

Executive Director's Message

This month's newsletter puts focus on how OTS and the scrap-tire industry are driving innovation and development of new markets in Ontario.

While our original mandate was to ensure Ontario's scrap tires were diverted to value added recycling, and not burned or disposed of in landfill, we've set our sights on developing the market itself.

We are confronting this task with a variety of strategies, including financial incentives that support the tire recycling industry and "consuming organizations" alike. From new grants for municipalities, to R&D support for new product applications, OTS is working to strengthen a resurgent Ontario tire recycling industry by promoting innovation.

I am especially pleased with our efforts to showcase products made from recycled tire rubber and get excited when I get responses like, "that's made from recycled tires?" when showcasing innovative products.

Watch out for new initiatives this year to support RPMs through new product demonstration opportunities, and training on how to leverage LEED (a leading green building certification program) to increase sales of tire-derived products.

 Andrew Horsman
OTS NEWS

★ OTS Releases First Ever Full-Year Annual Report

Earlier this month OTS released its first full-year Annual Report. The report is part of our commitment to transparency, and tells a story of both considerable success and remaining challenges.

Our success at diversion, supported by the Stewards and scrap tire industry, has far exceeded early objectives. With a diversion rate of 96% for Passenger/ Light Truck Tires, 115% for Medium Truck Tires, and 150% for Off-Road Tires it's clear that OTS-registered stakeholders are busy recycling a high volume of used tires.

Ontario-based Processors and Recycled Product Manufacturers (RPMs) are also thriving since the introduction of the program. Processors recycled approximately 66% of Ontario scrap tires into a range of crumb rubber grades and feedstock. These were used in various applications such as infill for sports fields, landscaping and in the manufacture of finished goods like automotive components and patio tiles.

Ontario-based RPMs have grown their consumption of Ontario crumb rubber by shifting sourcing to Ontario-based Processors – adding capacity to existing production while innovating and developing new products.

Financially, OTS is on solid ground. Stewards have been continuing to report and remit on a consistent basis, providing the financial foundation for the program to

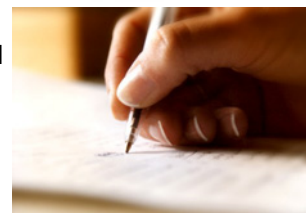
deliver exceptional results. While certain sectors have suffered from tough economic conditions – most notably in the Off-Road segment – markets are recovering.

Audited financials show OTS and its stakeholders have an opportunity to further develop Ontario's tire recycling industry. In 2010, more tires were sent to out-of-province processors, as Ontario recyclers didn't have capacity to receive them. Although tires were ultimately diverted to value-added end-uses, this represents a missed opportunity for Ontario's Processors and RPMs.

Furthermore, since processing these tires out-of-province resulted in a net surplus for the program owing to lower processing costs, additional funds will be re-invested in the Ontario industry.

Results from the 2010 Annual Report show OTS and the tire recycling industry have come a long way together, but still require time to achieve the ambitious goals of the program. Looking ahead, it's clear that the industry is positioned for growth and innovation, backed by continued support from OTS.

The 2010 Annual Report can be accessed on the OTS website at: www.ontarioTS.ca



◦ This Month's Headlines ◦

Improving TSF Remittals

Amelia Narine gives OTS readers tips on TSF Remittance.

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OARA Take Back Tire Event

We celebrate the success of this year's event.

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Get SMaRT

Introducing a new standard for sustainable living

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A Municipal Perspective

An update on the Used Tire Programs

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Inside Track



Introducing Amelia Narine, OTS Accounts Receivable Clerk

I joined OTS in February of this year as the Accounts Receivable Clerk, where it's my goal to make Stewards as comfortable as possible with the remittance process. My responsibilities include payment and coordination of TSF submittals, reviewing the accuracy of these submissions and expediting their entry into OTS' system.

If information is missing or I notice a Steward may need additional assistance to properly complete the forms, I proactively reach out to clarify any mis-

conceptions. At that time, I'll usually ask for feedback about the submission process with an eye to continuous improvement.

And speaking of improvements, I want to remind readers that OTS is moving the TSF remittance process online. This new process will ensure up-to-date reporting and greater accuracy, which will help minimize late remittances (10% penalty for late TSFs) and allow Stewards to track their remittances more easily.

