

**Schedule B to the Program Agreement between Ontario Tire Stewardship and the  
Resource Productivity and Recovery Authority**

**Rules for Stewards with Respect to the Payment of Tire Stewardship Fees for the Period  
Commencing March 22, 2018**

**1. Interpretation**

In these Rules, the following terms shall have the following meanings.

**Affiliate** means an affiliated body corporate within the meaning of subsection 1(4) of the *Business Corporations Act* (Ontario).

**Base Fee Period** means the period that begins on May 1, 2017 and ends on the Base Fee Period End Day.

**Base Fee Period End Day** means, for the purposes of subsection 6(1) of Ontario Regulation 390/16, October 1, 2018, or such earlier date as may be determined by RPRA and subject to not less than 30 days prior notice to Stewards.

**Base Interest Rate** means the interest rate established from time to time under the Rules of Civil Procedure of the *Courts of Justice Act* (Ontario), as amended from time to time, for prejudgment interest.

**Brand** means a trademark within the meaning of the *Trade-marks Act* (Canada), whether or not registered pursuant thereto;

**Brand Owner** means, with respect to Branded Tires, during any time in the Data Period:

- (a) a Person Resident in Ontario who is the registered owner of the Brand, or
- (b) a Person Resident in Ontario who is a licensee of the registered owner of the Brand, or
- (c) a Person Resident in Ontario, who owns the intellectual property rights to the Brand, or
- (d) a Person Resident in Ontario, who is a licensee, in respect of the intellectual property rights to the Brand.

**Branded** means that a Brand is attached to or otherwise associated with Tires.

**Commencement Date** means September 1, 2009.

**Commercial Connection**, for the purposes of these Rules, means that a Person has or will derive a direct economic benefit when particular New Tires are Supplied in Ontario, and which includes, for greater clarity, the promotional benefit arising when New Tires are Supplied gratis or at a loss.

**Data Period** means each calendar month in the period starting on the Commencement Date and ending on the Program Termination Date.

**Exempted Tires** as defined in Appendix A means New Tires which are not required to be reported as Supplied or remitted on by a Steward.

**Filed** means electronically submitted or mailed to OTS at an address identified to the Stewards by mail or electronically, with confirmation of transmission in the case of sending by electronic means.

**First Importer** means a Person Resident in Ontario who imports New Tires into Ontario but is not a Brand Owner of such New Tires, and includes a Person Resident in Ontario who is the first to take title to or delivery or possession of such Tires, upon or after arrival in Ontario from elsewhere during the Data Period. A Person who takes delivery/possession of New Tires only for the purpose of transporting them to another Person in Ontario is not the First Importer of the Tires.

**New Tires** means any tires which result in the generation of Used Tires, including Tires Supplied with a new vehicle, or equipment or new replacement Tires or new additional Tires Supplied separately or with used vehicles, but does not include Retreaded Tires.

**Original Equipment Manufacturer (OEM)** means a manufacturer or First Importer of new vehicles for Supply in Ontario.

**OTS website** means the website located at [www.rethinktires.ca](http://www.rethinktires.ca).

**Person** includes an individual, partnership, joint venture, sole proprietorship, company or corporation, government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, body, department, board or agency of any of them), trust, trustee, executor, administrator or any other kind of legal personal representative, unincorporated organization, association, institution, entity, however designated.

**Program Termination Date** means December 31, 2018, the day designated by the Ontario Minister of the Environment and Climate Change as the day the waste diversion program for Used Tires will cease operation or any subsequent change to that termination date approved by the Minister of the Environment and Climate Change prior to that date.

**Published Address** means an address of a Steward in Ontario appearing in a current telephone directory or a recognized current published business directory.

**Regulation** means Ontario Regulation 390/16 made under the WDTA.

**Resident in Ontario** means either of the following:

- (a) having a Published Address in Ontario; or
- (b) having a "permanent establishment" in Ontario within the meaning given to that term in the *Corporations Tax Act* (Ontario);

**Retreaded Tires** means Tires which have been reconditioned for the purpose of extending the useful life of the Tires, including replacement of the tread rubber only or replacement of tread and sidewall rubbers.

**Resource Productivity and Recovery Authority (RPRA)** means the corporation which oversees the operation and wind up of OTS and the Used Tire Program in accordance with the WDTA. RPRA is the successor to Waste Diversion Ontario;

**Rules** means these rules, and includes additional rules or amendments to these Rules from time to time, as published by OTS on the OTS website.

