Ministry of the Environment, Conservation and Parks Ministère de l'Environnement, de la Protection de la nature et des Parcs

Office of the Minister

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APR 0 2 2019

Mr. Bruce Campbell Administrator Ontario Tire Stewardship 300 The East Mall, Suite 100 Etobicoke ON M9B 6B7

Dear Mr. Campbell:

Pursuant to section 14 of the Waste Diversion Transition Act, 2016 (WDTA), it is in the public interest that I provide updated direction to Ontario Tire Stewardship (OTS) to amend its wind up plan for the waste diversion program for used tires and OTS itself.

The wind up plan approved by the Resource Productivity and Recovery Authority (Authority) on April 11, 2018, stated that OTS would return any excess funds that OTS held after OTS's final financial reconciliation to Stewards. When this plan was approved, OTS expected that these excess funds would be approximately \$3 million.

I have been informed by the Authority that OTS is now expected to have surplus funds of approximately \$38 million, in part due to the resolution of a tax dispute with the Canada Revenue Agency.

I am directing OTS to amend its wind up plan to establish a program for the return of surplus funds to tire consumers, in order to address the surplus funds held by OTS. This direction is guided by the principle that the interests of tire consumers should be considered when developing options to deal with program surpluses, since consumers were charged fees when they purchased new tires.

I understand that undertaking this direction may affect the time required for OTS to complete its own organizational wind up. OTS should make any other amendments to the wind up plan that it considers appropriate or necessary because of this.

The amount of money to be returned to consumers should align with the amounts that OTS previously charged for the collection and management of used tires while the program was operating, for example, approximately \$4.00 per passenger tire.

During the development of the amendment to the plan, OTS will need to consult with stewards, municipalities and other affected persons, consistent with the consultation requirements set out in section 14(13) of the WDTA. The deadline for OTS to submit the amendment to the plan to the Authority for approval is May 31, 2019. It is my expectation that the program to return surplus funds to consumers will begin in early summer 2019.

When budgeting for the return of surplus funds to consumers, OTS should ensure there is a prudent amount of surplus remaining for contingencies and final organizational wind up of OTS. OTS' amendment to the wind up plan shall set out what will happen with any residual funds after the program to return surplus funds to consumers has concluded and OTS has finished its final financial reconciliations.

Throughout development, consultation and implementation of the amendment to the wind up plan, I expect that OTS will engage and cooperate with the Authority.

Lastly, it is my expectation that OTS shall post this wind up direction to its website.

Sincerely.

Rod Phillips

Minister

c: Mr. Serge Imbrogno, Deputy Minister, Ministry of the Environment, Conservation and Parks Ms. Glenda Gies, Chair, Resource Productivity and Recovery Authority