

Executive Director's Message

Many of you lead teams in your daily lives. At work, on the ice, or at home, we all know how satisfying it is to see the team succeed. I play in a Sunday hockey league and while I'm still waiting for my call-up to the Canadiens, playing with my line mates every week reminds me of the other aspects of my "team life".

OTS is just one line on the Used Tires Program team that includes many of you reading this Newsletter. Each line has a specific function. The Collectors make sure the used tires are caught and passed off to the Haulers who carry them up the ice and move them on to the Processors. The Processors work their magic, turning waste tires into a raw material that is passed to the Manufacturers for the production of finished products for marketplace.

As is the case on the ice or at home, the team is only successful when everyone works together. I am pleased to see that the Used Tires Program Team is operating this way, and you can bet that the OTS line will keep skating with our sticks on the ice and our heads up so you can all focus on doing what you need to do to be successful.

- Andrew Horsman



★ What's in a Tire?

Ever wondered what goes into making a tire? They keep us safe on our commutes to work, family road-trips, and on the way to hockey practice, with the mandatory stop at Tim Horton's. But we think little about them until it's time to buy a new set. Tires at their most basic are composite products made of varying quantities of rubber, steel and fibres that are engineered together in a complex system designed to deliver optimal performance under varying conditions. Winter tires have rubber compounds that stay softer at colder temperatures, and modified tread designs that allow them to spread and grip slick winter roads.

In warmer temperatures, you want tires with firmer rubber compounds and treads that pump away water so you get good traction in wet conditions, plus better fuel efficiency and longevity.

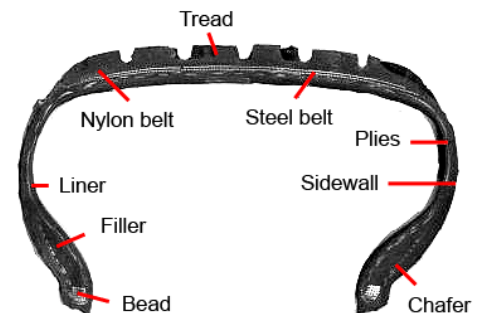
Tire chemistry and engineering also varies widely with the use. Passenger car tires generally have more fibre than steel to keep weight down, while commercial truck tires today contain more steel for strength under heavy loads and higher air pressures (3x) than cars.

Tires used in heavy off road applications on farming, construction, forestry or mining equipment differ greatly. Big tires on farm tractors may look heavy-duty, but their construction is generally similar to car tires

with more rubber and fibre so they can float on the soil, not compact it.

Mining tires may contain as much steel as your entire car giving them the strength to withstand huge loads. There are even solid rubber tires (no air) that are used in environments like scrap metal yards and landfills where the risk of flats and equipment downtime is too great.

All of these variations in the design and construction of tires have impacts on how recyclers handle them at end of life. The common thread is that tires are tough, durable and last a long time. These characteristics - which we need for our vehicles - help make products made from recycled tire rubber into better performing, longer lasting alternatives to the products they replace. So next time you are thinking about purchasing a recycled rubber product, remember where it came from and you'll better appreciate why it's the only choice for you.



◦ This Month's Headlines ◦

The OTS Team: Meet Melissa

Melissa Cordina, Accounting Manager for OTS offers up some tips

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Hauling Success with OTS

Tomlinson keeps tires moving for OTS

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Market Outlook for Recycled Tire Products

MTO tests Tire Derived Aggregates in Cornwall

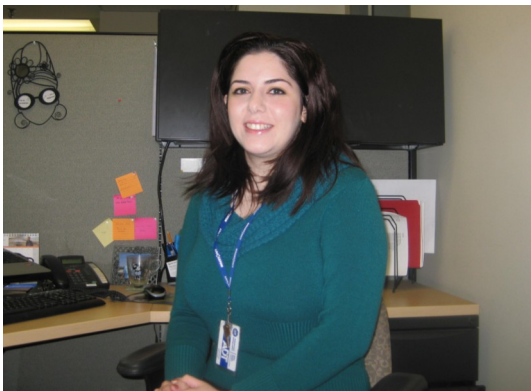
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Manufacturer gets involved in OTS

Leading tire maker Goodyear helps steer OTS to success

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Inside Track



Introducing Melissa Cordina

My role as Accounting Manager is to ensure that OTS financial information used to prepare payments, audited financial statements, and the annual report is recorded in an accurate and timely manner. Using my experience from an audit firm where I obtained my CA designation and focused mainly on not-for-profit organization engagements, I will also ensure that controls required to safeguard OTS assets are designed properly and operating effectively.

Tips & Suggestions:

- ☐ Putting early reminders in your calendar (rather than marking the deadline dates) will increase the likelihood of meeting the cut-off dates set by OTS.
- ☐ Before submitting information, take another quick scan of the document to verify that the information being submitted is correct (e.g. amount on cheque agrees with total according to TSF Remittance) and that the information being submitted is complete (e.g. signature or registration number isn't missing).

