



## Executive Director's Message

OTS is celebrating our 1-year anniversary and the past 12 months have seen us shift the landscape of scrap tire management in this province.

Launching a stewardship program is no easy task. There were challenges to be sure: registering thousands of Collectors, Haulers and Processors certainly tested our team. Recycled Product Manufacturer (RPM) registration came later as we responded to stakeholder concerns. Claims filing required training, policy-reviews, decisions and learning for OTS and the Participants that were trying to complete submissions.

We learn more about the movement of used tires in Ontario with every passing day.

Throughout the past 12 months we benefitted from the support and knowledge of our stakeholders. On behalf of the entire OTS team, thank-you for helping us get here. We're looking forward to the coming months and years where we know we will make Ontario the leading tire stewardship program in North America.

- Andrew Horsman

## ★ Celebrating One Year!

The approval of the Ontario Used Tires Program just over 17 months ago resulted in the launch of OTS on September 1st, 2010. Here are just a few of the milestones we've achieved over the past year.

- OTS has held over 25 training sessions for Program participants on registration, TSF filing, Claims submission and how to get support from OTS.
- There are over 7,200 organizations registered with OTS in at least one role, and still we process over 40 new registrations every week.
- OTS has received over \$60.6 million in TSF remittances from over 500 Stewards supplying tires of various shapes and sizes into Ontario.
- Over 107,000 tonnes of used tires have been diverted away from landfills or fuel, a diversion rate of over 95%.
- OTS has made over 40 adjustments to the incentive rates to ensure tires continued to be picked-up from all areas of Ontario.
- Together with our Haulers, OTS has managed a number of Special Tire Collection events providing free collection to Ontario residents.

- As a result of the Ontario Used Tires Plan new and existing Processors and Manufacturers are bringing investment and innovation in scrap tire processing and product manufacturing to Ontario.

- Participated in over 10 conferences and tradeshow raising awareness of the Used Tires Program and raising the profile of green products made from scrap tires in Ontario.

- Launched the "Tire Life Check" program to educate Ontario drivers on proper tire maintenance, helping them get the most out of their tires and improve road safety and fuel efficiency.

OTS is proud to report this success in delivering on the objectives to divert Ontario's used tires, grow Ontario processing capacity, and develop economically and environmentally sustainable markets for Ontario-made recycled tire products, but more is still to come.

With the launch of our Research & Development Grant Program this month OTS will be taking another major step towards a green future for Ontario's scrap tires. OTS is proud to support leading research into new uses for tire rubber. We look forward to working with you to make this happen.

## ◦ This Month's Headlines ◦

### Managing Compliance

Tips to keep you on track and problem free.

Pg 2

### Profile: Multy Home

A floor covering leader branches into recycled tire Products.

Pg 3

### TDPs around the home

Recycled tire products are great for the home and available at store near you.

Pg 3

### Minister's of the Environment & EPR

Leaders from across the country define extended producer responsibility.

Pg 4



## Inside Track

### Introducing Sami Kneifati

My role as Audit Manager is to lead the compliance and audit function for OTS. Applying my experience at a major insurance company and Big 4 public accounting firm to this exciting program in its early stages gives me the opportunity to apply my skills and knowledge to help shape the program as it matures.

***The following tips and recommendations will help ensure program compliance, reduce the risk of penalties, and ensure you are prepared in the event of a compliance review:***

#### STEWARDS

- ☐ Remit the Tire Stewardship fee in an accurate and timely manner each month .
- ☐ Promptly determine your status as defined in the Used Tire Program and register with OTS. The penalties, interest and audit compliance costs for Stewards not registering with OTS can quickly exceed the cost of being a Steward.
- ☐ We encourage registered stakeholders to help OTS identify others who are not competing fairly, and they can do so anonymously by phone or letter.

#### COLLECTORS

- ☐ Maintain a used tire log. This tire log or "inventory movement report" can enhance your control over tire movement and addresses compliance questions.
- ☐ When in doubt and faced with unusual or unreasonable attempts to drop off tires at your registered Collector's site, contact OTS and inquire about the options available prior to accepting and claiming those tires. This will reduce the risk of accepting and claiming non



-eligible tires which in turn incur costs to the Collector.

- ☐ Tires accumulated prior to the program start (September 1, 2009) need to be declared on the Collector's registration application with OTS. Those scrap tires are not eligible for any OTS allowances.
- ☐ Tires collected from commercial equipment that have been received/purchased by an Auto Recycler, Scrap Yard or Auto Wrecker (or any other firm who takes legal possession of the vehicle) are only eligible for free pick up. These tires do not attract a Collection Allowance.

#### HAULERS

- ☐ Conduct a regular used tire inventory "true up" to compare ending inventory as submitted to OTS with the actual yard count. Identify and resolve variances as soon as possible by contacting OTS and the team will assist you in correcting inventory balances.
- ☐ Request OTS approval prior to delivering surplus tires to other Ontario Processors (Redirect requests) or to out-of-province Processors (Ad Hoc requests). This will help ensure faster processing of your claims and avoid any claw back of Transportation Incentives for unapproved deliveries.

