



August 2010

OTS NEWS

An Ontario Tire Stewardship Publication

Executive Director's Message

With significant new processing capacity projected to come on-line in early 2011 and increased manufacturing boosting consumption of Ontario crumb rubber, OTS continues to evolve to meet our stakeholders' expectations.

A key focus today centres on how OTS can develop the markets of tomorrow for tire-derived products. Companies are already innovating. The recent launch of car mats made from recycled tire rubber manufactured by Multy Industries and retailed by Canadian Tire, is an excellent example of the types of partnerships springing to life within the OTS community.

I want to encourage everyone to keep on innovating, growing and engaging with OTS early and often so we can provide the kind of support that leads to results for your business and bottom line. As in any successful organization, it's only through the help of good people around us that we can truly succeed, and I know we've got the best team out there.

- Andrew Horsman



★ Increasing our Processing Capacity

August is all about shifting into a different gear – we make plans for the last long weekend of summer and get ready for the back-to-school season. It's also a time when Ontario Processors begin looking ahead to the Fall scrap tire season and the opportunities for securing new supplies of used tires.

In the last several months we have seen a not entirely unexpected dip in Ontario processing capacity. The influx of used tires in the first few months of the OTS program, driven by the "Ontario-Processors first" focus, allowed Ontario Processors to run their operations at full capacity. Tires were plentiful and our Processors capitalized on the availability of raw materials for their Tire Derived Products (TDPs). Processors have now turned their attention to strategic initiatives.

Five of our existing Ontario Processors are expanding their operations and capacity. With a combined investment of approximately \$10 million, and the potential to create 40 new full time positions in 2011, these organizations are taking advantage of the secure supply of tires and incentives paid by OTS to recycle used tires efficiently.

In addition to such expansion, four new organizations are at various stages of establishing operations as tire processors. These new Processors will invest approxi-

mately \$15 million in Ontario and have the potential to create 20-30 new full-time jobs.

Together these developments could change the landscape of tire processing in the first half of 2011. Based on current processing capacity figures, we may even see a surplus of capacity in Ontario – a far cry from where we were just 12 months ago. These changes mean that Processors will need to be more proactive, efficient and competitive to secure the supply of used tires needed to feed their operations.

In anticipation of the extra support Processors will require to grow markets for their products, OTS is on a constant lookout for opportunities to profile and support tire-derived product use. Whether you're seeing TDPs succeeding in new sectors, have ideas for innovative new uses, or want to weigh in on the conversation in other ways, we welcome your suggestions for how to bolster this exciting reuse market.



◦ This Month's Headlines ◦

Managing Claims

Tips submitting your OTS claims.

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Profile: Ideal Rubber

Meet one of the newest Processors to set up in Ontario.

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The French Connection

France's Aliapur advances the lifecycle understanding of tire processing.

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Growing the processing industry

OTS incentives are enabling Processors to establish locally.

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Inside Track



Introducing Thi

My role as the Claims Manager in the OTS Operations Centre means that I am responsible for processing all incentive claims for Collectors, Haulers, Processors and Recycled Product Manufacturers. I lead a team of eight whose role is to process claims, and when approved, ensure cheques are mailed on time to meet the 35 day target from the time a complete claim package is received. In addition to being the first approver of all claims, I am the focal point for questions or issues regarding claims. I also provide regular reports to the OTS Management team to ensure they are kept up to date about the status of all claims that OTS processes.

Tips and Suggestions

For Haulers and Processors:

- ☐ Ensure the dates on weigh scale tickets match those on Processor Tire Receipt (PTR) forms.
- ☐ Corrections and changes on OTS forms (e.g. TCR, DOT, PTR) must be initialized. Forms that are sent to the Hauler to be initialled should be returned to OTS as soon as possible to reduce any change to the payment due date.
- ☐ Ensure all hard-copy forms are submitted "Attention Claims Department" in the order entered in the electronic spreadsheet – this allows for faster processing of claims.

- ☐ Prior to picking up tires, Haulers should validate that the Collector location is registered and check that the registration number and postal code matches information on www.ontarioTS.ca.
- ☐ Redirect and Ad Hoc authorization codes should be used within the 2 weeks approval window and should be noted clearly on the OTS forms and entered in the "Surplus" section of the claims spreadsheet.

For Collectors:

- ☐ Note that MT and OTR tires from commercial vehicles / equipment accepted by Recyclers for recycling are not eligible for the Collection Allowance as these are considered generated tires from a commercial source. These tires are still eligible for free pick-up.
- ☐ When entering information using the on-line claim, verify that the Collector information is correct (e.g. name, address, postal code, etc.)
- ☐ Remember, each Tire Collection Receipt (TCR) form equals one line on the claims form. Use the "Add Line" button to enter an additional TCR form.
- ☐ Adjustment forms can only be filled out for submitted claims. If a Collector has not submitted a claim to OTS, they are not eligible for Collector Claims Adjustment Requests.
- ☐ Maintain copies of hard-copy forms in case they need to be accessed by OTS.

