturers' of Canada
David Morgan	
David Williams	Tire Disposal Facilities & Recycling Ltd
Deputy Mayor Jim Nelemans	MORRIS-TURNBURY, MUNICIPALITY OF
Derek Martin	High Tread International, Ltd
Diane Blackburn	Recycling Council of Ontario
Diane Gibson	Wal-Mart
Doug Switzer	Ontario Trucking Association
Dr. Barry Takallou	CRM Rubber
Dr. Elliot Strashin	Environmental Waste International
Eric Gilbert	Ericway Tire

Ewing Mcmeekin	Kal Tire
Fabiano Sales	Millennium Tire Recovery Inc.
Francis Veilleux, President	Bluewater Recycling
Frank Bongiovanni	Superior Tire & Auto
George Paisiovich	Stakeholders Solutions
George Rocky	Rocky Tire
Gerald Grant	Spinnaker Recycling Corp.
Gilles Paquette	Rubber Association of Canada
Glenda Geis	Waste Diversion Toronto
Glenda Melvin	Multi-Materials Stewardship Board
Glenn Maidment	OTS Board Member
Glenn Warnica	Ontario Tire Dealers Association
Grant Caven	Ontario Tire Collector Association
Greg Cecato	Sping Tire Rescy
Greg Preston	ORILLIA, CITY OF
Harold Boake	Ontario Tire Dealers Association
Heather Taylor	Sping Tire Rescy
Helmut Sieber	Canadian Agra Corporation
Hennessy	IBM Business Consulting Services
Jacquelyn Desloges	Canadian Tire Retail
James Leon	LAURENTIAN HILLS, TOWN OF

Kevin Gaudet	Canadian Taxpayers Federation
Kirk Zavitz	Treadcraft Ltd
Kris Barnier	CAA Ontario
Kyle Cecato	Sping Tire Rescy
Lance Parcher	Modern Corporations
Leon Levi	Inter Trade Specialist
Li Liu	Motorcycle and Moped Association
Luc Fournier	Motorcycle and Moped Association
Margaret VanderMeer	Harold's Haulage
Mark Capland	Micor Recycling Ind.
Martin Janes	Nu-Roads Environmental Inc.
Mayor Dorothy Kelly	MORRIS-TURNBURY, MUNICIPALITY OF
Michael Foley	Tri City Services Ltd.
Michael Low	Ontario & Toronto Auto Dealers Association
Michael Rennie	Enviro-Can Disposal Services
Michel Hould	Royal Mat Inc.
Mike DiCenzo	Juravinski Group
Mike Moffatt	Ontario Tire Recovery Inc
Mike Roberge	Western Rubber Group
Milena Avramovic	Association of Municipalities of Ontario
Morris Chiu	Quantum-Tech Resources

Jamie Burns	Recovery Technologies Group (Canada) Inc.
Jane Wilcox	Xposure PR
Janet Hutley	Ontario Tire Recovery Inc
Jay Silverstein	York Region
Jean-Claude Avoine	Granutech Inc.
Jeff Bateman	Perth Recycling Inc.
Jeff MacPhatter	MacPhatter Group Inc. Tire Removal Services
Jeff Sacks	Sullivan Salvage Ltd.
Jennifer Barbazza	Wal-Mart
Jenny Stranges	Recovery Technologies Group (Canada) Inc.
Jenny Stranges	Recovery Technologies Corporation
Jo-Anne Godard	Recycling Council of Ontario
John Amiento	Ministry of the Environment Ontario
John Cuddihy	Cement Association of Canada
John J. Cassell	Canadian Eco Rubber Ltd.
John Vidan	Ministry of the Environment Ontario
Julio R Melo	Millennium Tires Recovery Inc.
Karen Hou	Canadian Vehicle Manufacturers Association
Karen Katala	Tires Tires Ltd.
Kari Myers	GUELPH, CITY OF
Ken Chan	Quantum-Tech Resources

Nancy Michie	MORRIS-TURNBURY, MUNICIPALITY OF
Nancy Moran	Spinnaker Recycling Corp.
Nelson Katala	Tires Tires Ltd.
Nick Tamborra	Porsche Canada
Nicole Mundy	HALDIMAND, COUNTY OF
Olson Or	Toyota Canada Inc.
Pam Lortie	SPANISH, TOWN OF
Peter Hutley	Ontario Tire Recovery Inc
Peter Tsang	Quantum-Tech Resources
Philippe Trudel	Michelin
Ralph Warner	Rubber Association of Canada
Randy Koop	Ridge Recycling
Representative (Name unknown)	KAL Tire
Rick Johnson	High Tread International, Ltd
Rob & Eddy Lister	R&E Tire
Rob Van Shaik	BMW Group Canada
Robert Maier	Environmental Waste International
Ron Carlson	Liberty Tire Recycling
Ron Politewicz	Eco Tire Recovery
Ron Waites	Ontario Tire Dealers Association
Sam Santarosa	Buffalo Fuel Corp./ Innovative Waste Recovery

Sarah Webb	Canadian Tire
Shahin Virani	WATERLOO, REGIONAL MUNICIPALITY OF
Stephen Simms	Environmental Waste International
Steve Fletcher	Ontario Automotive Recyclers Association (OARA)
Steve Nieto	Green Rubber Global
Sue Colclough	HALTON, REGIONAL MUNICIPALITY OF
Teresa Sarkesian	Cement Association of Canada
Terry Gilmore	Treadcraft Ltd
Tim Michael	City of Toronto
Timur Ishmukhametov	Factory & Machines Entrepreneur
Usman Valiante	Ontario Tire Dealers Association
Victor Lesnicki	V.W. Lesnicki Services
Victor Li	Environment Canada
Virginia Swinson	PETERBOROUGH, CITY OF
Wayne Bacik	National Rubber Technologies
Yasmin Tarmohamed	Canadian Vehicle Manufacturers Association
Yossi Gal	Canadian Eco Rubber Ltd. dba Emitterra Tire Recycling
	Folkema Sales Ltd.
	Guizhou Tyre Co., Ltd
	Moose Creek Tire Recycling
	Rubber Association of Canada

Webcast Participants

Rodrigo Lima	CNW
Greg Preston	City of Orillia
Francis Veilleux	Bluewater Recycling Association
Randall Roy	City of Sault Ste. Marie
John Cuddihy	Cement Association of Canada
Virginia Swinson	City of Peterborough
George Paisiovich	Stakeholder Solutions
Heather Gough	Town of Arnprior
Geoffroy Lafleche	Lafleche Environmental Inc.
Patrick Fenlon	Pack Pros Plus Ltd.
Laura Darnell	York Region
Bill Shields	City of Guelph
Dean Buchanan	Town of Smiths Falls
George Paisiovich	Stakeholder Solutions
Dermot McDonagh	CNW Group
Luc Fournier	MMIC
Rick Kucera	Chatham-Kent
A Dumas	Murphy Tire Wholesale Inc.
Melanie Kawalec	City of Peterborough
sandy coulter	City of Barrie
BLAINE FLEMING	TYRE CONNECTION

