



Executive Director's Message

Since our program launched under a year ago, we've shared many successes. Over 3,000 stakeholders registered (July-Dec) and in 2009 alone we diverted more than 50,000 tonnes of tires towards reuse or recycling. We've had challenges also, like delays in claims payments and webinar malfunctions – growing pains we are fully committed to resolving.

Inspired by your requests to hear more from us, we are pleased to announce the re-launch of the OTS Newsletter. Each month, this newsletter will profile OTS news, important deadlines and profiles of key players driving our mandate.

Communication is not a one-way street, so send us your suggestions for articles and continue letting us know how we can serve you better.

I look forward to building on both our shared successes and lessons. Our goals are ambitious, but I know that together we will not only achieve, but far exceed them.

- Andrew Horsman



★ Used Tires Program Launch – How we did in 2009

Ontario's new Used Tires Stewardship Program is less than a year old, but it's not too early to begin taking stock of what we've learned to date. The Program was launched on September 1st, 2009 in response to a Program Request Letter issued by Ontario's Minister of the Environment and is being administered by the **Ontario Tire Stewardship (OTS)** – an Industry-Funding Organization convened by Waste Diversion Ontario. Our goals are to:

- Divert 90% of Ontario's on-road and 50% of the off-road tires to value-added recycling by the end of 2012
- Eliminate illegal dumping of tires and clean up existing stockpiles
- Develop Ontario's scrap tire processing capacity to manage 100% of Ontario's scrap tires
- Build markets in Ontario to use the tire-derived products (TDPs) made from scrap tires

The launch of the Used Tire Stewardship Program promises to bring a wide range of environmental and economic benefits to the Province and its scrap tire management industry. To date, OTS is delivering on most of its commitments.

Stewards are reporting and remitting consistently. Tires are being diverted from

burning and landfill, and are making their way to processors who recycle them into value-added products. Illegal dumping has been largely eliminated thanks to the OTS tire tracking system and financial incentives for responsible used tire management. The processing landscape is changing as well. Existing processors are increasing capacity and a host of new facilities are making a home in Ontario to take advantage of Program benefits.

There have been challenges as well. OTS is continuing to work on delivering the Stockpile Abatement and Manufacturing Incentive programs and we recognize that the learning curve for new paperwork has led to delays in closing out certain claims. OTS is committing to improving communications so the entire industry can move forward with a clear understanding of the rules and expectations guiding each party.

Without a doubt, significant progress is being made across the industry. As we move past the start-up phase, we are focusing on growing tire-derived product markets. With a strong foundation and a successful launch through the support of our Stewards, Collectors, Haulers, Processors, Recycled Product Manufacturers and a host of other stakeholders, we are well on our way to a new tire stewardship reality for Ontario.

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Little changes that can cut tire waste by 10% or more.

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Inside Track



Lucy Vieira – OTS Control Tower

Introducing Lucy

My role as the Control Tower Coordinator means I'm responsible for all activities related to monitoring and supporting tire flow in Ontario. I work closely with registered haulers and processors to support the movement of tires according to OTS's Ontario First policy which is designed to ensure the supply needs of Ontario processors are met before we service out-of-province stakeholders.

Meet the OTS Control Tower

If you're a Hauler who is having a hard time finding a home for scrap tires at a local processor, you can request a **Redirect** by completing a "Hauler Surplus Tire Request Form" and submitting it to us by email at hauler@ontarioTS.ca or by fax at 1-888-884-7372. The completed form must list which 3 Processors were contacted before requesting assistance from the Control Tower. Once we receive the completed form, we will redirect you to an Ontario processor or, if there are none available, authorize you to send them out of the Province on an ad hoc delivery basis.

Some Three-Letter Terminology

Special Tire Collection (STC) is requested by private residents, or is hosted by a business willing to sponsor a tire clean-up event. This request can be made either by residents and businesses directly, or by a Hauler on their

behalf. Examples of STC can range from a farmer seeking to remove 200-300 tires previously used to hold down tarps, to tire retailers, auto recyclers or municipalities who wish to sponsor the clean-up of an old stockpile. These groups should contact OTS for support and approval to proceed with the event. OTS will also help connect interested parties with a Registered Hauler for scrap tire removal.

Dedicated Off-the-Road Tire (DOT)

loads are approved by OTS based on a request from a Registered Hauler. Email your request to OTS with the Postal Code of the pick-up location and the estimated numbers of tires by type. After receiving this information, OTS will send a DOT form to the office of the requestor. DOTs entitle haulers to a 25% premium on the Transportation Incentive.