**Steward** means a Person designated as such under Rule 2; and “Stewards” means more than one Steward.

**Steward’s Report** means a report in the form set out on the OTS website from time to time prepared by a Steward and filed with OTS describing the aggregate amount of New Tires Supplied in the Data Period by the Steward and its Affiliates.

**Supplied** means:

- (a) sold or otherwise transferred (whether by transfer of possession or title);
- (b) leased;
- (c) donated;
- (d) disposed of; or
- (e) otherwise made available or distributed

in the Province of Ontario or for use in the Province of Ontario, and includes an import of New Tires for a purpose set out in Rule 2(3)(b).

**Supply** and **Supplies** have similar meanings.

**Surplus Attributable to the Steward** means a Steward’s proportionate share of the OTS surplus, calculated as of the Program Termination Date, based on that Steward’s payments to OTS in excess of OTS’s expenses in respect of that Steward, since the Commencement Date.

**Tire Stewardship Fees (TSFs)** means the fees payable to OTS pursuant to the Regulation or as set out in Appendix C.

**Tires** in these Rules includes products comprised primarily of rubber for mounting on passenger vehicles, motorcycles, trucks, buses, mobile homes, trailers, aircraft, earthmoving, road building, mining, logging, agricultural, industrial and other vehicles to provide mobility, but does not include tires on or for toys, bicycles, personal mobility devices and commercial aircraft, or Exempted Tires.

**TSF Notification** means the letter posted on the website of OTS titled “TSF Notification to Stewards – March 2017” setting out the Tire Stewardship Fees applicable to the Base Fee Period.

**Unbranded** means a Brand is not attached to or otherwise associated with New Tires.

**Used Tires** has the same meaning as in the Regulation.

**WDTA** means the *Waste Diversion Transition Act, 2016* (Ontario).

## **2. Designation of Stewards**

For the purposes of determining which Person shall be designated as a Steward for New Tires, the following provisions shall apply, in the order in which they are set out. If two or more Persons are designated as a Steward pursuant to the following, the earlier provision shall prevail.

- (1) An OEM is designated as the Steward with respect to all New Tires on vehicles Supplied by the OEM.
- (2) A Brand Owner is designated as a Steward with respect to all New Tires:
  - (a) Supplied in the Data Period in respect of which it is the Brand Owner; and
  - (b) to which it has a Commercial Connection.
- (3) A First Importer is designated as a Steward with respect to all New Tires:
  - (a) Supplied in the Data Period of which it is the First Importer; or
  - (b) of which it is the First Importer in the Data Period for use by it or its Affiliate in the Province of Ontario, other than New Tires purchased by an individual for personal use.
- (4) If there are Unbranded New Tires Supplied in the Data Period, and if the manufacturer is Resident in Ontario, the manufacturer of such New Tires shall be designated as the Steward for such New Tires; otherwise the First Importer shall be designated as the Steward for such New Tires.
- (5) If there are two or more Brand Owners for the same New Tires Supplied in the same Data Period, the Brand Owner most directly connected to the manufacture of the New Tires shall be designated as the Steward.
- (6) Where there is no Steward for a particular Supply of New Tires in Ontario, any Person who elects to become a Steward for such New Tires shall, upon obtaining the consent of OTS and executing an agreement to be bound by these Rules, be designated a Steward for such Supply.
- (7) If a Person who has been previously designated as a Steward subsequently finds that none of the circumstances set out in Rules 2(1) through 2(6) inclusive apply to it and that it is no longer obligated as a Steward with respect to New Tires, and if such Person wishes to be deregistered as a Steward:
  - (a) Using the form designated by OTS from time to time, the Steward shall notify OTS of its belief that it is no longer obligated as a Steward with respect to New Tires in Ontario, and that it desires to be deregistered as a Steward;

- (b) The Steward shall file such reports with respect to its final Supply of New Tires, and the cessation of its obligations as a Steward, as are required by these Rules and/or OTS, in such form as OTS may designate from time to time; and
  - (c) OTS shall review the Steward's final reports, and if OTS is satisfied that all the Steward's obligations have been discharged, provide confirmation in writing of deregistration as a Steward.
- (8) A Person designated as a Steward pursuant to these Rules shall remain a Steward and shall be required to fulfil all requirements hereunder at all times until the Steward receives a confirmation of deregistration as described in Rule 2(7)(c).