Mike Vis	IBM Canada
J. Edward Sharp	County of Brant
Nicole Mundy	Haldimand County
James Leon	North Renfrew Landfill Operations Board
Amanda Barre	Alberta Recycling
CRAIG SIMMONS	CITY OF PETERBOROUGH
Richard moore	moore enviro systems
webcast webcast	N/A
Virginia Swinson	City of Peterborough
Betty Ramsay	City of Brantford
Rodrigo Lima	CNW
Elliot Strashin	Environmental Waste International
Robert Maier	EWI
Jamie Delaney	District Municipality of Muskoka
mike vagi	Empire Recycling
MIKE DICENZO	JURAVINISKI GROUP
Chris Leary	C-TEC Consulting Inc
Helmut Sieber	Candian Agra Corporation
Dan Seif	US Renewables Group
Boutros Houchaime	E.I.R.I.
Bob Galway	Bridgestone Firestone Canada Inc

Glenn Warnica	Ontario Tire Dealers Association
Mike Hennessy	IBM
Jo-Anne St. Godard	Recycling Council of Ontario
Patrick Murray	Lang Michner LLP
Dermot McDonagh	CNW Group
heather taylor	sping tire recycling
Dermot McDonagh	CNW Group
Jacquelyn Desloges	N/A
Rodrigo Lima	CNW
Patrick Breat	Green Capital Advisors Ltd.
Brian Moroz	Mitsubishi Canada
Jay Silverstein	The Regional Municipality of York
Michelle Shannon	Oxford county
PAUL LYLE	LIBERTY TIRE RECYCLING
Janine-Marie Parkinson	N/A
Jonathan Levy	Institute of Scrap Recycling Industries
Andrew Lange	N/A
Yasmin Tarmohamed	CVMA
Jennifer Houchaime	Mechwatt
Michael Topping	Canadian Tire Dealers Association
Patrick Fenlon	Pack Pros Plus Ltd

Darleen Finnamore	The Delphi Group
Dawn Helms	CRM
Bill Shields	City of Guelph
Janine-Marie Parkinson	N/A
michael rennie	enviro-can disposal services
Nick Tamborra	N/A
Tim Michael	Toronto
Jacquelyn Desloges	N/A
Larry Hardy	Ok Tire Stores
ED LISTER	R & E TIRE
Greg Preston	City of Orillia
Kevin vibert	Toronto
Jim Floyd	N/A
Bill Collins	Suzuki Canada INC.
Victor Li	Environment Canada
Glenda Melvin	Multi-Materials Stewardship Board
Chris Leary	C-TEC Consulting Inc
Sue Colclough	Halton Region
Melissa Chow	Environment Canada
Al Tomek	City of North Bay
Charles Gauthier	Environment Canada

Brad Schultz	N/A
Alex Cunningham	Donosti
Jerry Swensen	N/A
Michael Harrington	CRM Co., LLC
Andrew Lange	N/A
Andrew Lange	N/A
Pat Lawlor	Yourday Services
michael rennie	Enviro-Can Disposal Services
mike vagi	N/A
Pico Chan	City of Toronto
richard moore	moore enviro
Julio Melo	Millennium Tires Recovery Inc
Grant McIntosh	Western Rubber Group

Appendix I

Used Tire Stewardship
Program

Issue Specific Comments

Frequency	Comment	OTS Response
End-Uses for Scrap Tires		
5	How will the process consider other process other than crumb?	<p>The Plan does not currently include processing incentives for processing other than those currently outlined in the Plan (Fabricated Products, Tire Derived Aggregate, Crumb Rubber and Molded Products) as these are the products currently being produced in Ontario.</p> <p>It is OTS's intention to continually review processing options for used tires in Ontario and to support innovative technologies that represent opportunities to increase diversion of Ontario used tires. This will involve a formalized process by which OTS will engage with proponents of new processing options and review the potential for application of processing incentives, and the level of these incentives (Section 4.8.1 of the Plan).</p>
3	Why is TDF not being treated as a 3R application?	<p>Section 25(2) of the Waste Diversion Act states:</p> <p>(2) A waste diversion program developed under this Act for a designated waste shall not promote any of the following:</p> <ol style="list-style-type: none"> 1. The burning of the designated waste. 2. The landfilling of the designated waste. 3. The application of the designated waste to land.
2	Want to more fully understand the RFP process for an out of province processor from an in province processor? How will you create a level playing field in the market for processors in and out of province?	<p>The RFP process will conform to the same hierarchy as that followed for the Ontario-based processing of Used Tires.</p>
2	In "directing" surplus tires, will OTS consider a Life-Cycle Assessment process?	<p>OTS will bid out the surplus tires through the RFP process in accordance with the same processing hierarchy as for tires handled by Ontario processors. In situations where 3R's processing applications are not available or technically feasible tires may be directed to non-3R's end-uses (such as TDF), however this will need to decrease over time.</p>

1	This plan will kill the TDF market, if this plan does not work, is there a plan B for managing the tires as they will no longer be able to go to TDF as they will have been replaced with a new fuel source?	On an annual basis OTS will review the progress towards achieving its diversion objectives and will review and update the 5-year collection and diversion plan to assess opportunities and barriers to achieving these objectives (Section 5.2).
1	Why does the program discriminate against the sale of reused tires?	<p>The OTS program plan does not discriminate against the sale of reused (or culled) tires. This activity may continue and the movement of these tires will be tracked by OTS and included in the overall used tire diversion figures that OTS will report annually. The program does provide transportation incentives on tires culled for reuse from the Collector to the Haulers tire sorting area.</p> <p>The program does not provide further incentives for culling of tires for three reasons:</p> <ol style="list-style-type: none"> 1. The culling of tires is presently a commercially viable activity, with very low entry cost and does not require the application of incentives to sustain itself; 2. As laid out in Section 4.7 of the plan OTS cannot support targets for reuse of tires as this may, inadvertently, result in tires being directed to reuse that cannot be safely reused. The most important element for tire manufacturers and brand owners is driver safety. Setting targets for reuse may drive an increase in the number of unsafe tires on the road. 3. The sale of a culled tire does not attract the TSF, effectively affording this sale a cost advantage over the sale of a new tire equivalent to the amount of the fee.
2	Has OTS considered providing end-use incentives in the Plan?	Yes, the application of manufacturing incentives is covered in Sections 4.11, 7.1.5, 7.1.7 and 7.9. For Year 1 of the program the Manufacturing Incentive will be limited to apply to 10% of the annual generation of the scrap tires in the province. OTS will work with processors manufacturing finished goods to determine the appropriate level of this incentive in future years.
	Can OTS provide the criteria to determine end use	The hierarchy of end-uses currently included in the plan was

	hierarchy used in the plan?	<p>developed by the Board with the guidance of the WDA and the Program Request letter. The guiding principles included:</p> <ol style="list-style-type: none"> 1. The amount of investment required to set-up and operate the processing; 2. The processing options currently existing in Ontario; 3. The applicability of the product to value-added end-uses; 4. The process represent a diversion end use. <p>Currently the recycling hierarchy contemplated by the plan is (from lowest to highest) Fabricated Products, Tire Derived Aggregate, Crumb Rubber and Manufactured Products.</p>
OTS Board Governance		
3	Are there processors or recyclers on the board?	<p>The Memorandum of Agreement (MoA) between Waste Diversion Ontario (WDO) and Ontario Tire Stewardship (OTS) defines the composition of the Board of Directors of OTS as the representative organizations of the different categories of Stewards (as defined in the Rules for Stewards in the Used Tire Stewardship Program Plan).</p> <p>Stewards are defined a brand owners and first importers of tires into Ontario, and obligated under the Act and the Minister’s program request letter to participate in and fund the program (or develop their own program, have it approved by the WDO and Minister, and operate it).</p> <p>OTS does recognize the value and importance of engaging service providers and will establish an Advisory Committee that will meet on a regular basis and that will include these stakeholders as well as others (Section 4.2 of the Plan).</p>
1	Why are sellers of used tires not represented on the OTS Board?	<p>The Memorandum of Agreement (MoA) between Waste Diversion Ontario (WDO) and Ontario Tire Stewardship (OTS) defines the composition of the Board of Directors of OTS as the representative organizations of the different categories of Stewards (as defined in the Rules for Stewards in the Used Tire Stewardship Program Plan).</p>