Getting the most out of Control Tower

This year, the spring surge has come earlier than usual, resulting in high volumes of ad hoc shipment requests. Control Tower is moving towards a longer planning period (2-4 weeks) to enable improved planning for Haulers and Processors. To facilitate this, we need consistent capacity and supply forecasts from Haulers and Processors. Following these guidelines will help us serve you most effectively:

- Communicate by email – send requests and forms to hauler@ontarioTS.ca
- Request assistance for redirects, DOTs and STCs using the appropriate form
- Submit weekly forecasts of capacity (Processors) and supply (Haulers)
- Allow for up to 24hr. turnaround on requests responses from the Control Tower

- Lucy



Rubberized sports surfaces are just one use of recycled tires.

Zero-to-Sixty

May 25th, 2010: Training session for Recycled Product Manufacturers on Claims filing

May 31st 2010: Closing day for Haulers to submit Claims for the February 2010 period

May 31st 2010: Closing day for Processors to submit Claims for the February 2010 period

June 1st 2010: Closing date for Recycled Product Manufacturers to Register with OTS to receive Manufacturing Incentives for the 2009-2010 program year

June 1st 2010: Claims filing for Recycled Product Manufacturers opens

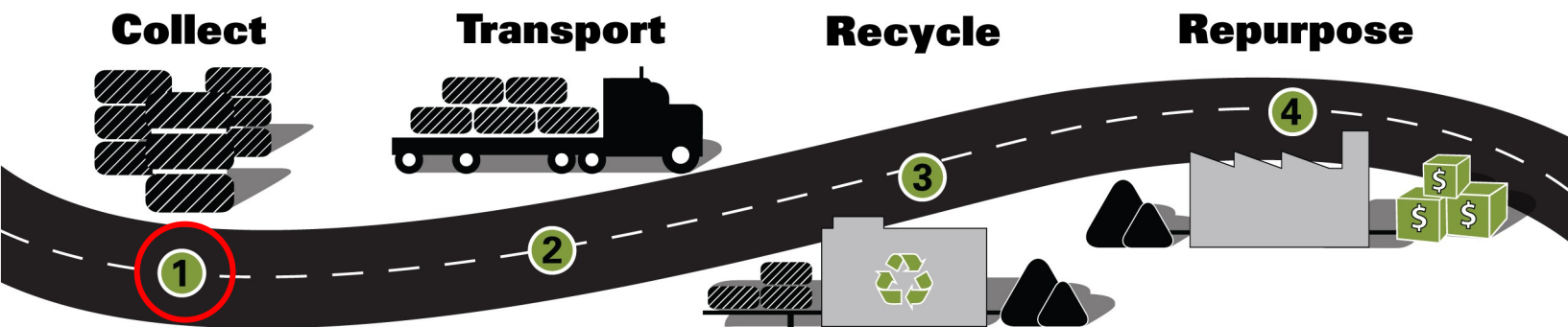
June 30th 2010: Closing day for Collectors to submit Claims for the January 2010 – March 2010 period

June 30th 2010: Closing day for Haulers to submit Claims for the March 2010 period

June 30th 2010: Closing day for Processors to submit Claims for the March 2010 period

Did You Know?

Because tires stored outside hold rainwater which can become breeding grounds for mosquitoes, scrap tire piles can contribute to the transmission of West Nile virus.



Stewardship in Action

Collector helps keep the North pristine by putting scrap tires on the move

Owned and operated by Northern Ontarians, Royal Tire stays true to its commitment to protect the environment of Northern Ontario communities. The rugged terrain of the North means that vehicles ranging from earthmovers, to transport trucks and even light trucks must endure heavy punishment that can shorten tire lifespan.

Heavy off-road tires used in major Northern Ontario industries such as steel, mining and logging create scrap tires quicker than over-the-road urban markets. In addition, larger tires, like those used for mining, can't simply be thrown into a bin, so can occupy immense amounts of yard space. Some

scrap tires are so large that they can only be transported six at a time on a flat bed truck equipped with special heavy equipment for handling.

Excess scrap tires impact profitability by eating up handling times and valuable inventory space for saleable products. With the support of OTS and the Program's Registered Haulers, Royal Tire has been able to help customers manage scrap tires efficiently.

Part of Royal Tire's customer proposition also involves reducing costs through casing management best practice. Through its "Casings are Assets" re-treading strategy, where possible, Royal Tire helps bring new life to tires while at the same time trimming costs for customers. When casings cannot be re-treaded, tire scrap makes its way into

the Ontario Tire Stewardship Collection program.

Given the size, reach and number of stakeholders involved in the OTS program, one may expect communications and logistical hurdles to get in the way of program roll-out. Fortunately for Royal Tire, partnering with service provider, Ontario Tire Recovery, has helped with the transition. Registered Haulers like Ontario Tire Recovery play an essential role in keeping scrap tires moving, and freeing up capacity for new tire sales – another example of how key stakeholders across the tire stewardship value chain are working together to meet our shared tire stewardship goals.

For more information, visit: www.royaltire.ca

Market Watch

Tire Recycling and Climate Change

Tire recycling has many environmental benefits. Some are obvious, like reducing the amount of virgin material being used by industry and freeing up land used to store waste tires. Some are harder to see but are equally important to realizing the full value of tire recycling. The effect of recycling on greenhouse gas (GHG) emissions is a critical benefit that is hard to measure but has been shown to be significant.