### **3. Steward's Report**

- (1) Every Steward shall file its first Steward's Report with OTS 90 days after such Steward is notified of the existence of these Rules and how to obtain a copy of them. Notwithstanding the foregoing, any Steward who begins to Supply Tires into the Ontario market within 90 days of the Program Termination Date will be required to file its first Steward's Report with OTS within 30 days following the end of the month in which Tires were first supplied into Ontario.
- (2) Stewards shall file their reports in the form and using the technology prescribed by OTS and published on the OTS website from time to time.
- (3) A Steward may amend a Steward's Report within 15 days of filing and with the consent of OTS to correct information in the Steward's Report that is in error or to replace data previously reported.
- (4) Once it has filed its first Steward's Report, a Steward shall file subsequent Steward's Reports for each Data Period on or before the last day of the calendar month following the end of the Data Period, or on such other schedule as may be determined by OTS from time to time and posted in these Rules in Appendix B.
- (5) Notwithstanding the foregoing, OTS may require a Steward to file a Steward's Report for a specified time period within 30 days after OTS sends a written request to the Steward.
- (6) The first Steward's Report shall cover the period from the date on which the Person first became a Steward to the last day of the calendar month preceding the month of filing.

### **4. Fees Payable**

- (1) During the Base Fee Period, Stewards shall pay the Tire Stewardship Fees payable under the Regulation to OTS on New Tires, other than Exempted Tires, Supplied in the relevant Data Period on or before the last day of the calendar month immediately following the end of such Data Period. The amount of Tire Stewardship Fees shall be calculated in accordance with the TSF Notification. The amount of Steward's Fees payable by a Steward shall be determined by

multiplying the number of units of each type of New Tires included in the Steward's Report as defined in Appendix A hereto by the fee rate set out opposite such type in the TSF Notification.

- (2) Following the end of the Base Fee Period until the Program Termination Date, Stewards shall pay the Tire Stewardship Fees set out in Appendix C hereto on New Tires, other than Exempted Tires, Supplied in the relevant Data Period on or before the last day of the calendar month immediately following the end of such Data Period. The amount of Tire Stewardship Fees payable by a Steward shall be determined by multiplying the number of units of each type of New Tires included in the Steward's Report as defined in Appendix A hereto by the fee rate set out opposite such type in the Appendix C hereto.
- (3) Notwithstanding that a Steward has not received the notice in Rule 3(1), it is responsible for payment of Tire Stewardship Fees for all New Tires for which it is a Steward from and after the Commencement Date to the date on which it receives such notice.
- (4) OTS may provide a credit for Tire Stewardship Fees which are overpaid, or which are paid in respect of the same New Tires for which another Person has paid Tire Stewardship Fees.
- (5) In addition to the Tire Stewardship Fees payable under Rules 4(1) and 4(2), Stewards shall pay the reconciliation fees, if any, determined under Rule 5 no later than June 30, 2019.
- (6) Tire Stewardship Fees do not include HST. If HST becomes eligible on Tire Stewardship Fees, OTS will indicate this on the OTS website and/or in the form of Steward's Report published by OTS, and Stewards shall remit HST applicable to Tire Stewardship Fees to OTS with each remittance of the Tire Stewardship Fees payable under the Rules.

**5. Reconciliation of Steward Fees for Periods After January 1, 2017**

- (1) In this section, "applicable period" means the period beginning on January 1, 2017 and ending at the Program Termination Date.
- (2) This section applies with respect to the fees that were required to be paid in respect of each month during the applicable period.
- (3) The amount of a fee that must be paid in respect of the applicable period by a Steward shall be determined by applying the method set out in this section.
- (4) Ontario Tire Stewardship shall, no later than May 15, 2019:
  - (a) Determine the cost attributable to each tire class in respect of the applicable period by:
    - (i) determining the sum of the amounts described in paragraph 1 of subsection 33(5) of the WDTA that were incurred in relation to used tires during the applicable period; and