		<p>Stewards are defined a brand owners and first importers of tires into Ontario, and obligated under the Act and the Minister’s program request letter to participate in and fund the program (or develop their own program, have it approved by the WDO and Minister, and operate it).</p> <p>OTS does recognize the value and importance of engaging service providers and will establish an Advisory Committee that will meet on a regular basis and that will include these stakeholders as well as others (Section 4.2 of the Plan).</p>
1	Why are the new tire manufacturers of tires running a program in which there is a conflict of interest in which they are setting up a program against their competitors (the sellers of used tires)?	<p>The Memorandum of Agreement (MoA) between Waste Diversion Ontario (WDO) and Ontario Tire Stewardship (OTS) defines the composition of the Board of Directors of OTS as the representative organizations of the different categories of Stewards (as defined in the Rules for Stewards in the Used Tire Stewardship Program Plan).</p> <p>Stewards are defined a brand owners and first importers of tires into Ontario, and obligated under the Act and the Minister’s program request letter to participate in and fund the program (or develop their own program, have it approved by the WDO and Minister, and operate it).</p> <p>OTS does recognize the value and importance of engaging service providers and will establish an Advisory Committee that will meet on a regular basis and that will include these stakeholders as well as others (Section 4.2 of the Plan).</p>
1	What’s the process of electing members to the OTS board?	<p>The Memorandum of Agreement (MoA) between Waste Diversion Ontario (WDO) and Ontario Tire Stewardship (OTS) defines the composition of the Board of Directors of OTS as the representative organizations of the different categories of Stewards (as defined in the Rules for Stewards in the Used Tire Stewardship Program Plan).</p> <p>Stewards are defined a brand owners and first importers of tires</p>

		<p>into Ontario, and obligated under the Act and the Minister’s program request letter to participate in and fund the program (or develop their own program, have it approved by the WDO and Minister, and operate it).</p> <p>For the purposes of plan development, the OTS Board of Directors will be comprised of the following representation:</p> <ul style="list-style-type: none"> • Directors (voting) <ul style="list-style-type: none"> ○ Three representatives - tire manufacturers ○ Two representatives - vehicle manufacturers ○ Two representatives - retailers who are both brand owners and first importers of tires ○ Two representatives - retailers <u>and/or wholesale distributors</u> who are first importers of tires • Observer (non-voting) <ul style="list-style-type: none"> ○ Representative, Waste Diversion Ontario <p>For each of these seats the nomination of the Board member comes from the stakeholder group represented.</p>
1	Is the Board influenced by the government or industry?	<p>The Memorandum of Agreement (MoA) between Waste Diversion Ontario (WDO) and Ontario Tire Stewardship (OTS) defines the composition of the Board of Directors of OTS as the representative organizations of the different categories of Stewards (as defined in the Rules for Stewards in the Used Tire Stewardship Program Plan).</p> <p>Stewards are defined a brand owners and first importers of tires into Ontario, and obligated under the Act and the Minister’s program request letter to participate in and fund the program (or develop their own program, have it approved by the WDO and Minister, and operate it).</p>
1	OTS is controlled by tire manufacturers and dealers only, there is a conflict of interest in OTS being responsible for setting the rules for how taxpayer money (in the form of Stewardship Fees) is allocated to stakeholders across the	<p>The Memorandum of Agreement (MoA) between Waste Diversion Ontario (WDO) and Ontario Tire Stewardship (OTS) defines the composition of the Board of Directors of OTS as the representative organizations of the different categories of Stewards (as defined in</p>

	<p>used tire system, including collectors, haulers, and processors. It was noted several times during the Public Consultation that comments received from stakeholders on the Program Plan would be reviewed only by the OTS Board, apparently without reference to Waste Diversion Ontario (WDO) or the Government of Ontario. This can only exacerbate the current conflicted position of the OTS.</p>	<p>the Rules for Stewards in the Used Tire Stewardship Program Plan).</p> <p>Stewards are defined a brand owners and first importers of tires into Ontario, and obligated under the Act and the Minister’s program request letter to participate in and fund the program (or develop their own program, have it approved by the WDO and Minister, and operate it).</p> <p>All comments received though stakeholder consultations (including those at the Workshop) will be documented and addressed in the Consultation Report which will be submitted to WDO, and posted for public review.</p>
<p>1</p>	<p>Having designated vehicle OEM’s “stewards”, page 12 of the Used Tire Plan notes that new vehicles account for 30% of new tires sold in any given year. Yet the proposed governance structure for the OTS suggests that two of the ten directors will be representatives from the vehicle manufacturers. Two representatives on a board of ten suggests that the vehicle manufacturers are under-represented on the OTS Board.</p>	<p>OTS invites the participation of the Automobile Manufacturers to join the Board as soon as possible to participate fully in Progra Development.</p>
<p>1</p>	<p>The views of automobile manufacturers and distributors with respect to a Brand Owner, First Importer (BOFI) approach to a used tire waste diversion program are well-known to the OTS and to the Ontario cabinet. While supportive of the goals and objectives of a used tire waste diversion program, a BOFI approach is inconsistent with the tire recycling initiatives of other provinces where stewardship responsibilities rest with the tire retailers. The adoption of a BOFI approach only adds costly administrative burden onto vehicle manufacturers and distributors at a time when the entire industry is under significant economic stress. We would continue to urge reconsideration of the BOFI approach in favor of the retailer stewardship approach used in other provinces. The Used Tire Program Plan itself notes on page 18, that tire retailers “account for approximately 70% of annual scrap tire generation” which makes the retailer the more</p>	<p>The Memorandum of Agreement (MoA) between Waste Diversion Ontario (WDO) and Ontario Tire Stewardship (OTS) defines the composition of the Board of Directors of OTS as the representative organizations of the different categories of Stewards (as defined in the Rules for Stewards in the Used Tire Stewardship Program Plan).</p> <p>Stewards are defined a brand owners and first importers of tires into Ontario, and obligated under the Act and the Minister’s program request letter to participate in and fund the program (or develop their own program, have it approved by the WDO and Minister, and operate it).</p> <p>Further the Addendum to the Minister’s Program Request Letter states “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.”</p>