☐ There is no such thing as a stupid question. If the information resources available on the OTS website are not able to answer your query, please give us a call at 1-888-687-2202 or email us at info@ontarioTS.ca to get in touch with one of our friendly representatives!

☐ Should you change your contact information (or experience other changes in your business activities that could impact your OTS registration), please remember to notify an OTS representative.

☐ We would be more than happy to respond to confirmations sent to us by your external auditors. Please remember to provide your auditors with your registration number/s and we'll respond to confirmation letters received as soon as possible.

☐ Attending information/training sessions held by OTS as well as reading the newsletter and emails sent by OTS are all great ways to stay tuned for the latest news from us. You're already reading the newsletter, so keep up the great work!

In the meantime, we would be very pleased to hear about your experience with OTS. Please drop us an email to share your thoughts (whether you'd like to make a suggestion or provide us with feedback related to our service) and we'll use this information to better serve your needs.

- Thank you!



Garden Mulch From Heffco (Pg 3)

Zero-to-Sixty

March 31, 2011: Closing date for Stewards to submit February 2011 TSF Remittance Reports and payment

March 31, 2011: Closing date for Collectors to submit Claims for the October – December 2010 period

March 31, 2011: Closing date for Haulers to submit Claims for the December 2010 period

March 31, 2011: Closing date for Processors to submit Claims for the December 2010 period

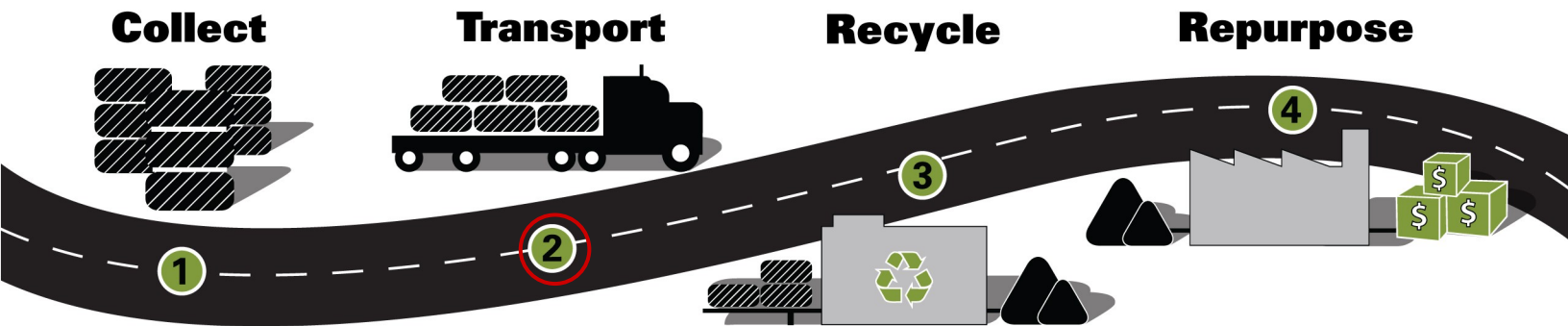
March 31, 2011: Closing date for RPMs to submit Claims for the December 2010 period

April 30, 2011: Closing date for Stewards to submit March 2011 TSF Remittance Reports and payment

April 30, 2011: Closing date for Haulers, Processors, and RPMs to submit Claims for the January 2011 period

Did You Know?

Automobile Tires were invented by Philip Strauss in 1911.



Stewardship in Action

Tomlinson Hauls Success with OTS

The OTS Used Tires Program is heavily dependent on its operational participants for success. The Haulers are the hub of the tire movement action, linking Consumers and Collectors with Processors and Manufacturers to form an end-to-end tire recycling process. One example of a highly successful organization that is dedicated to the success of the Used Tires Program is Terry Tomlinson and his group of companies.

Located in Ancaster ON, Tomlinson's group of companies are focused on servicing Ontario's Used Tire Program. Triple T Tire and Rubber Company was established in 1978 by Terry Tomlinson who gained his experience from his father Raymond. Terry is

fond of saying "one man's garbage is another man's treasure" and grew his business to include two others, Tomlinson Systems and National - Tomlinson. Servicing four provinces, providing bins, mini-lifts, roll-offs, and trailer services for the scrap tire and rubber industry, Tomlinson keeps 33 full time employees busy year round.

The tire recycling industry struggled to stay abreast of changing tire technology. In the 1980s and 1990s truck tires evolved from bias ply with tubes to tubeless radials. Passenger and light truck tire retreading also vanished in this timeframe and the processing technology wasn't suited for the new tires. But today, the industry is rebounding with new technologies and new product manufacturing markets for scrap tire materials.

Tomlinson supports the goals of



the OTS Used Tires program to support companies processing recycled tires in Ontario and to show other viable Processors that Ontario is a great place to set up operations. Terry feels the success of OTS is not only a green initiative, it also generates increased employment in Ontario and helps to beautify our cities and province while increasing consumer awareness about the importance of a cleaner and more sustainable future.