We are always looking for ways to make the program more efficient so to help me provide you with the very best service, be sure to:

- ☐ Contact OTS as soon as possible if you realize a TSF remittance was sent in with incorrect information
- ☐ Double check TSF calculations before sending payment to avoid penalties
- ☐ Provide additional back up information if tires go out of province, or documentation regarding a remittance adjustment



Zero-to-Sixty ●

June 30, 2011: Closing date for Collectors to submit Claims for the January – March 2011 period

June 30, 2011: Closing date for Stewards to submit May 2011 TSF Remittance Reports and payment

June 30, 2011: Closing date for Haulers to submit Claims for the March 2011 period

June 30, 2011: Closing date for Processors to submit Claims for the March 2011 period

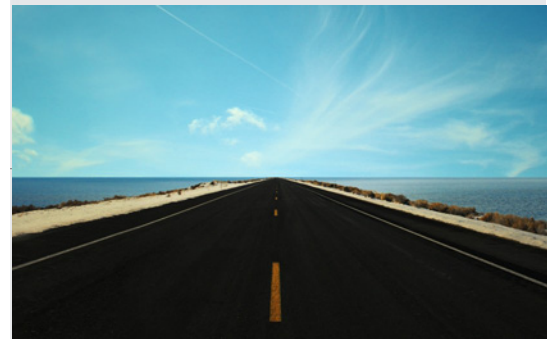
June 30, 2011: Closing date for RPMs to submit Claims for the March 2011 period

July 31, 2011: Closing date for Stewards to submit June 2011 TSF Remittance Reports and payment

July 31, 2011: Closing date for Haulers to submit Claims for the April 2011 period

July 31, 2011: Closing date for Processors to submit Claims for the April 2011 period

July 31, 2011: Closing date for RPMs to submit Claims for the April 2011 period

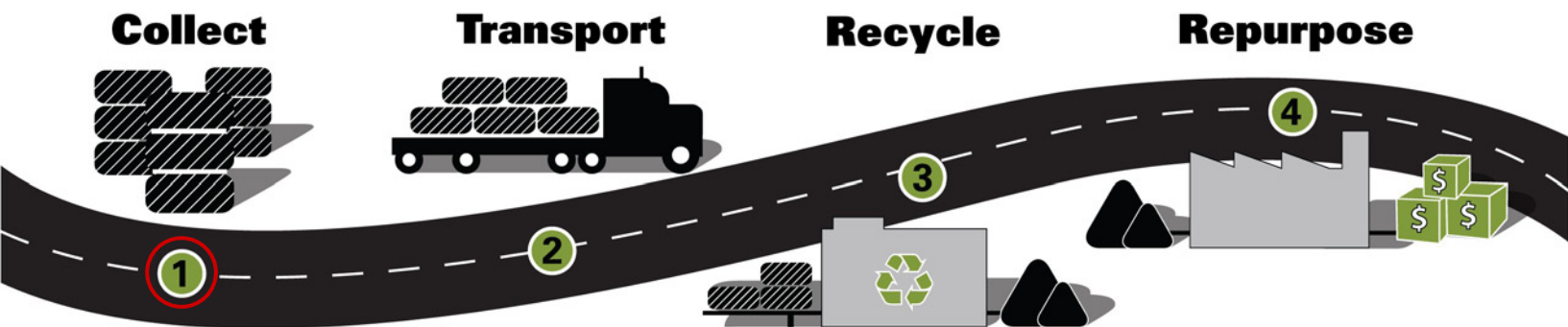


Fun Fact ●

Hot summer days and long drives to the lake can put added stress on your tires! "Be Tire Smart – Play Your PART", check your Pressure, Alignment, Rotation and Tread before you hit the road.

Tips from Amelia Regarding TSF Submittals

- ☐ Remember that TSF remittances are due at the end of the month following the reporting period (e.g. March 2011 remittance is due at the end of April 2011)
- ☐ Ensure TSF form contains relevant reporting period and signing authority signature
- ☐ Ensure Steward contact information is up-to-date and inform OTS if there are any contact person changes
- ☐ Train an alternate person on how to remit and who to contact for questions
- ☐ Attend a live Steward webinar or training session; if you can't, check out the slide presentations that can be found on www.ontarioTS.ca



Stewardship in Action

Sustainability and Caring Go Hand-in-Hand at the 2nd Annual OARA Tire Take Back Event

The 2nd annual OARA Tire Take Back event was held May 27 and 28 with support from Ontario Automotive Recyclers Association (OARA) and Ontario Tire Stewardship (OTS). Over 65 OARA member locations across Ontario collected used tires to raise money for the Sunshine Foundation of Canada.

Typically there is a fee to recycle more than four tires. For this event, all tire fees generated from tire drop offs will be donated to the Sunshine Foundation of Canada, with OARA matching total donations collected.

Last year's event raised \$64,000 for

charity and the thousands of tires collected would produce a stack of tires taller than 12 CN Towers. This year's challenge is to raise \$100,000! OARA members reported that traffic was brisk during this year's two day blitz and we will report the final results after the June 30 collection event filing deadline.

OARA Members process end-of-life vehicles in an environmentally responsible manner, preventing contamination from potentially harmful operating fluids and toxins, and ensuring recyclable parts are collected. The Ontario Auto Recyclers Association also helps to guarantee a high quality standard for recovered parts and facilitates their re-use through the convenient online Green Parts website: www.gogreenparts.ca.

A group that is the heart of this event



is the Sunshine Foundation of Canada (www.sunshine.ca), which makes dreams come true for children who are challenged by severe physical disabilities or life-threatening illnesses.

Sunshine was founded by a Canadian police officer that lost his teenaged son to muscular dystrophy. Since 1987, the Sunshine Foundation has fulfilled more than 6,700 dreams, ranging from family trips to celebrity meetings.