	obvious steward.	
Ontario Market Access / Operation		
1	If someone wants to enter the system how do they gain access to used tires?	OTS will not be controlling the flow of used tires in the Province, rather OTS will use the application of credits on the transportation of used tires to ensure collection of all used tires in Ontario, and the application of processing incentives to support processors in “pulling” used tires to their facilities. Processors seeking tires will be able to compete on price for these tires, and so new processors entering the market will have the same market-driven opportunity to access these tires for their process.
2	Will OTS allow linear integration of haulers and processors?	<p>OTS will not intervene in the business decisions of used tire stakeholders. As with prior to the implementation of the Used Tire Stewardship program, business stakeholders will make decisions regarding acquisitions, divestures, expansions or contractions of their businesses based on their own situations and the market conditions.</p> <p>The Manifest system, starting at the Collector and ending with the Processor submission to OTS is the central method OTS will use to track the movement and incenting of the transportation and processing of used tires in the Province. OTS will audit a significant portion of the tire movements on an annual basis, and will look for evidence of double counting at this time. Lastly, OTS will test total used tire quantities against annual sales of program tires into the Province to check the level or correlation.</p>
1	Should OTS enforce a distinction between haulers and processors?	<p>OTS will not enforce a business separation between these two stakeholder groups, however under the program these two operations will be treated separately for the purposes of achieving the combined collection and diversion objectives.</p> <p>The Manifest system, starting at the Collector and ending with the Processor submission to OTS is the central method OTS will use to</p>

		track the movement and incenting of the transportation and processing of used tires in the Province. OTS will audit a significant portion of the tire movements on an annual basis, and will look for evidence of double counting at this time. Lastly, OTS will test total used tire quantities against annual sales of program tires into the Province to check the level or correlation.
1	14 ON based processors 16.2 PTE, can OTS provide OTCA a breakdown of what tires they are prepared to accept and quantities?	OTS has provided aggregated information in the Plan.
2	Can foreign company come to Canada and set up a business as a processor?	Yes, new businesses seeking to transport and/or process used tires in Ontario will be eligible for the same incentives as existing businesses as long as they register with OTS and meet existing vendor standards and conform to the Terms and Conditions in the Processor Agreement and will be free to compete for used tires in the marketplace.
2	How will OTS ensure that Ontario haulers, collectors, and processor not be out competed by other out of province companies?	OTS will not intervene in the Ontario collecting, hauling or processing market in this manner. New market entrants will be free to enter the market and compete for business the same way they are at present, and access the program incentive, provided they register with and meet the Terms & Conditions for working with OTS.
1	What will be Rubber Association of Canada involvement, will they be responsible for directing of rubber crumb movement and/or its further implementation into end user product? Will OTS and WDO try to protect and stimulate Ontario based recycling companies over foreigners?	OTS will not be controlling the flow of used tires in the Province, rather OTS will use the application of credits on the transportation of used tires to ensure collection of all used tires in Ontario, and the application of processing incentives to support processors in “pulling” used tires to their facilities. Processors seeking tires will be able to compete on price for these tires, and so new processors entering the market will have the same market-driven opportunity to access these tires for their process. OTS will not intervene in the Ontario collecting, hauling or processing market in this manner. New market entrants will be free to enter the market and compete for business the same way

		<p>they are at present, provided they meet the Terms & Conditions for working with OTS.</p> <p>The program objective will be to support the development of a robust used tire processing industry in Ontario, and Ontario markets for the annual production of the Ontario processors. This does not preclude out-of-Province processors from accessing tires, however these Processors will have to register with OTS and disclose processing information and end-uses in order to be eligible to receive processing incentives from OTS.</p>
Hauler Issues & Transportation Incentives / Rates		
3	<p>OTS is stating that the payment of the transportation incentive will only cover transportation to registered processors, how does this apply to culled tires.</p>	<p>OTS will track the movement of culled tires through the manifest system. Haulers will be required to provide information on end destinations and uses of used tires exported from the Province. This is required by the Act and the Program request letter for OTS to be able to accurately report diversion numbers for used tires.</p> <p>Haulers will be paid transportation incentives only on proof of deliver of tires to an OTS-registered processor.</p> <p>Payment of the transportation incentive for culled tires will be to the haulers sorting area. Payment of the transportation on used tires going to processing will be contingent on proof of delivery of the tires to processors registered with OTS.</p>
1	<p>Can OTS provide OTCA details of OTS rate in relation to the BC rate were developed, both the differential and the model?</p>	<p>The model used in developing the BC transportation rate structure is a proprietary one and is currently owned by a private consulting firm. OTS has engaged with the principal of this firm to develop an Ontario-specific model in conjunction with a range of Ontario stakeholders including haulers, which will be the property of OTS and will be shared with all program stakeholders.</p> <p>The average transportation rate in BC is \$1.13/tonne/kilometer (this number was provided by the BC program). This was compared</p>

		with the average rate for Ontario of \$1.67/tonne/kilometer (developed both by OTS through an examination of the current average used tire hauling economics in Ontario and a survey conducted by OTDA in November 2008). Using this information OTS concluded that an average transportation premium of 48% would be an acceptable assumption for the purposes of plan development. This premium was applied to the full transportation rate structure from the BC program. This rate structure will be piloted between program approval and implementation with a group of haulers and adjustments made as necessary.
1	Will OTS engage with Ontario Haulers to develop a hauling rate structure specific to Ontario?	OTS has engaged the services of a consultant with specific experience in the tire transportation sector to work with Ontario Haulers to develop a rate structure specific to the province.
1	Will storing of tires be compensated?	The hauling incentives are set to include compensation for temporary storage of used tires.
2	Will OTS engage haulers to make sure that hauling incentive is correct? As it stands, it seems that the program will be approved by MOE before the incentive is set?	As stated in Section 4.6 of the program Plan prior to Program implementation OTS will work with Haulers to test the rates against real-world transportation costs. For this test OTS will ask haulers to provide OTS with their collection schedule, number and weight of tires collected and where they were dropped off to allow calculation of the hauling incentives that would have been paid under the Program to test the validity of the approach. Based on the results of these tests OTS will revise the rates as needed.
3	Will the hauler be required to separate on road and off road tires, in a mixed load?	No, mixed loads will be permitted (unless otherwise negotiated with the hauler) and the tires will be tracked through the OTS Manifest system.
3	How are you going to deal with the policing of the program, for example, not allowing double counting of tires?	The Manifest system, starting at the Collector and ending with the Processor submission to OTS is the central method OTS will use to track the movement and incenting of the transportation and processing of used tires in the Province. OTS will audit a significant portion of the tire movements on an annual basis, and will look for evidence of double counting at this time. Lastly, OTS will test total