#### PROCESSORS

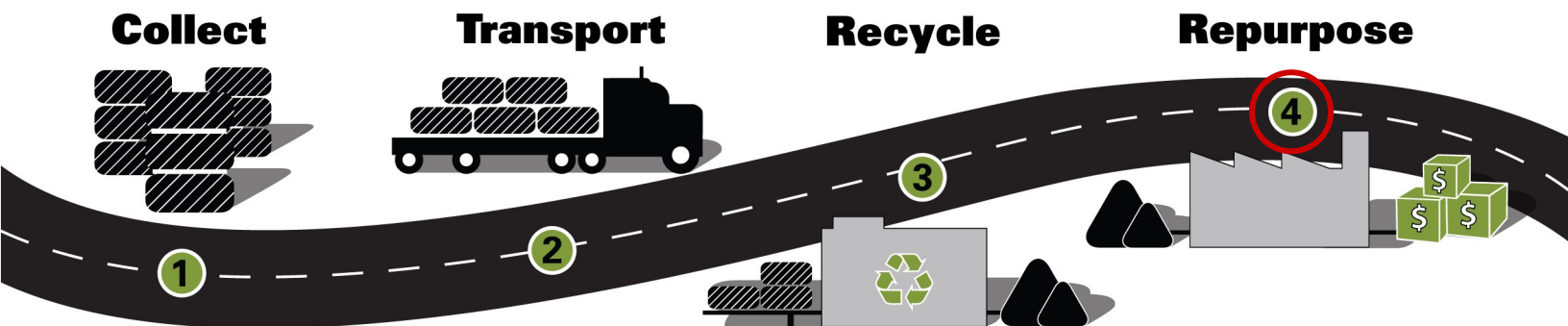
- ☐ In the event of a compliance review, you should maintain records of used tire inventory movement and sales invoices which show detailed information related to the sales transaction.



Recycled Tire Pavers by Multy

## Zero-to-Sixty

- **September 28th:** Ontario Recyclers Investment Workshop
- **September 29th-October 1st :** Rubber Association of Canada Rubber Recycling Conference
- **September 30th 2010:** Closing day for Collectors to submit Claims for the April 2010 - June 2010 period
- **September 30th 2010:** Closing day for Haulers to submit Claims for the June 2010 period
- **September 30th 2010:** Closing day for Processors to submit Claims for the June 2010 period
- **September 30th 2010:** Closing day for Stewards to submit August 2010 TSF Remittance Reports and payment
- **October 8th – 11th:** OTS at the International Home Show
- **October 31st 2010:** Closing day for Haulers to submit Claims for the July 2010 period
- **October 31st 2010:** Closing day for Processors to submit Claims for the July 2010 period
- **October 31st 2010:** Closing day for Stewards to submit September 2010 TSF Remittance Reports and payment



## Stewardship in Action

### *Floor covering leader invests in recycled tire production*

Recycled Product Manufacturers (RPMs) use raw material from Processors. RPMs manufacture these raw materials into many innovative recycled products such as sports fields, playground fill, rubberized asphalt, and automotive parts. The Used Tire Program is designed to help promote the development of markets for such products and provide RPMs with incentive for turning diverted used tires into higher end uses based on 3R (reduction, reuse, and recycling) principles.

Multy Home LP was incorporated

in 1985 and is a leading floor covering manufacturer supplying all major North American retailers. Multy has 2 manufacturing sites in Toronto as well as a head office and Distribution Centre and employs approximately 250 people throughout the business. Their strength is product innovation, category management and speed to market.

In 1999, Multy opened a state-of-the-art manufacturing facility to produce consumer products from recycled rubber. They have successfully penetrated the North American marketplace with a wide variety of products including door mats, patio tiles, gym tiles, car mats, utility trays and garden mulch.

Multy Home LP has found crea-

tive ways to use recycled rubber tires to produce value-added products that stimulate the local economy and provide important jobs for Canadians. Their rubber moulding business continues to be a growth area as they expand in 2011 and 2012.



*Rubber Doormat Manufactured by Multy Home*

## Market Watch

### *Products for the home at a store near you*

In OTS News, Tire Derived Products (TDPs) have been featured several times in our Market Watch column. OTS helps to develop new markets for TDPs by attending tradeshow, like the Green Living Show 2010 where even the Premier dropped by to check out offerings of our Recycled Product Manufacturers (RPMs). One of the areas where consumers can connect with these products is in the home.

OTS members offer a range of products for the home such as rubber shingles, rubbers mats, carpet underlay and garden mulch. These products are often lower cost and more environmentally responsible than products that have been produced using virgin materials. At the same time, these TDPs offer

performance properties that are similar if not superior to traditional products.

