

Ministry of the Environment
and Climate Change

Ministère de l'Environnement
et de l'Action en matière de
changement climatique



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Acting Chair
Ontario Tire Stewardship
300 The East Mall, Suite 100
Toronto ON M9B 6B7

Dear Acting Chair:

Pursuant to section 14 of the *Waste Diversion Transition Act, 2016* (WDTA) and in addition to the direction that I issued to Ontario Tire Stewardship (OTS) on February 17, 2017, it is in the public interest that I provide further direction to OTS regarding specific elements that must be included in the plan to wind up the waste diversion program for used tires, and OTS itself.

To build on the February 17, 2017 direction, it is also in the public interest that the plan is consistent with the following principles:

- The interests of current and future tire consumers should be considered when developing options to deal with program surpluses and deficits in the wind up plan.
- While maintaining or exceeding program performance, spending should be limited to necessary program expenditures and should be strictly controlled during the wind up period because the program and OTS are being wound up.

I am further directing that the plan to wind up the waste diversion program for used tires and for winding up OTS itself shall include:

- Rules governing fees for the program during the wind up period in accordance with the principles set out in section 33 of the WDTA, which are required where provisions governing fees in Ontario Regulation 390/16 (Used Tires), as amended from time to time, no longer apply.
- Where possible, the rules would eliminate fees for passenger and light truck tires (and any other tire classes, if applicable) in order to minimize the remaining surplus funds, including any restricted or unrestricted reserves, when the program ceases operations on December 31, 2018. It is my expectation that OTS will implement the fee elimination from May 1, 2018, or as soon as feasible, subject to the approval of the Resource Productivity and Recovery Authority (the Authority).

Acting Chair

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- Any fee elimination provided for in the proposed rules will be determined in a manner that would provide for sufficient funds for the costs set out in section 33 of the WDTA, including costs of operating the program, as well as costs incurred to wind up the waste diversion program for used tires and OTS.
- An approach to manage the deficit from off-the-road tire classes (and any other tire classes, if applicable), including proposed rules to continue debt repayment which ensures there are sufficient funds to pay for costs incurred, and limiting spending to necessary program expenditures related to off-the-road tires (and any other tire classes, if applicable).
- An approach to deal with OTS' Treadmarks IT system that ensures fair and equitable access to all users, as an alternative to disposing of assets for fair market value as outlined in the February 17, 2017 direction.

OTS' wind up plan that provides for the contents of this direction, and the direction issued on February 17, 2017, is due to the Authority by October 31, 2017.

It is expected that OTS will engage with the Authority, and consult with representatives of municipalities, stewards and other affected persons when developing its wind up plan in accordance with both directions, the WDTA and its regulations. It is also expected that OTS will work cooperatively with the Authority in implementing any policy direction issued to the Authority pursuant to section 29 of the *Resource Recovery and Circular Economy Act, 2016*.

Lastly, OTS shall make publicly available on the OTS website my wind up direction letters.

Sincerely,



Glen Murray
Minister

c: Mr. Paul Evans, Deputy Minister
Ministry of the Environment and Climate Change

Ms. Glenda Gies, Chair
Resource Productivity and Recovery Authority

Board Members
Ontario Tire Stewardship

Mr. Andrew Horsman, Executive Director
Ontario Tire Stewardship