		used tire quantities against annual sales of program tires into the Province to check the level or correlation.
1	Will a Collector need to fill out an application for OTS to pay our current hauler?	The payment to the hauler is triggered through the manifest system, it will happen independently of the Collector.
2	We find section 7.1.3 <u>Transportation</u> of the <i>Used Tire Program Plan Draft</i> confusing. Would you please explain how a hauler collecting tires from customers along a route would be compensated? For example, take the case of a hauler who covers a 60 km route in an urban area picking up 350 passenger car / light truck tires from 5 customers. Please go through the calculation in step-by-step detail to show how the hauler's revenue would be calculated by OTS under the proposed plan.	OTS provided a flow diagram and payment table to the stakeholder. Will be added to the Program Plan Appendices.
2	We do not believe that the average basic rate of \$1.67/tonne-km hauled is sufficient to cover the costs of hauling and consolidating used tires in Ontario and that this number is in variance with OTCA's internal analysis of haulers' costs to recovering tires. We are also concerned about how this basic rate is to be disaggregated across the province to ensure that haulers operating across the province can recover their costs for recovering tires.	<p>The average transportation rate in BC is \$1.13/tonne/kilometer (this number was provided by the BC program). This was compared with the average rate for Ontario of \$1.67/tonne/kilometer (developed both by OTS through an examination of the current average used tire hauling economics in Ontario and a survey conducted by OTDA in November 2008). Using this information OTS concluded that an average transportation premium of 48% would be an acceptable assumption for the purposes of plan development. This premium was applied to the full transportation rate structure from the BC program.</p> <p>This rate structure will be piloted between program approval and implementation with a group of haulers and adjustments made as necessary.</p>
1	Will OTS recognize OTCA as the professional representative association of Ontario's haulers?	OTS will engage with all stakeholders in the Program Plan Development process and looks forward to working with OTCA to develop a workable Used Tire Stewardship plan for Ontario.
	It is therefore essential that OTS ensures that both the provincial average hauling rate and the method by which that average rate is prorated across the	Based on the information gathered from haulers, other jurisdictions with tires stewardship program in place, and from an OTDA survey of hauler rates OTS has concluded that an average

	<p>province provides haulers with the right incentives to recover used tires from all tire dealer/collectors.</p> <p>In the instance where a retailer/dealer-collector is unable to receive no-charge relief of used tires, OTS should remunerate the retailer/dealer-collector for the verified (i.e. invoiced) amount of surcharges paid by the retailer/dealer-collector to the approved hauler for its hauling service.”</p>	<p>transportation rate of \$1.67 / tonne / km would be an acceptable assumption for the purposes of plan development.</p> <p>OTS will continue to work with stakeholders to develop the transportation rate will achieve the program objectives. This rate structure will be piloted between program approval and implementation with a group of haulers and adjustments made as necessary.</p> <p>OTS will take steps to ensure that Collectors receive service levels that are acceptable and that additional costs are not incurred by the Collector to get pick-up service (provided the Collector is compliant with the program Collector Terms & Conditions).</p>
	<p>The draft program plan proposes that tire collectors will receive free hauling service only for volumes greater than 75 tires, “...unless otherwise negotiated between the hauler and the collector (these relationships will be established on an individual basis).</p> <p>Based on follow-up discussion with a number of OTDA members this threshold is unsatisfactory since many smaller tire dealers require pick-up after they have accumulated 50 tires. Accordingly the plan should set the minimum service threshold for collector tire pick-up at 50 collected used tires.</p>	<p>This minimum number was initially provided by both collector and hauler stakeholders. OTS will review the minimum number of tires that should be collected at a location before pick-up to ensure that service levels are appropriate to the program objectives.</p>
1	<p>Our current contractor has a contract to collect tires from our Transfer Station which extends through April 30, 2009. I understand that the funding program is due to commence some time in the summer. Should we consider extending the existing contract with the company until such time as the new funding program is implemented?</p>	<p>Under the program the relationship between Collectors and continue, however you are correct that the basic economics will change as Haulers will receive transportation incentives from OTS, most likely eliminating the fees that they charge the collector.</p>

Collector Issues & Collection Allowance Rates		
2	In order to retain the existing market service levels for tire hauling a collector should receive tire pick-up no more than 48 hours from the time at which a call is placed requesting tire pick-up.	OTS will take steps to ensure that Collectors receive service levels that are acceptable and will review minimum service timelines to ensure that Collectors receive acceptable service levels.
2	If the Region decided not to become a registered collector under the program, would the contracts that municipalities enter into with haulers have to follow the same requirements as those within the program?	The contracts between Municipalities and Haulers will continue to reflect the needs of the Municipality for service. You are correct that if a Municipality chooses not to become a registered Collector there may be some conditions that the program would require that would not apply, however this may result in the Hauler choosing to charge additional fees to pick-up those tires. Additionally, as you are aware, the program currently includes a Collection Allowance for Collectors, non-Registered collection points will not receive this Allowance from the program.
2	Vendor qualifications that OTS sets for haulers will they be the same regulations as municipalities currently require? Will there be a continuity of regulations across the board?	Municipal standards will need to be respected, haulers seeking to do business with a municipality will need to adhere to the standards they set for vendors working on their properties.
3	What mechanisms does OTS suggest to store tires to ensure water/debris free tires?	Currently used tire collection points utilize a variety of storage options to ensure that tires are secure, accessible and free of water and debris. It will be up to each Collector to determine how to store the tires, however OTS and the Hauler will be available to share best practices and lessons from other Collectors.
1	Would amnesty days involve municipalities that already do such days?	OTS will work with a range of Collectors in Year 1 to manage Special Collection Events to collect stored used tires. OTS expects that some of these will be done in partnership with Municipalities, while others may be run with tire retailers and/or mass merchants.
2	Has there been an impact study for additional new types of tires to a collector, for example, a municipal collector?	No, Collectors will be required to accept all used program tires in the categories for which they are a registered collection agent. However, there is no obligation for any organization or business to register with OTS as a Collector. Unregistered collection points are not subject to the Collectors Terms & Conditions required and so are not required to accept all tires, but may also not receive free

		pick-up of tires. OTS expects that the impact of the program implementation overall will be positive as registered Collectors will receive free pick-up of all program tires, significantly reducing the expense formerly associated with these tires.
1	Why is the proposed Collection handling allowance not graduated to reflect the difference in the cost of handling different tires (light and heavy tires)?	It is the position of the OTS Board that the costs of handling different grades of tires is not directly commensurate with the weight or number of PTE's of the tire. OTS will work with stakeholders to ensure that reasonable incremental costs of collection are being covered.
2	What is the direct impact to municipalities of program implementation?	There are three ways that Municipalities are most directly affected in the current program: <ul style="list-style-type: none"> - Municipalities that accumulate tires will now receive no-charge pick-up of tires provided they keep them stored free of debris and water, and they are secure and accessible to the hauler; - Municipalities that choose to register with OTS as a Collector will have to accept tires at no-charge from residents (and meet the same terms as above), will receive no charge pick-up of the tires, and will be paid a handling allowance; - OTS will engage in stockpile abatement activities to eliminate stockpiles across the province by the end of Year 3 of the program. The schedule for remediating these stockpiles will be determined.
1	What if a collector still wants to charge residents for tire disposal, and have someone pay to pick up the tires?	There is no mandatory obligation for any used tire collector to register with OTS. A collector could choose to not subscribe to the program, and could therefore continue to manage used tires as before.
2	Would a collector be able to continue to use the services of their current Hauler?	The relationship with your hauler of choice will continue, and you can change it at any time if you choose, the only change is that the hauler will be paid by OTS.
1	Specifically, do garages get paid to hand over the tires, or do they pay to have the tires taken from them? What's	One of the core tenants of the program is that by eliminating the current tire disposal fee charged by garages, tire retailers and