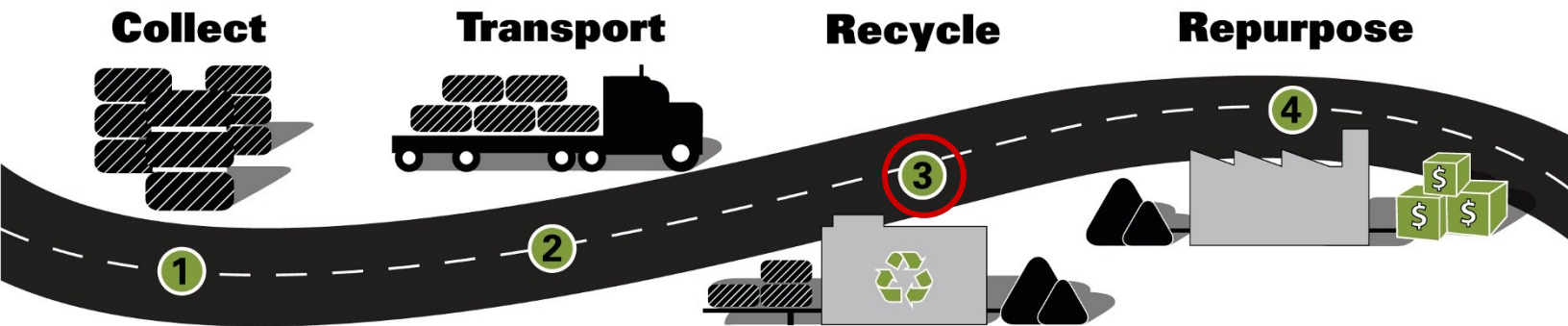
Please contact us by phone at 1-888-687-2202 or by email at info@ontariots.ca with any questions about your claims and how you can ensure they are processed faster and accurately!



Recycled Tire Mulch—photo by [Plasticrevolver](#)

Zero-to-Sixty

- August 16th – 18th 2010: OTS at the AMO 2010 Annual Conference and Trade-show
- August 27th-29th: Tire Life Check Tour at Oshawa AutoFest
- August 28th-29th: Tire Life Check Tour at Milton Ribfest
- August 31st 2010: Closing day for Haulers to submit Claims for the May 2010 period
- August 31st 2010: Closing day for Processors to submit Claims for the May 2010 period
- August 31st 2010: Closing day for Stewards to submit July 2010 TSF Remittance Reports and payment
- September 3rd-5th: Tire Life Check Tour at Burlington Ribfest
- September 4th-5th: Tire Life Check Tour at Sudbury Ribfest
- September 16th – 18th 2010: OTS at the OTDA Annual Conference and Trade-show
- September 30th 2010: Closing day for Collectors to submit Claims for the June 2010 – August 2010 Period
- September 30th 2010: Closing day for Haulers to submit Claims for the May 2010 period
- September 30th 2010: Closing day for Processors to submit Claims for the May 2010 period
- September 30th 2010: Closing day for Stewards to submit July 2010 TSF Remittance Reports and payment
- September 30th 2010 – October 3rd 2010: OTS at the Toronto Fall Home Show (Exhibition Place)
- October 1st 2010: Opening day for Collectors to submit Collection Allowance Claims for the July 2010 – September 2010 Period



Stewardship in Action

Ideal Rubber Sets up Shop in Ontario

Tire Processors play an integral role in protecting Ontario's environment by accepting used tires that may have otherwise been illegally dumped, burned or land filled. Processors also make positive contributions to the Ontario economy by supplying recycled tire manufacturers with raw tire derived products (TDPs) and creating jobs in Ontario. OTS offers Processing Incentives to companies selling TDPs to encourage and facilitate the growth of processing businesses located in Ontario. Ideal Rubber Industries (IRI), an OTS Registered Processor, has taken advantage of the OTS Processing In-

centives in a journey that has benefited the Province in more ways than one.

Based in Brantford, Ontario, IRI opened its doors nearly a year ago with the mission to keep the Ontario environment clean and free of waste tires by processing used tires into valuable crumb rubber for recycled tire manufacturers across North America. IRI processes used tires at their 20,000 square foot facility into 6-20 mesh, 8-20 mesh, 10-20 mesh, 20-30 mesh with other sizes available upon request. The facility uses a twelve step process to create the designated rubber crumb sizes and is capable of processing two million tires annually. Their start-up has gone smoothly and Ideal is now looking for-



10-20 Mesh Crumb Rubber from Ideal

ward to a bright future including a key role in strengthening Ontario's clean environment, while offering employment opportunities to Ontarians.