- (ii) attributing a portion of that sum to each tire class.
- (b) Determine the cost attributable to a tire in each tire class in respect of the applicable period by:
  - (i) assigning each tire supplied by Stewards during the applicable period to a tire class if the tire meets the criteria of the tire class; and
  - (ii) dividing the cost attributable to a tire class, as determined under clause (a), by the number of tires assigned to that tire class under subclause (i).
- (c) Determine the amount of the fee required to be paid by a steward in respect of the applicable period by:
  - (i) assigning each tire supplied by the Steward during the applicable period to a tire class if the tire meets the criteria of the tire class,
  - (ii) multiplying the cost attributable to a tire in each tire class, as determined under clause (b), by the number of tires assigned to the tire class under subclause (i);
  - (iii) determining the sum of all amounts determined under subclause (ii);
  - (iv) determining the amount of fees paid under section 4 in respect of the applicable period and any other fees that were paid by the Steward under the WDTA in respect of Used Tires and in respect of the applicable period and any amounts credited to the Steward by OTS based on amounts paid in previous periods; and
  - (v) subtracting the amount determined under subclause (iv) from the sum determined under subclause (iii), in order to arrive at the amount of the fee required to be paid under this section by the Steward in respect of the applicable period.
- (5) If an amount is determined to be owing by a Steward under subclause (4)(c)(v), OTS shall apply Surplus Attributable to the Steward to settle such amount prior to invoicing the Steward for additional fees. If the amount arrived at under subclause (4)(c)(v) is less than zero, that amount is owed to the steward by OTS and no fee is required to be paid by the Steward under this section.
- (6) OTS shall provide written notice of the following to the Steward:
  - (a) The cost attributable to each tire class under clause (4)(a).
  - (b) The number of tires supplied by the Steward that were assigned to each tire class under subclause (4)(c)(i).

- (c) The amount required to be paid by the Steward in respect of each tire class, as determined under subclause (4)(c)(ii).
  - (d) The sum determined under subclause (4)(c)(iii).
  - (e) The portion of the amount of fees determined under subclause (4)(c)(iv) that was required to be paid by the Steward in respect of each tire class.
  - (f) The amount of the fee required to be paid under this section by the Steward in respect of the applicable period, as arrived at under subclause (4)(c)(v).
  - (g) If the amount set out under paragraph 5 is greater than zero and any amount, remains owing after OTS has applied Surpluses Attributable to the Steward to settle such amount, the date on or before which that amount is required to be paid by the Steward.
  - (h) If the amount set out under paragraph 5 is less than zero, the date on or before which that amount is required to be credited or paid to the Steward and a statement that no fee is required to be paid by the Steward under this section.
  - (i) The amount the Surplus Attributable to the Steward.
- (7) Notice under subsection (6) above and under the Regulation subsection 9(7) shall be no later than May 15, 2019.
  - (8) A fee required to be paid by a Steward in respect of the applicable period, as determined under clause (4)(c) above and under the Regulation subsection 9(8) shall be paid no later than June 30, 2019.
  - (9) If an amount is owed to a Steward under subsection (5) above and under the Regulation subsection 9(10), OTS shall either:
    - (a) apply the amount as a credit against any amount payable by the Steward under these Rules in respect of Used Tires no later than June 30, 2019; or
    - (b) pay any amount not applied as a credit under subclause (a) to the Steward no later than June 30, 2019.
  - (10) The calculation of any amount owing under section 5 of the Rules will take into account any amount owing under section 9 of the Regulation.

## **6. Off The Road Steward Deficit Recovery Fee**

- (1) This section applies to all Stewards who were determined by OTS to have account deficits in relation to Off the Road Tire (OTR) categories as of January 1, 2013.



- (2) OTS shall, on or before May 15, 2019 based on OTR Steward supply reports for 2018, determine the final aggregate premium paid by OTR Stewards in reduction of the OTR tire deficit in 2018 and the total amount of the remaining OTR deficit as of the Program Termination Date after those payments.
- (3) A final OTR Steward deficit recovery fee by Passenger & Light Truck (PLT) equivalent will be calculated by OTS by dividing the total amount of the remaining OTR deficit calculated under Rule 6(2) by the total OTR tire supply (Passenger Tire Equivalent [PTE]) reported by all OTR Stewards for the period from January 1, 2014 to the Program Termination Date.
- (4) OTS will calculate each OTR Steward's remaining deficit recovery fee by multiplying the final deficit recovery fee per PTE determined under Rule 6(3) by each OTR Steward's OTR tire supply (PLT equivalent) for the period from January 1, 2014 to the Program Termination Date.
- (5) OTS shall, not later than May 15, 2019, provide written notice of the following to each OTR Steward:
  - (a) The total amount of the OTR account deficit as of January 1, 2013;
  - (b) An accounting of payments made by OTR Stewards in reduction of the OTR account deficit between January 1, 2013 and December 31, 2018 and the amount of the remaining OTR account deficit as of December 31, 2018;
  - (c) The amount of the remaining OTR deficit recovery fee payable by each OTR Steward as calculated under Rule 6(4); and
  - (d) The date by which the fee must be paid.
- (6) A Steward receiving notice under Rule 6(5) shall pay the required fee to OTS within 30 days of receiving the notice and in all circumstances not later than June 30, 2019.

