

Hauler Consultation Session August 14th 2013- Questions and Answers

Will OTS be paying back the OTR debt through the PLT and MT fees?

A: OTS will pay back the OTR debt through a combination of extra assessments on the OTR fees, and the reduction of the overall program cost to be able to generate surplus revenues each year.

When KMPG provided OTS with the calculation regarding the amount of money OTS should have in reserve, were those calculations based on the current rates or were they based on the revised rates which OTS is proposing?

A: The reserve is calculated based on actual expenditures. The initial calculation done back in 2011 which looked at the 2010 year drove one number. The current calculation was just re-done recently and it is currently based on 2012 expenses. If we move forward in reducing the rates then the reserve calculation will also be reduced.

Where does this ruling come from that all registered Collector within the OTS program must be provided a free pick-up of all their scrap tires?

A: When OTS first designed the program the intent was to remove the barriers to the diversion of used tires. Based on the old program companies had to pay to get rid of their tires. The new incentive system was designed to replace the old program plan that individuals had to pay to get rid of their tires. Now the incentives are designed in such a way that eligible program participants will on receive an incentive for their scrap tire pick-ups.

Is there a law which states that a Collector is not able to charge an extra fee for any scrap tires being dropped off at their business?

A: OTS agreements state that a Collector may not charge an additional fee, which also comes from the Minister's letter to OTS which states our program must ensure that retailers may not charge an additional fee to the consumer for the handling of the tire once it has been removed from the vehicle.

Is the average TI rate a \$150.00 per tonne today or is this what OTS is asking for the new TI rate to be in July 2014?

A: The TI rate of \$150.00 per tonne is currently from 2012 to March 2013.

Does the Delivery Zone Model which OTS is proposing to implement, not provide the Processor's-located in Northern Ontario, more of an advantage based on the rate which would be paid to Hauler if they drop off tires in the North?

A: The current TI model is set up like this as well, as a Hauler, if you pick up a PLT or MT tire in the Northern Ontario area, the most cost effective way would be to deliver that tire to a processor in the North.

The Delivery Zone Model is a different expression then the way the program and TI rate is currently set up.

Regarding the Proposed Processor Bond Calculation, what are the comments from the Processor's regarding this bond and do they agree with this calculation?

A: Some of the processor asked if there is an opportunity for the bond amount to be reduced over time once they have proven themselves.

They also want to know whether the tones delivered calculation, would be based on all tones received or only on tonnes delivered by independent Haulers. As opposed to if you are an integrated Hauler and Processor.

Will OTS have a rule in governing Processor Performance, to ensure that Hauler's will receive payment on a day to day business aspect?

A: OTS will not have any rules in governing a Processor Performance to ensure that the Hauler will receive payment on a day to day business aspect, as this will be between the Processor and Hauler to determine this process on their own.

Will Processor's be required to pay Haulers in a specific time frame as per OTS?

A: As a result of the Processor providing payment to the Hauler within a specific time frame OTS will not be involved in any of these decisions as this will have to be sorted out by the Processor and Hauler through their own personal business contracts.

If a Processor potentially falls into disfavor with OTS and their claims are held by OTS, would this mean that the Haulers Payments would be held as well?

A: If a Processor falls out of compliance with OTS and this results in a hold of their payment, OTS would look into the payment of the Transportation Incentive to that particular Processor within the given month and may pay out the TI incentive, so the Processor would then be able to provide the Haulers with their payment.

At the moment OTS is currently looking into how a situation like this would be handled.

How does OTS in vision the new field investigator to verify tire counts which have already been loaded into a truck?

A: OTS will provide the field investigator with detailed training on how to go about verifying the correct tire counts which have already been loaded into a truck. OTS does not necessarily expect the field investigator to request that a Hauler unload his truck unless the field investigator suspects something otherwise.

If OTS request a third party audit request from a Participant, and after the audit has been completed the end result is that the Hauler is innocent, who will be responsible for paying the fee of the third party audit?

A: As a result of the third party audit should the participant be proven to be innocent then OTS will be responsible for paying the fee of the third party audit.

Should a Hauler be in bad standing with OTS and their account has been suspended, however, they are working with another Hauler who is in good standing as a sub-contractor, is the Hauler in good standing responsible for any outstanding monies owed to OTS?

A: The Hauler that is in good standing should not employ a Hauler who has under gone investigation by OTS and deem to be in bad standing resulting in their OTS account being inactivated. The Hauler in bad standing is fully responsible for any monies outstanding to OTS and would have been made aware of such.

Should a good standing Hauler still wish to work with a bad standing Hauler after agreeing to the contract and has not purchased their company as under their own Legal Name and OTS should find out, then OTS may request all outstanding money owed by the bad standing Hauler to be paid by from the good standing Hauler.

In regards to the use of the OTS logos and mark on trucks, is it deemed appropriate to have the logo “Registered with the Ontario Tire Stewardship” and the corresponding registration number on the side of the truck?

A: This would be appropriate to have; this would be considered characterizing your relationship with the Ontario Tire Stewardship and not using our branding logos.

Will the Collection Allowance ever be reduced by OTS?

A: OTS has had numerous discussions regarding the collection allowance on how we would change the Collection Allowance. At this moment OTS is not able to go into full detail about the decision of the Collection Allowance.