What is the link between recycling and GHG Emissions?

The disposal of tires produces GHG

emissions in a number of ways. Tire stockpiles, particularly at illegal dumpsites pose a fire risk, which produces Carbon Dioxide (CO₂), among other negative airborne pollutants. The same goes for the intentional incineration of disposed tires - a common alternative for tire disposal in many parts of Canada. Furthermore, tires that are dumped or incinerated must be replaced with new products manufactured from raw materials. Oil, steel, rubber and carbon black – the materials that are offset through recycling – are among the most energy intensive materials to obtain raw. Finally, the CO₂ generated from burning fuels for mining equipment, transporting raw materials, and indus-

trial processing is a significantly larger source of GHG emissions than the collection and reprocessing of old tires.

So how much are GHG emissions reduced by recycling tires?

An Institute of Scrap Recycling Industries (ISRI) report in the U.S. suggests that recycling four tires can save the energy equivalent of 18 gallons of gasoline and reduces greenhouse gas emissions by 323 lbs. of CO₂ equivalent. In Ontario, recycling the 12 million waste tires generated annually would reduce emissions by over 439,500 tonnes or the equivalent of taking 108,000 cars off the road!

Viewpoints

By Glenn Maidment
President, Rubber Association of Canada

The Ten Percent Solution

Poor tire maintenance shortens the life of tires – that's a fact. Ontarians scrap approximately 12 million tires every year: one for every man, woman and child. The good news is that with relatively little effort, and little or no cost, vehicle owners can increase the life of their tires by 10% or more by doing some very simple things – starting with checking tire pressure once a month.

Under-inflation not only decreases fuel-efficiency, it causes tires to generate excess heat build-up, which leads to premature wear. A 2003 study conducted by The Rubber Association of Canada noted that 56% of Canadian motorists were driving a vehicle with at least one tire under-inflated by at least 10%. Another 23% had at least one tire under-inflated by over 20%.

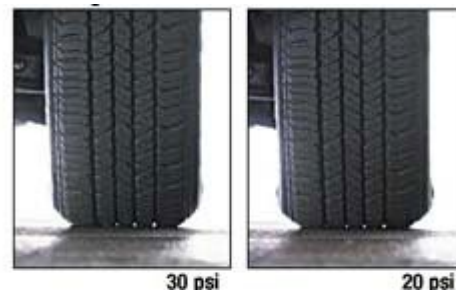
The Effects of Under-Inflation on Tire Wear and Fuel Use

% Under-Inflation	% Tire Wear Increase	% Fuel Increase
10%	5%	2%
20%	16%	4%
30%	33%	6%
40%	57%	8%
50%	78%	10%

Under-inflation has many causes. Dirt or water in the valve stem, aggressive driving, air loss through the inner liner, a rusty rim etc. can all contribute to a leakage of air. Even the change in ambient temperature has a significant impact on tire pressure. Another important factor contributing to premature tire wear is speed. If two comparable vehicles with two comparable sets of tires are travelling down the highway, one travelling at 80 kph, the other at 110 kph, the faster driver is also wearing out the tires 35% faster.

Another way to preserve tires is tire rotation. As more and more vehicles are front-wheel drive, it is not surprising the front tires take more abuse and wear. This is why the industry usually recommends a tire rotation every 6-10,000 kilometres to promote even wear (consumers should follow the recommendation in the owner's manual, as conditions vary).

Tread wear issues can be managed by simply doing a visual inspection of your tires when you are checking your tire pressure, which should be a monthly ritual. Run your hands over the tread area feeling for tread wear patterns – an early warning. Visually check for cuts, abrasions or foreign objects in the tread. It is important to note that it is almost impossible to determine under-inflation



simply by looking at your tires, so be sure to use a tire gauge to get a correct reading.

The final major influencer on tire wear is vehicle maintenance. Wheel bearings, shocks and struts and tie-rod ends all contribute to how the tire meets the road. If any of these are out of sync, then misalignment will occur and cause irregular tread wear.

A 10% improvement in tire wear is possible with just a little effort, and while it may not seem like a lot, it represents a reduction of 1.2 million Ontario tires entering the waste-stream and 1.2 million tires less that need to be manufactured.

Visit www.betiresmart.ca to learn more about the tire industry's consumer educational program called, "Be Tire Smart – Play Your P.A.R.T." PART is an acronym for Pressure, Alignment, Rotation and Tread – the four pillars of good tire maintenance.

• The OTS Report •

Through End of March, 2010

Registered Stewards

482

Registered Collectors

5351

Registered Haulers

129

Registered Processors

30

TSF Remitted

\$33,936,616.37

On-Road Tires Diverted

62,594 tonnes

Off-Road Tires Diverted

8,162 tonnes