Market Watch



Aliapur, Stewardship in Action in France

Tire industry stewardship programs are not limited to Canada. By looking at jurisdictions around the world where tire stewardship programs exist, OTS can acquire new knowledge for optimizing TDP markets, developing new manufacturing and processing incentives, and promote innovation in processing and recycling used tires.

France, known for its world-class food, wine, art and café lifestyle, is also home to an outstanding industry-led tire stewardship initiative. In 2002, a tire manufacturing industry consortium in-

cluding Bridgestone, Continental, Goodyear, Michelin and Pirelli founded Aliapur. Much like OTS, Aliapur was created to reduce the presence of used tires in the environment, support the development of TDP markets and promote connections between Collectors, Haulers, Processors, and Recycled Tire Manufacturers.

A leading innovation of Aliapur has been funding a Research and Development department. The R&D department studies the reliability and safety of tire recovery methods and promotes the development of novel used tire recovery methods.

One of their research projects involved conducting a life cycle assessment (LCA) on recovery methods for used tires. The LCA study compared the environmental impacts created and avoided from nine different recovery methods based upon a number of different environmental indicators, including

water consumption, greenhouse gas emissions and energy consumption.

The R&D team concluded that products made from recycled tires have a significantly lower impact on the environment when compared with the same products made from virgin materials. For example, the production of 1 tonne of synthetic turf from recovered tires reduced energy consumption by 74 gigajoules and CO2 emissions by 3,217kg when compared to the alternative of synthetic turf produced by virgin EPDM rubber.

Aliapur's investment in R&D is an excellent example of what is possible from a mature tire stewardship program. R&D promotes the development of innovative technology for tire processing and gives further evidence that an industry-led stewardship program can have positive benefits for the environment.

Viewpoints

Building The Processing Industry in Ontario

Central to the goals of OTS is not only our mission to protect the environment through responsible tire diversion and recycling, but also our mandate to create innovation opportunities for Ontario. A big indicator of success in this area is the creation of new processing capacity in the Province.

While scrap tires were historically shipped south of the border, the appeal of incentives available through the stewardship program and the resulting dependable supply of scrap tires has enticed major processing players to set up shop in Ontario.

High Tread International Inc. is one such company. Based in the US, they established a Brantford tire processing facility in early 2010. The new

facility could eventually employ up to 70 people, receive 250 tonnes of used tires per day and process up to 52,560 tonnes annually.

In the case of Brantford, Citizens were initially very concerned about safety and environmental issues, with the memory of the nearby Hagersville fire of 1990 still etched in the City's memory. However, these fears were alleviated through the understanding that the stewardship program is designed to avoid creating dangerous stockpiles that pose a fire risk. With the Program, there is no incentive for Processors to store tires, and funds can only be collected as product moves out the door. This ensures that Processors keep stock flowing and inventories low.

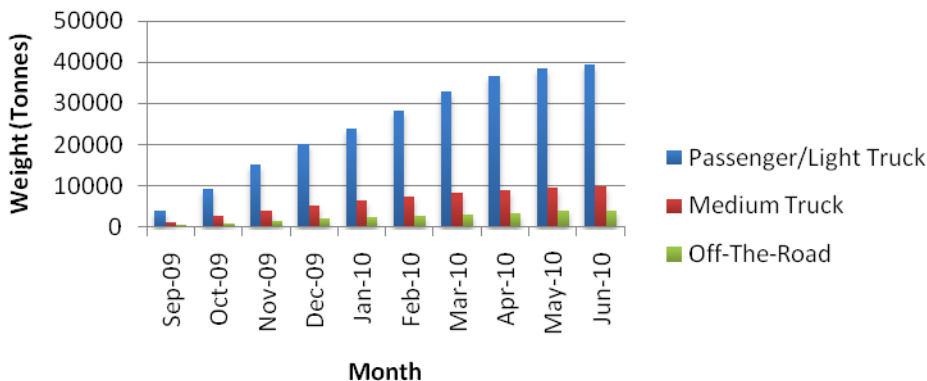
The North is another region that has benefited from new production opportunities due to its proximity to large



numbers of Off-The-Road tires used in mining and forestry. Granutech, a Quebec-based Processor with numerous contracts throughout Ontario and Quebec, including one with Goodyear, has proposed a tire processing facility in North Bay, Ontario. The facility in North Bay has the potential to create up to 50 full-time jobs and if fully approved, could be operational within one year. The 9,000 square-metre facility will process approximately 25,000 tons of tires annually and have the capacity for more than 50,000 tons.

• The OTS Report •

Cumulative weight of tires received by Ontario Processors since September 2009



Registered Stewards

564

Registered Collectors

5866

Registered Haulers

140

Registered Processors

28

TSF Remitted

\$53,461,024.69