## **7. OTS Wind Up and Final Reconciliation**

- (1) Following the Reconciliation of Steward Fees, final reconciliation provided for in Rule 5 above OTS will develop a schedule for either the potential distribution of any remaining OTS assets and property to Stewards or the collection of any remaining or the collection of any remaining costs including wind up related cost.
- (2) OTS will distribute property in accordance with the Corporations Act as modified by Ontario Regulation 357/17 and the Wind Up Plan in proportion to each Steward's contribution to this property. If necessary, these rules will be amended to provide future guidance.

**8. Penalties, Interest, Enforcement Costs and Back Fees**

- (1) Stewards who fail to pay Tire Stewardship Fees by the dates set out in Rule 4 or the Regulation, as applicable, will be liable to pay a penalty calculated at 10% of Tire Stewardship Fees due and payable.
- (2) If the amounts reported in a Steward's Report are inaccurate, any deficiency in Tire Stewardship Fees resulting from such inaccuracies shall be immediately due and payable from the date of the filing of the correcting Steward's Report or the date the Steward first knew of such inaccuracy, whichever is earlier, and, if not paid within 30 days, the Steward will be liable to pay a penalty equal to 10% of such Tire Stewardship Fee deficiency.
- (3) Interest on the amounts payable under these Rules shall accrue from the applicable due date at the Base Interest Rate plus 3% per annum.
- (4) A Steward shall pay all the internal and external collection costs of OTS with respect to unpaid Tire Stewardship Fees or other amounts owed to OTS, including all proper and reasonable legal and professional fees incurred by OTS, whether or not an action or any other legal remedy has been commenced. In addition, if any review by OTS or its designee of a Steward's records reveals that the Steward has failed to properly discharge all its obligations under these Rules, including the obligation to pay Tire Stewardship Fees, such Steward shall pay all of OTS's costs with respect to the review, whether on account of OTS's internal costs or amounts paid by OTS to external auditors, including for any follow-up review or inspection undertaken as a result of a finding of non-compliance. Such costs must be paid within 30 days of OTS giving written notice that payment is required.
- (5) OTS may waive all or part of any penalty, interest or charges otherwise payable under these Rules.

**9. Record Provision and Retention**

- (1) Upon request from OTS, Stewards shall promptly provide data necessary for the preparation of the Steward's Report, including calculation methodology, product data, internal audit reports, list of Brands reported and list of Brands excluded from report and such other information or data in the Steward's possession or control as may be reasonably requested by OTS to substantiate the accuracy of the Steward's Report.
- (2) A Steward shall retain records or, on receipt of written request, provide records at an address in the Province of Ontario to substantiate and verify the amounts set out in its Steward's Reports for a period of not less than five years from the date of the Steward's Report to which they relate. A Steward shall grant access to OTS or its designee upon OTS's request to examine its books and records to enable OTS to audit and inspect such records respecting a Steward's Report up to five years after the date of receipt of such Steward's Report by OTS. A Steward shall provide OTS or its designee with any and all records requested related to the supply or sale of New Tires and shall cooperate with the review of such records at the Steward's own cost.