Market Watch

Dan Heffernan of Heffco Group of Companies speaks to OTS about opportunities for recycled tires and the Used Tires Program.

In my opinion, the best application for tire crumb in Ontario is rubber modified asphalt. Additional moulding applications will also develop such as rubber sidewalks. Heffco Elastomers/ Shercom Industries are producing sidewalks that can be installed year-round and that require minimum labour for installation. Our test site in Brantford has proven to be very rewarding and we are looking to expand this area in the coming months.

Although rubber mulch is not new to North America, Heffco/Shercom industries are actively pursuing this market. Last year, we distributed product to a major Canadian retail chain on a pilot basis with plans to expand distribution in the coming months. We have added a unique product this year that is produced from lift truck tires processed by Ontario Rubber Industries. The finished product is identical in appearance to wood mulch shavings, but offers all the improved characteristics of rubber (sustained colour, no degradation, longevity and increased fall height protection when used in playground applications etc.).

Heffco Elastomers concentrates on niche markets that are new or are rapidly expanding in the market place.

We are unique on the basis that we supply both ambient and cryogenic materials that fit very specific applications. For example, many of the moulded products are a better fit for ambient crumb than cryogenic in order to provide maximum physical properties for a particular moulded application.

We have come a long way in the recycling industry, particularly in Canada. Heffco supplies throughout North and South America as well as Europe and I would say the future is bright. I have had the opportunity to work with a number of boards and associations across North America and Europe and OTS is a shining star when it comes to being a partner for the cause. The staff is extremely well trained and quick to respond.

Viewpoints

Robin Hunter is In-house Counsel and Corporate Secretary to Goodyear Canada, and a member of the OTS Board of Directors on behalf of the Rubber Association of Canada.

Under the OTS administration, Goodyear is a Steward, being the manufacturer and first importer of tires into Ontario. Even in an age when public sector companies are being asked to do more with less, Goodyear Canada has identified tire stewardship as an area of significant importance with the potential to impact our relationship with consumers, our dealers and distributors, and the government.

Diverting scrap tires to productive use and working towards eliminating stock piles dovetail perfectly with Goodyear's commitment to the environment. That said, we invest a significant amount in the program and we want to ensure, to the best of our abilities, that OTS achieves its goals as cost effectively as possible. Participation in the

OTS Board, the governing body of OTS, is one way to ensure that the organization and its management are effectively and efficiently delivering on the statutory mandate of OTS.

The program has certainly influenced our business processes in Ontario because it extends our environmental responsibilities to include management at the post consumer/end of life stage. The responsibility for dealing with scrap tires and waste diversion is now the responsibility of Stewards such as Goodyear. This responsibility, of course, includes funding the program by way of the remittance of Tire Stewardship Fees (TSFs).

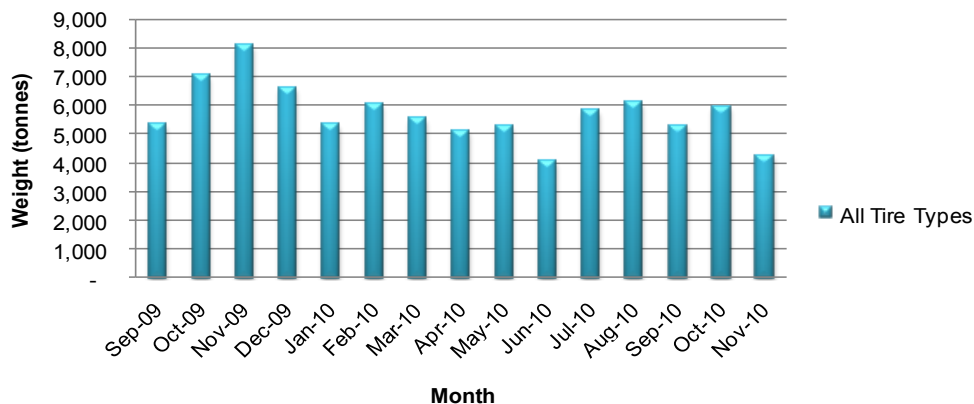
OTS has only been in operation since September, 2009. In such a short

time frame, the program has accomplished a great deal, and that success is manifest in the metamorphosis of scrap tires from worthless waste to a commodity of value. Obviously, as the value of that commodity grows, the economic incentives within the program will require adjustment.

Goodyear's environmental priorities have a dual focus on compliance and sustainability. All our manufacturing facilities strive to reduce use of water, eliminate solvents, and minimize greenhouse gas emissions. Focus is put on reduction of hazardous waste, reducing our energy demand, and utilizing best management practices around storm water and waste water at our facilities.

• The OTS Report •

Total Tire Volumes Received by Ontario Processors



Tires Diverted (Tonnes)

On Road: **131,200**

Off the Road: **26,938**

Tires Supplied into Market (Tonnes)

On Road: **160,177**

Off the Road: **18,308**

Registered Stewards

618

Registered Collectors

6281

Registered Haulers

161

Registered Processors

31

Recycled Product Manufacturers

8

TSF Remitted

\$86,600,029.93