	<p>the change? Page 67 of the online report suggests garages (collectors) will get 60 cents per tire instead of 75 cents (on average) per tire. Who gets the extra 15 cents per tire?</p>	<p>municipalities to cover their costs to have tires picked-up there will be no disincentive for tires to enter the used tire management system.</p> <p>As part of the Minister's Program Request letter and following direction from WDO OTS will be providing a Collection Allowance to registered Collectors on each tire they collect to cover the costs incurred by the Collector in accepting and storing used tires. Presently this proposed Collection Allowance is \$0.60 per tire.</p>
	<p>Under the program, there is a requirement to separate tires under the contract. What level of separation would be required - small versus large tires? How will this be dealt with under the new program?</p> <p>Under the new program, tracking manifests will need to be signed for each load of tires that leaves the facility. When it asks for the signature of the "generator", do I assume that the Region as the generator will be required to be present for each load of tires shipped out of the facility to sign the manifest, or will the Region be able to designate our Contractor as an agent of the Region to sign on our behalf?</p>	<p>This would somewhat depend on the hauler and the terms of the contract between the Hauler and the Municipality. Provided you are a registered Collector the program will guarantee free pick-up of all used tires you have accumulated.</p> <p>Both scenarios would be acceptable, the main issue is ensuring that the Manifest and Tracking system is robust and accurate right from the start.</p>
Processor Issues & Processing / Manufacturing Incentives		
3	<p>Has OTS considered that the processing incentives that are in the program may act like a subsidy and violate trade agreements?</p>	<p>The OTS Board will annually review the impact of the incentives to ensure that the program is meeting the objectives laid out by the WDA and the Program Request letter, and expanded on in the plan.</p>
2	<p>How did OTS determine the average tip fee for ON?</p>	<p>In developing the program plan OTS polled the Ontario processors to determine what the tip fees were in the marketplace. Based on these responses OTS determined the average tip fee for the province of \$0.25 - \$0.50 / PTE.</p>
1	<p>Has the level of the incentive on each end-use application</p>	<p>OTS has included a 10% contingency in the budget for Processing</p>

	been padded in order to provide excess funds to pull the tire into the end-use?	incentives to allow for market fluctuations and support achieving the Year 1 diversion objectives.
2	The Plan indicates that the current incentives will be applied to out going weights of processed materials? Should they not be applied to incoming weight of tires?	This is correct and will be updated in the plan. The processing incentive rates quoted in the Plan will be applied on incoming weights of scrap tires (or the rates will be adjusted to apply to outgoing weights of processed materials).
1	Does OTS foresee dumping issues in the US? Will this plan destroy US process? How will OTS address the issue of hurting American processors through dumping of Ontario-produced TDP's?	<p>The OTS Board will annually review the impact of the incentives to ensure that the program is meeting the objectives laid out by the WDA and the Program Request letter, and expanded on in the plan.</p> <p>The program objective will be to support the development of a robust used tire processing industry in Ontario, and Ontario markets for the annual production of the Ontario processors. This does not preclude out-of-Province processors from accessing tires, however these Processors will have to register with OTS and disclose processing information and end-uses in order to be eligible to receive processing incentives from OTS.</p>
1	The Manufacturing Incentives should apply to molded, extruded and calendered products as opposed to just molded products.	<p>The application of manufacturing incentives is covered in Sections 4.11, 7.1.5, 7.1.7 and 7.9. for Year 1 of the program the Manufacturing Incentive will be limited to apply to 10% of the annual generation of the scrap tires in the province, and will apply to molded, extruded and calendered products.</p> <p>OTS will work with processors manufacturing finished goods to determine the appropriate level of this incentive in future years.</p>
2	OTS should look at engaging a GR firm to head-off challenges to the program plan from the US.	The OTS Board will annually review the impact of the incentives to ensure that the program is meeting the objectives laid out by the WDA and the Program Request letter, and expanded on in the plan.
1	The Program's list of products that can be made from processed tires does not include rubber mulch. The	The Plan does not currently include processing incentives for processing other than those currently outlined in the Plan

	<p>market for rubber mulch has grown from a small volume local market several years ago to a high volume national market today. The market is asking for a greater supply of this product than can currently be supplied. The Program recognize rubber mulch as a valuable tire derived product.</p>	<p>(Fabricated Products, Tire Derived Aggregate, Crumb Rubber and Molded Products) as these are the products currently being produced in Ontario.</p> <p>It is OTS's intention to continually review processing options for used tires in Ontario and to support innovative technologies that represent opportunities to increase diversion of Ontario used tires. This will involve a formalized process by which OTS will engage with proponents of new processing options and review the potential for application of processing incentives, and the level of these incentives (Section 4.8.1 of the Plan).</p>
3	<p>The Program should recognize the capacity haulers and processors outside Ontario provide in the current management of Ontario's tires.</p>	<p>The program objective will be to support the development of a robust used tire processing industry in Ontario, and Ontario markets for the annual production of the Ontario processors. This does not preclude out-of-Province processors from accessing tires, however these Processors will have to register with OTS and disclose processing information and end-uses in order to be eligible to receive processing incentives from OTS.</p> <p>OTS will bid out the surplus tires through the RFP process in accordance with the same processing hierarchy as for tires handled by Ontario processors.</p>
1	<p>The Program should provide a "grace period" in the implementation phase to allow Ontario processors currently producing product destined for non-diversion applications (e.g. TDF and daily landfill cover) to identify and develop alternate markets for their products without having to significantly disrupt their business and potentially their employees.</p>	<p>Section 25(2) of the Waste Diversion Act states: (2) A waste diversion program developed under this Act for a designated waste shall not promote any of the following: 1. The burning of the designated waste. 2. The landfilling of the designated waste. 3. The application of the designated waste to land.</p> <p>In the Program Request Letter the Minister has asked for the Program to be implemented in the summer of 2009. Processors should take the time before program implementation to seek out new markets that use TDP's in diversion applications.</p>
1	<p><i>Table 13: Current Crumb Rubber Processor Economics.</i></p>	<p>This has been corrected in the Program Plan.</p>

	This table is wrong with the last caption identifying the Average Gross Margin per tonne of crumb rubber as \$334. Based on the figures in the table, the \$334 is NOT gross margin – it is Gross Revenues. All the significant processing costs are still to be incurred.	
1	The tip fee – unfortunately this does not address that prior to 2007/8, this fee was more like \$0.75 per PTE	In developing the program plan OTS polled the Ontario processors to determine what the tip fees were in the marketplace. Based on these responses OTS determined the average tip fee for the province of \$0.25 - \$0.50 / PTE.
1	The sale price for crumb rubber – again, without knowing all the 14 processors, the average of \$242 per tonne appears quite high.	This number was drawn from an industry trade publication and is believed to be a suitable average rate for crumb processing based on this information.
1	OTS is proposing to pay the Manufacturing Incentive only on incremental volumes of molded, calendered and extruded goods produced, this will significantly disadvantage existing manufactured goods producers.	OTS has changed the wording in the program plan to allow the MI to apply to existing as well as incremental manufacturing (see Section 4.8). OTS will work with existing and new manufactured good manufacturers to set the amount of the MI that any one processor can access. This will allow for both existing and new manufactured good processors to benefit from the MI equally.
2	The 65% yield rate for crumb seems high compared to what existing Ontario crumb rubber processor are getting. How did OTS arrive at this number?	In setting the average yield rate for crumb rubber OTS engaged Ontario processors, crumb rubber equipment manufacturers and processors in other Canadian jurisdictions. The 65% yield rate is believed to be a good average rate for the Ontario program, and one that will encourage Ontario processors to invest in their operations, while rewarding efficient processors making crumb.
Steward Questions		
1	Vehicle Manufacturer sends tires from offshore, who is the steward?	In this situation it would depend on who the First Importer of the tires is. If the Manufacturer is located in the Province then they would be the steward provided they are the importer. If the product is ordered and received by a distributor or a retailer then that entity would be the first importer and so would be the steward.