**10. Dispute Resolution**

If any dispute arises between a Steward and OTS as to the amount of New Tires that is required to be included in a Steward's Report:

- (1) The parties shall attempt to resolve the dispute through designated representatives from each of OTS and the Steward within 30 days after written notice of the dispute was first given, or as otherwise agreed upon.
- (2) If the parties are unable to resolve the dispute within the above period, the Steward and OTS shall, within 30 days thereafter, jointly select an arbitrator to arbitrate the dispute. If the Steward does not nominate an arbitrator within the 30 day period, OTS shall nominate the arbitrator. The arbitration shall be conducted in accordance with the *Arbitration Act, 1991*.
- (3) The arbitrator shall render a written decision on the dispute within 14 days after the arbitration hearing or submission. The decision of the arbitrator shall be final and binding on the parties and shall be subject to appeal only on questions of law and not on questions of fact or mixed fact and law, in accordance with section 45 of the *Arbitration Act, 1991*, and shall be enforceable against OTS and / or the Steward, as the case may be, immediately on the issue of such decision to the parties to the dispute.

**11. Interpretive Memoranda**

OTS may publish on the OTS website interpretive memoranda on these Rules and how it proposes to administer them.

**12. Publishing of Names**

- (1) OTS will provide all Stewards with an identification number.
- (2) The names and identification numbers of Stewards filing Steward's Reports will be posted on the OTS website.
- (3) OTS may post a list on the OTS website of all Brands reported in Steward's Reports from time to time, and all OEM's, Brand Owners, First Importers and other Stewards associated with such Brands.

**13. Notice**

Any notice, request or other communication from OTS to a Steward which is required or may be given under these Rules may be delivered or transmitted by means of electronic communication, personal service or by prepaid first class postage to the Steward at a Published Address in Ontario and shall be deemed to have been received on the third day after posting and on the first day after the date of electronic transmission, in each case which is not a Saturday, Sunday or public holiday in Ontario.

**14. Effective Date**

This version of the Rules as amended shall be effective March 22, 2018.

**15. Amendments to Rules**

These Rules and any forms, fee schedules or other matters provided for or referred to in them may be amended, removed or replaced by OTS from time to time, subject to RPRA approval.

**Appendix A**  
**OTS Definition of Program Tires**

	<b>Product Category</b>	<b>Definition</b>
1)	Exempted Tires	<p>All tires with an overall tire diameter of less than 7" regardless of weight</p> <p>All tires in which the rubber content is greater than 50% (by weight) derived from Used Tires</p>
2)	On-Road Tires	<p><b>Passenger Tires, Small RV Tires, ST Trailer tires and Light Truck Tires and Temporary Spares</b>  Passenger tires are designed for use on passenger cars, light trucks, small RVs and multipurpose passenger vehicles (MPVs), including sport utility vehicles (SUVs) and crossover utility vehicles (CUV's), and to comply with Canadian Motor Vehicle Safety Standard (CMVSS No. 109).</p> <p>The light truck tire category is tires designed for use on consumer or commercial light trucks, under 10,000 lbs. Gross Vehicle Weight, and comply with Canadian Motor Vehicle Safety Standard (CMVSS No. 119). Codes found on the sidewall of passenger and light truck tires are P (Passenger) and LT (Light Truck). Temporary spare tires are marked T (Temporary).</p> <p><b>Motorcycle, Golf Cart and All Terrain Vehicle Tires</b>  Includes all tires specifically designed for on/off highway motorcycles, motorcycle sidecars, motor bikes, mopeds, mini-cycles, golf carts and all terrain vehicles.</p> <p><b>Forklift, Small utility and Skid steer Tires</b> Includes pneumatic and solid forklift and Skid Steer tires measuring 16" rim size and smaller.</p> <p><b>Free Rolling Farm Tires</b> Includes free rolling farm and implement tires up to 16" rim size used on farm equipment.</p> <p><b>Medium Truck Tires</b>  Also commonly known as Commercial Truck Tires – Truck and Bus tires including Wide Base or Heavy Truck tires designed for truck/bus applications and Larger RV tires not marked "P or LT". All of which comply with Canadian Motor Vehicle Safety Standard (CMVSS No. 119).</p>

3)	Off-Road Tires	<p><b>All Terrain Vehicle Tires</b></p> <p><b>Agricultural Drive Tires</b> Includes drive wheel tires used on tractors and combines and tree harvesting equipment. These tires are normally identified with a sidewall marking with suffix letters (R), or (HF) or (LS) and are 16.5" and up rim size. These tires are listed in The Tire and Rim Association Inc. annual yearbook section 5 Agricultural.</p> <p><b>Industrial Forklift, Skid Steer Tires</b> Includes pneumatic and solid forklift and Skid Steer tires with a rim diameter greater than 16".</p> <p><b>Small Off The Road Tires</b> Sizes 1300Tires &lt; and = to 23.5R25 Rim Size</p> <p><b>Medium Off The Road Tires</b> Above 23.5R25 to 33 inch Rim Size</p> <p><b>Large Off The Road Tires</b> Above 33 inch to and including 39 inch Rim Size</p> <p><b>Giant Off The Road Tires</b> Over 39 inch Rim Size</p>
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## Appendix B

### Payment and Reporting Schedule

Payment and reporting schedule will be monthly. Stewards must submit their Steward's Report and TSF payment within 30 days of the end of the month to which the Steward's Report and payment relate.