With all these great TDPs available, how mainstream have they become? If you were to ask your neighbours or even take a random sample of individuals that passed you on the sidewalk, how many would know these products exist? People might be interested and pleasantly surprised to know that their rubber mat sitting on the front porch was formerly tires from their vehicle.

Helping to drive consumer awareness of OTS member products are home improvement and consumer goods stores like Canadian Tire, Home Depot and RONA. These stores offer several TDPs including rubber mats and stair treads. These TDPs are often differentiated by being promoted as an environmentally friendly option. Such is the case with Home Depot, which recognizes recycled rubber products as an

"Eco Option," allowing consumers to choose more responsible products for use in their homes. This allows organizations to take advantage of the drive towards greener products in turn increasing the market for TDPs.

Home builders and construction companies looking for quality and environmentally friendly features such as Ottawa's Post Harvest Developments are using recycled tire products in new housing. One benefit is that TDPs can contribute to credits for recycled content, in green home certification programs such as Leadership in Energy and Environmental Design (LEED).

TDPs have evolved to be more than just tire swings. OTS members play an essential role in providing consumers with TDPs to help them achieve environmental goals and embrace a green lifestyle.



## Viewpoints

### *Extended Producer Responsibility – Canadian Council of Ministers of the Environment (EPR-CCME)*

The Canadian Council of Ministers of the Environment (CCME) has been a driving force for developing actions, national strategies, norms and guidelines that improve both human and environmental health. The CCME, comprised of the environment ministers from each province, territory and the federal government, addresses topics that range from packaging reduction to the phase out of PCBs and, familiar to us, Extended Producer Responsibility (EPR).

The CCME's Canada-Wide Action Plan for EPR, has the following vision for EPR in Canada; "to transform Canada, one of the world's largest per capita generators of waste, into one of world's leaders in sustainable product design and end-of-life product management."

EPR is an approach to product management where the producers' re-

sponsibility for a product extends to its end of life. Producers can engage in EPR in a variety of ways such as designing products to minimize life cycle impacts and accepting legal, physical and/or economic responsibility for final disposal.

What makes a model EPR program? In consultation with stakeholders, the CCME developed a set of principles to shape in program design. These include:

- Responsibility for end-of-life handling is transferred from municipalities or other waste management authorities to producers.
- A communication strategy is devised to inform participants in the product chain, including consumers, about the program and enlist their support and co-operation.
- Consumers have reasonable access to collection systems without

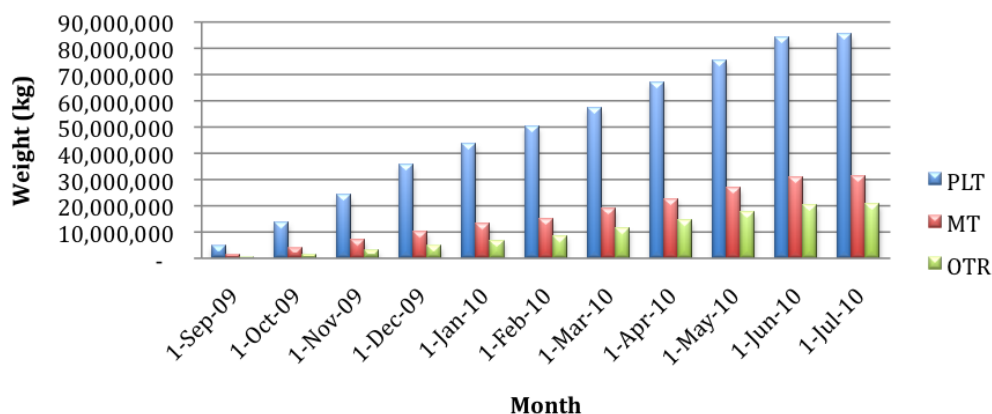
charge, to maximize recovery opportunities.

- To the greatest extent possible, programs seek to reduce the environmental impact of a product.
- EPR programs are consistent with the 4R waste management hierarchy: *Reduce*, including reduction in toxicity and redesign of products for improved reusability or recyclability, *Reuse*, *Recycle*, and *Recovery* of materials and/or energy

By striving towards these principles and others, OTS is well on its way to becoming a model EPR program which other jurisdictions can look to when setting up a stewardship program. OTS is proud to support the CCME in making a real contribution to helping Canada become a world leader in product design and end-of-life product management.

## • The OTS Report •

### On-road and Off-the-Road Tires Delivered by Ontario Haulers



#### Tires Diverted (Tonnes)

On Road: **91,023**

Off the Road: **16,062**

#### Tires Supplied into Market (Tonnes)

On Road : **106,873**

Off the Road: **13,374**

Registered Stewards

**577**

Registered Collectors

**5950**

Registered Haulers

**141**

Registered Processors

**29**

Recycled Product Manufacturers

**7**

TSF Remitted

**\$60,554,203.57**