1	Is there any scenario whereby a new car dealership would be considered a “First Importer” or “Steward”? The answer at the Consultation Workshop was that the manufacturer would be the “First Importer”. However, would this change if the manufacturer had no Ontario operation (Hyundai, for example), and the vehicle was shipped directly from off-shore to an Ontario dealer?	<p>There may be situations where an automobile dealer would be the steward of a tire. Some of these may be:</p> <ul style="list-style-type: none"> • The vehicle manufacturer has no presence in the province and so the dealer is the first importer of the vehicle and the tires. • A vehicle dealer that imports tires directly from outside the province, or imports a brand of tire with no registered brand-owner in the program would be the first importer of the tire. <p>In each of these situations care would need to be taken to verify whether the dealer should in fact be the steward or whether there is a brand owner that should be registered. OTS will work with companies uncertain of their steward status to ascertain whether they are in fact captured by the steward definition.</p>
TSF & Remittance Questions		
1	Will the fees go down, when stockpile abatement is done?	When the Stockpiles are eliminated the annual program budget will decrease as the stockpile line item will no longer be required. This may result in a decrease in overall fees, although this is not definite a many factors affect the fees (P&E. R&D, Transportation and Processing incentives, Administration, etc...).
1	Treatment of vehicle manufacturers (producing in province or out of province) it really is a mix. Should really look at sales, would be easier.	Ontario based vehicle manufacturers will be obligated to report and remit based on sales data.
2	If the manufacturers bill separately, can we put it as a line item on our sale contract? Can the dealer, put the cost down to the consumer?	OTS will not specify how Stewards or their customers manage the fees assessed on Stewards under the program.
3	Has there been an independent, impartial third party impact study conducted on the \$12 fee on a Medium Truck Tire to see what would happen to the market?	No. Based on discussions with Ontario trucking companies the current cost to dispose of a scrap Medium Truck Tire is between \$7-\$14, therefore the overall economic impact of implementing

		the proposed draft TSF on these tires should be manageable by tire stewards, retailers and users.
1	Will OTS conduct an economic impact study related to medium truck tire and passenger tires?	OTS has reviewed the proposed TSF's compared to those in other jurisdictions, and the current tire disposal costs in the marketplace. The Board will continue to assess the economic impact of the TSF through discussions with tire stewards, retailers and users and will take steps as necessary to minimize the economic impact of the TSF.
1	Can the steward put the \$5.81 cost onto the end customer?	The Steward is obligated to pay the TSF to OTS on all tires sold into the Ontario market. How the Steward manages this fee after that is not in any way influenced by OTS, and is solely at the discretion of the Steward based on their business imperatives.
1	No mention to taxes, what's in the plan to address taxes?	<p>The TSF is subject to PST; however, GST status remains to be determined. Some provincial tire boards have received approval from the Canada Revenue Agency (CRA) to not charge the Federal Goods and Services Tax (GST) on the TSF.</p> <p>This position by CRA has not been consistent across the country and will require a specific ruling for the Ontario program. A plan has been initiated to obtain a ruling from CRA for the Ontario program (Section 7.8).</p>
1	Can you verify that the levy/tax will be based on the actual number of tires imported on each vehicle? Over eighty (80) percent of some vehicle manufacturers products are offered with runflat tire technology, hence no spare tire is supplied.	Vehicle manufacturers reporting and remittances should be based only on the actual number of tires sold with a vehicle.
1	Further, we remain concerned about the \$5.81 PTE fee that will be payable by designated stewards, incorporating fees for collectors, haulers and processors . The fee seems comparatively high when the fees of surrounding	OTS has reviewed the proposed TSF's compared to those in other jurisdictions, and the current tire disposal costs in the marketplace. The Board will continue to assess the economic impact of the TSF through discussions with tire stewards, retailers and users and will

	<p>jurisdictions (Quebec, Manitoba, New York and Michigan) are considered. We question whether provisions have been made to ensure that used tires from other jurisdictions do not find their way into Ontario's program to take advantage of higher fees being paid by the OTS. Such a "grey market" influx would only result in an increased cost burden for Ontario stewards.</p>	<p>take steps as necessary to minimize the economic impact of the TSF.</p> <p>The Manifest system, starting at the Collector and ending with the Processor submission to OTS is the central method OTS will use to track the movement and incensing of the transportation and processing of used tires in the Province. OTS will audit a significant portion of the tire movements on an annual basis, and will look for evidence of double counting at this time. Lastly, OTS will test total used tire quantities against annual sales of program tires into the Province to check the level or correlation.</p>
1	<p>With regard to commercial truck tires the economic effects of this TSF on tire dealers will be devastating.....</p> <p>Accordingly we ask both OTS and WDO to approach the Ministry of Environment and explore the option of amending the fee setting methodology to reduce the impact of the TSF on commercial truck tires.</p>	<p>Based on discussions with Ontario trucking companies the current cost to dispose of a scrap Medium Truck Tire is between \$8-\$10, therefore the overall economic impact of implementing the proposed draft TSF on these tires should be manageable by tire stewards, retailers and users.</p>
1	<p>Why \$5.81? What does the consumer get for \$5.81? In addition, the documents on the web site suggest there will be possible charges for PST and GST. This suggests \$32.83 in new fees for a set of 5 tires (including a spare). On a commercial 18 wheeler, this works out to \$244</p>	<p>Under the program the consumer will be able to drop-off used tires free at a Collector. Additionally the Province as a whole will benefit from the increased diversion of used tires to recycling end-uses, the elimination of stockpiles and the development of a green industry around reusing and recycling used tires.</p>
1	<p>Per \$5.81, who gets paid what? Who are the profit takers, and how much profit do they take - per \$5.81?</p>	<p>The fee is dictated by the budget line items for both direct and indirect program costs. These costs have been modeled by OTS based on best available information at the time of program development. The budget will be reviewed annually and line items adjusted to achieve program objectives.</p>
1	<p>Who is going to be responsible for setting the fees per tire? Where is the protection and voice for the consumer? How can the board operate if there is no voice protecting consumers?</p>	<p>OTS will prepare and review the program budget on an annual basis. This budget will be submitted to WDO for approval, and then onto the Minister of the Environment (in first year only) for final approval prior to program and fee implementation.</p>