<b>Monthly Data period</b>	<b>Data period end date</b>	<b>Payment and Reporting deadline</b>
April 2018	Last day of April 2018	30 days from last day April 2018
May 2018	Last day of May 2018	30 days from last day of May 2018
June 2018	Last day of June 2018	30 days from last day of June 2018
Etc.	Etc.	Etc.
Final data period: December 2018	Last day of December 2018	30 days from the last day of December 2018

#### Semi-Annual Reporting Schedule

If in the prior calendar year a Steward remitted less than \$10,000 in TSFs the Steward may elect to submit Steward's Reports and TSF remittances on a semi-annual schedule.

<b>Semi-Annual Data period</b>	<b>Data period end date</b>	<b>Payment and Reporting deadline</b>
January 1 2018 – June 30 2018	Last day of June 2018	30 days from last day of June 2018
July 1 2018 – December 31 2018	Last day of December 2018	30 days from last day of December 2018

### Appendix C Tire Stewardship Fees

Tire Category	Tire Description	Tire Class	TSF March 22, 2018 to October 1, 2018	TSF October 1 to Program Termination Date	Definitions
On-Road Tires	Passenger & Light Truck (PLT)	1	\$3.30	\$0.00	<p><b>Passenger Tires, Small RV Tires, ST Trailer tires and Light Truck Tires and Temporary Spares</b> Includes tires designed for use on passenger cars, light trucks, small RVs and multipurpose passenger vehicles (MPVs), including sport utility vehicles (SUVs) and crossover utility vehicles (CUVs), including temporary spares.</p> <p>The Light Truck tire category includes tires designed for use on consumer or commercial light trucks, under 10,000 lbs./4500 kg. Gross Vehicle Weight. Passenger and Light Truck Tires must comply with Motor Vehicle Tire Safety Regulation (MVTSR), Technical Safety Bulletins (TSBs) 109 or 139.</p> <p><b>Motorcycle, Golf Cart</b> Includes all tires specifically designed for on/off highway motorcycles, motorcycle sidecars, motor bikes, mopeds, mini-cycles, golf carts.</p>
	Medium Truck (MT)	2	\$12.95	\$12.95	Also commonly known as Commercial Truck Tires – Truck and Bus tires including Wide Base or Heavy Truck tires designed for truck/bus applications and Larger RV tires not marked "P or LT". All of which comply with Motor Vehicle Tire Safety Regulation (MVTSR), Technical Safety Bulletin (TSB) 119.
Off-Road Pneumatic Tires	1 to ≤ 15 kg	3	\$5.55	\$5.55	Non-DOT Regulated Tires / Wheels and/or tires not meeting the Definitions for Passenger & Light Truck Tires or Medium Truck Tires
	> 15 to ≤ 30 kg	4	\$11.10	\$11.10	
	> 30 to ≤ 70 kg	5	\$27.76	\$27.76	
	> 70 to ≤ 120	6	\$44.41	\$44.41	



	kg and Agricultural Tires* > 70 to ≤ 250 kg				
	> 120 to ≤ 250 kg	7	\$111.03	\$111.03	
	> 250 to ≤ 375 kg and Agricultural Tires* > 250 kg	8	\$172.10	\$172.10	
	> 375 to ≤ 700 kg	9	\$333.09	\$333.09	
	> 700 to ≤ 1200 kg	10	\$516.29	\$516.29	
	> 1200 kg	11	\$1,237.98	\$1,237.98	
Solid & Resilient Tires	1 to ≤ 30 kg	12	\$11.10	\$11.10	
	> 30 to ≤ 60 kg	13	\$22.21	\$22.21	
	> 60 to ≤ 250 kg	14	\$55.51	\$55.51	
	> 250 to ≤ 375 kg	15	\$172.10	\$172.10	
	> 375 to ≤ 700 kg	16	\$333.09	\$333.09	
	> 700 to ≤ 1200 kg	17	\$516.29	\$516.29	
	> 1200 kg	18	\$1,237.98	\$1,237.98	