OTS staff and members of the Tire Life Check team are proud and happy to be part of such an important event.

Market Watch

Should Recycled Tire Products get SMaRT?

By Jim Lord, Cofounder and Principal at Ecovert

Choosing sustainable materials has always been a challenge for businesses and consumers. While various labels such as the Forestry Stewardship Council's FSC Logo or USDA Certified Organic label indicate sustainable product attributes, there has not yet been a widely accepted holistic certification for product sustainability. SMaRT, a program developed by US charity, Market Transformation to Sustainability (MTS), might change that.

SMaRT stands for Sustainable Materials Rating Technology, which is a universal, inde-

pendently audited assessment metric for green products with standards that are easily accessible, comprehensive and transparent.

The program was generated through consensus from open committees and SMaRT provides a multi-attribute process for assessing all green product offerings. SMaRT cuts across various industry greening programs to help manufacturers, builders, and consumers make more informed product choices.

"Universal sustainability standards are vital for creating new markets and for helping consumers determine the relative environmental merits of competing products," says Adolfo Silva, a Co-Founding Principal at Ecovert Sustainability Consultants. By providing certified sustainable products, tire processors and recycled-tire product manufacturers have an opportunity to provide assurance of sustainability throughout the product's life-cycle.

SMaRT is just one approach that might build confidence in the quality of TDPs.



The standard for sustainable living

What makes a product SMaRT?

SMaRT is a points-based system that has five main categories under which products are evaluated. Depending on the number of points achieved, a product can be rated sustainable, silver, gold or platinum. For more information on these rating categories please visit:

www.ecovert.ca

Ecovert Sustainability is a leading Canadian SMaRT-certification consultancy

Viewpoints

A Municipal Perspective on the Used Tires Program

The OTS Used Tires Program allows Ontario residents to drop off up to 4 used tires free of charge at all OTS registered collection locations across the province. This extensive network of collection locations would not be possible without the participation of our municipalities dedicated to making it easier for Ontario consumers to recycle used tires. Having more locations helps to discourage the illegal dumping of scrap tires and gets product in the hands of service providers properly equipped to manage them.

This month we spoke with some of our municipal members to get their perspective on how the Used Tires Program has helped to strengthen their environmental mandates.

"Diverting material from landfill to re-use and recycling is important to municipalities," explains Cathy Wiebe, the Administration Supervisor for the Solid



Waste Services Division at the County of Wellington. "OTS has increased the opportunity for municipalities to successfully add used tires to their diversion programmes."

While the program has been an overall success for municipalities and consumers, some challenges remain. Jennifer Barbazza, Manager of Operations and Special Projects at OTS, was in the middle of early program growing pains. "At the beginning, one of the difficulties we experienced with Municipal sites was the fact that many landfills are not staffed at all times... meaning many

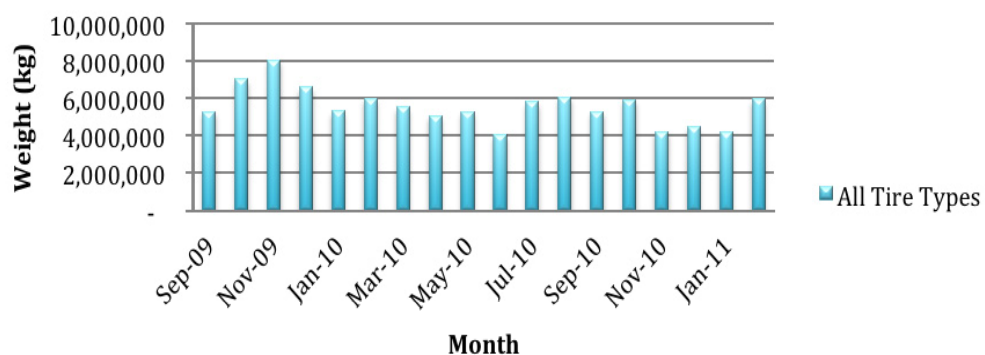
municipalities were not receiving their payments." OTS has since solved this problem by allowing municipalities to switch their contact to a town hall or municipal administration location in place of the collection site or municipal waste transfer station.

"There have been and continue to be growing pains with municipalities' participation in the tire collection programme," Ms. Wiebe notes, "but OTS has been open to our feedback and to working with municipalities to overcome the challenges we have encountered."

As these challenges are tackled one-by-one, OTS looks forward to the continued growth and success of the program due in large part to the support of forward-thinking municipalities.

• The OTS Report •

Total Tire Volumes Received by Ontario Processors



Tires Diverted (Tonnes)

On Road: **152,799**

Off the Road: **32,157**

Tires Supplied into Market (Tonnes)

On Road: **431,184**

Off the Road: **555,329**

Registered Stewards

637

Registered Collectors

6,479

Registered Haulers

174

Registered Processors

28

Recycled Product Manufacturers

8

TSF Remitted

\$110,753,646.90