1	<p>How much of the \$5.81 per tire will cover previously non-existent administrative costs? Will board members be compensated?</p>	<p>The budget does not include any compensation for Board members.</p> <p>Implementation of the Used Tire Stewardship Program will require the development of new administrative structures to achieve program objectives. Examples include:</p> <ul style="list-style-type: none"> • Manifest system for tracking used tire movements; • Audits of Collectors, Haulers, Processors and Stewards; • Financial systems related to the administration of the Collection Allowance, Hauling Incentives and Processing Allowances; • Annual reporting of program collection and diversion results.
	<p>If the fee is paid up front by the motorist, where is the incentive for the receiver of the tire to hand it over to someone who will give them less money than what the market will yield? Or is this even a profitable model for them so as to make cheating worthwhile?</p>	<p>The Used Tire stewardship program is built around fundamentally changing the financial model for the management of used tires to incent responsible tire management and diversion and dis-incent used tire disposal:</p> <ul style="list-style-type: none"> • By eliminating disposal costs illegal dumping will be reduced or eliminated; • Collectors will receive free pick-up of accumulated used tires from Haulers registered with the program, used of an unregistered Hauler will result in the Collector having to pay for pick-up; • Haulers will be paid transportation incentives only upon delivery of used tires to registered processors (who use tires in legitimate diversion applications), delivery of tires to a landfill or energy recovery facility (unless pre-approved by the program due to a shortage of diversion processing capacity) will result in the Hauler not receiving transportation incentives from OTS; • Processors will receive processing incentives only upon sale of processed material to a diversion end-use, sale of material to a landfill or energy recovery facility (for example) will result in the processor not receiving

		<p>processing incentives from OTS.</p> <p>OTS will continually review the program results to ensure that the incentives are effectively diverting tires to reuse and recycling end-uses, and will adjust the incentives as necessary.</p>
Budget Questions		
2	<p>This third of sites are sanctioned by government, are we going to pay these individuals again to clean these sites? Has this been looked at from a financial perspective and does this make economic sense?</p>	<p>OTS is required to budget to clean-up all stockpiles in the Province. For sites that are operating and have a C of A OTS will seek to work with the site operator and the MoE to determine whether the site is actually a stockpile and whether OTS should be targeting clean-up efforts on the site.</p>
1	<p>Promotion and education, is a function already being undertaken by the RAC, isn't this duplicative? How extensive does this education effort need to be?</p>	<p>OTS is required to undertake P&E directed at raising awareness of the program, reducing scrap tire generation, and achieving the collection and diversion objectives of the program. These initiatives will be undertaken in conjunction with a range of used tire stakeholders, and will build on initiatives currently in the market, but will surpass the activities currently in the marketplace.</p>
	<p>While expenditures on research and development and the idea of cultivating an environment in Ontario for recycled rubber products is admirable, we remain concerned that this is a myopic approach to address the issues at hand. Research and Development and the development of new products and processes are initiatives that could be significantly more effective if addressed in conjunction with other provincial tire stewardship programs. The OTS is proposing to spend almost \$2.9 million in year one of the program alone, in R&D initiatives. All provincial programs should be looking for innovative processes and adopting "best practices", regardless of which province such processes and practices may have originated in. The free market should dictate where and how R&D activities are undertaken. The approach suggested by the</p>	<p>OTS is required to undertake R&D activities to achieve the program collection and diversion objectives. OTS will undertake initiatives to maximize the effectiveness of R&D initiatives. This may include partnering with tire programs in other jurisdictions as appropriate, however OTS will proceed with R&D activities independently if necessary.</p>

	OTS and mandated by the <i>Waste Diversion Act, 2002</i> in our view represents a glaring inefficiency.	
	With respect to the year one budget and fees under the program, we question the need for a contingency fund of almost 13% of the tire stewardship fee revenues (over \$11.5 million). We appreciate that any new business venture has some uncertainty associated with it, but this contingency fund appears to be excessive. Having such a significant contingency fund on hand suggests that a rigorous program governance regime be in place that would dictate the conditions under which such contingency funds would be either expended or credited back to the stewards against future years tire stewardship fees. The used tire program plan does not have any apparent provisions with respect to how contingency funds and overpayments are dealt with.	OTS is reviewing the contingency levels currently included in the program budget and anticipates making significant reductions pre-program approval as better information on the hauling, processing and stockpile abatement costs are obtained.
Used Tire Questions		
	Used tires 8.5% number for used tire culling is wrong.	OTS has repeatedly tried contacting this stakeholder to get a clear understanding for the basis of this question but has been unable to do so.
	How is OTS going to address the informal from the formal culling of tires?	As part of the annual review of program performance OTS will report on the diversion rates achieved, by application. The “formal” culling of tires, carried out by Haulers after pick-up of tires from Collectors will be tracked through the OTS manifest system. The “informal” culling of tires, carried out by tire retailers in the course of their business selling new tires to customers and removing the used tires, may not be trackable by the program as these tires do not enter the used tire system.
	Where did the culling (15%) rate numbers come from? Price for used tires (5\$ rate) come from? When can we find this information out? (Believe the market is different)	The 15% cull rate has come from consultations with stakeholders including haulers and tire retailers. The implementation of the tracking system will allow OTS to develop actual data under program operation of the program to ensure that it is correct and that OTS is accurately tracking the number of tires entering the system.

		The \$5 per tire value for a culled tire was derived from a survey the OTDA conducted in 2008 of their own and haulers businesses.
Native Lands		
	Are First Nation-based collectors eligible for the program? If so, will they be given unique consideration due to some communities remoteness and lower volume?	First Nations Collectors who register with the program will receive the same consideration as other registered Collectors within the program. First Nation-based Collectors may negotiate special service conditions with their Haulers to address any special needs, however these will be over and above the service guaranteed by OTS under the Terms & Conditions for Collectors.
	Realistically, tires will not be collected at the same frequency in First Nations compared to retailers in municipalities because there isn't the same volume (especially in remote communities). First Nations located near municipalities would have access to collectors. However, for those communities not located near a collector, would they allow for intermittent collection say once per year? i.e. Transported out of a community/communities via winter road?	Collection will be dictated by the rate of used tire accumulation, the needs of the Collector and the ability of the Hauler to access the site. Collectors are free to negotiate pick-up frequencies as needed with their Hauler.
	MOE estimates there are 95 stockpiles in Ontario with 2.3 million tires in total: <ul style="list-style-type: none"> · Do these estimates include numbers from First Nation stockpiles? · What constitutes a stockpile? Does the stockpile need a C of A or permit to be considered a stockpile? 	<p>The 95 stockpiles in the MoE Report do not include stockpiles on First Nations lands. At this time it is not clear that remediation of stockpiles on First Nations lands would fall under the purview of OTS as these are Federal lands and not under the government of Ontario's jurisdiction.</p> <p>The definition of stickpiles used in creating the MoE report is very broad, and sites will need to be assessed on a case-by-case basis to determine whether OTS does in fact need to take action to remediate the stored tires. This will be done in conjunction with the Ontario MoE.</p>