## **Appendix D**

### **Methodology for Determining OTR Deficit and Allocation to Stewards**

#### **OTR TIRE PROGRAM DEBT RECOVERY**

Until 2013 the OTR tire division of the Used Tires Program (UTP) was in a deficit position due to OTR tire supply, and hence revenues, significantly lagging estimates developed pre-program. As a result at the end of 2012 the OTR tire program had an accumulated deficit of approximately \$26 million.

In order to address this accumulated deficit and allow for the gradual repayment of the accumulated amounts in a manner which did not adversely impact the OTR tire Stewards and end-users in 2013, OTS began adding a “Deficit Repayment Premium” (DRP) to the costs per OTR PTE determined under the base Fee calculation. This DRP resulted in OTR Stewards remitting fees in excess of the OTR tire diversion costs and allowed PLT costs to be reduced by an equivalent amount. Through this approach the OTR Stewards addressed the accumulated deficit and PLT Stewards received the benefit through lower TSF rates.

$$\begin{array}{rcccl} \text{2013 OTR Cost /} & \text{2012 UTP Costs} & & \text{2013 Debt Repayment} & \\ \text{PTE =} & \hline & \text{2012 UTP Actual Supply in PTEs} & + & \hline & & & \text{2012 OTR Actual Supply in} & \\ & & & \text{PTEs} & \end{array}$$

The amount to be repaid each year, and the timeline over which it would be repaid, was set by the OTS Board based on the impact on the TSF and the prior year’s financial performance of the program.

OTS established the accumulated OTR deficit at January 1 2013. OTS calculated each OTR Steward’s portion of the deficit by multiplying the aggregate final deficit by each OTR Steward’s OTR tire supply (PLT equivalent) for the period from September 1, 2009 to December 31, 2012.

Since 2013 OTS has been applying the DRP to the diversion cost per PTE for OTR tires. At the end of 2018 OTS will determine the remaining OTR account deficit and calculate a remaining deficit amount for each Steward by apportioning the remaining OTR deficit amount based on each Steward’s supply into the market during the deficit payback period (2014 to 2018). This methodology will continue the account reduction approach utilized by OTS for the last five years in apportioning any remaining OTR account deficit.

In 2015 OTS undertook a historic revenue reclassification based on the new tire supply information gathered subsequent to the imposition of the revised Tire Classes. This resulted in approximately \$4.39 million in revenues in the 2009-2012 timeframe being reallocated from the PLT to the OTR classes, further reducing the accumulated historic deficit. The methodology and reassessment was reviewed by Price Waterhouse Coopers (PWC) as part of the 2015-2016 Program Review. No issues were identified.

The following chart identifies aggregate OTR DRP payments from 2013 to 2016 and current OTS estimates of OTR Steward DRP payments for 2017 and 2018 (2018 OTR DRP and 2019 OTR DRP respectively) and provides an initial estimate of the aggregate OTR Deficit Balance Owing as of January 1, 2019.

OTR Deficit Summary		
Year	OTR Deficit	
2009	\$ 2,617,409	
2010	\$ 8,328,900	
2011	\$ 7,685,601	
2012	\$ 6,984,955	
2013	\$ -	
2014	\$ (2,000,000)	
2015	\$ (5,400,000)	
Historic Revenue Reclassification	\$ (4,388,586)	
2016	\$ (2,500,000)	
OTR Recovery from 2015 Reconciliation	\$ (487,922)	
2017 OTR DRP	\$ (2,547,521)	
OTR Recovery from 2016 Reconciliation	\$ (171,467)	
2018 OTR DRP	\$ (3,279,365)	
2019 OTR DRP	\$ (3,353,653)	
<b>OTR Deficit Balance Owing @ Dec 31, 2017</b>	<b>\$ 4,842,004</b>	
<b>OTR Deficit Balance Owing @ Jan 1, 2019</b>	<b>\$ 1,488,351</b>	<b>\$ 1,488,351</b>
<b>Amount to be collected from OTR Stewards</b>		<b>\$ 1,488,351</b>