



Rethink your relationship with tires

OTS Wind Up Plan Consultation:
Stakeholder Questions
September 2017

Stakeholder Questions

Termination of Incentive Payments:

- In the first round of OTS consultation on wind up most stakeholders identified lack of inventory recognition with respect to termination of incentive payments (Option 1) as potentially disruptive to tire recycling in 2018. Do you agree with this assessment?
- If OTS sets a date for when the last claims should be submitted for 2018 tires, what should that date be?

Disposition of Assets

- Do you support the proposal to make TreadMarks widely available to interested RRCEA brand holders and related producer responsibility organizations?
- Do you have a suggestion as to how long it is available?

Stakeholder Questions

Proposed Public OTS Data Release

- Do you support the current proposal for release of OTS tire sales and recycling data in 2018? i.e.
 - No commercially confidential information;
 - Collection data by tire class and geographic zone;
 - Processor/RPM aggregate inputs and outputs.
 - If not, how and why should the data be amended?
- How long do you want the historical available for?

2017 - 2018 Used Tire Processing Flows

- Do you support implementation of OTS measures to improve used tire processing and capacity utilization in 2017 and 2018?
- If so, which of the options reviewed represents the best approach to addressing this issue?

Stakeholder Questions: Financial Issues

OTS HST Obligation:

- Do you support OTS tax counsel proposal to create a trust fund to address potential OTS HST obligations in 2019 and beyond?

OTR Account Balance

- Which options do you support related to resolving the OTS OTR Account balance?

DRAFT – PROPRIETARY TO OTS

Stakeholder Questions: Financial Issues

Managing Wind Up Financial and Operational Risks: Contingency Fund

- Regardless of how excess funds are ultimately disbursed, do you support OTS budgeting a contingency fund to address potential 2018 operational and financial issues and variations in financial forecasts as they emerge?
 - In your view has OTS properly identified the main financial/operational risks associated with wind up?
 - Are there additional wind up risks with financial implications that OTS has not identified?

Disbursement of Potential OTS Residual Funds

- Do you agree that a steward fee cut may not be fiscally prudent if option 3 on inventory recognition is implemented and considering the other financial unknowns? (i.e 2018 variances, other fiscal risks, etc.)

DRAFT – PROPRIETARY TO OTS

Stakeholder Questions: Financial Issues

Disbursement of Potential OTS Residual Funds

- If implementation of a fee cut is considered a high operational priority, which current proposals do you think should be reversed to fund such an initiative:
 - Elimination of inventory recognition re incentive payments?
 - Elimination of HST trust fund?
 - Elimination of OTS contingency fund?
 - More aggressive cost cutting by OTS in 2018?
 - No adjustment increase to PI incentives to deal with used tire flows?
 - Elimination of Collection Allowances?
 - Further reduction in P&E spending?

Tire Wholesaler and Dealer Inventories

- If the wind up plan, includes a steward fee cut, how do you think the tire dealers' request for inventory compensation should be addressed?

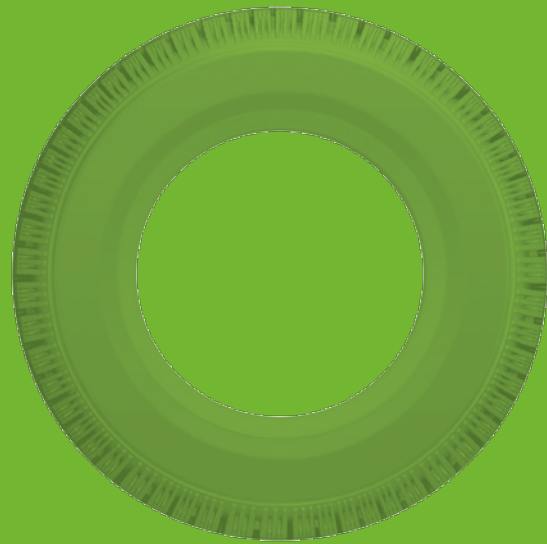
Stakeholder Questions: Other

Program Termination Date

- During consultation sessions a number of stakeholders argued that December 31 is the worst possible date for transitioning the program (in terms of managing tire inventories and overall operational impacts). They indicated that moving program termination date to March 31 would make managing transitional operational issues much easier and minimize potential program disruption. Do you agree or disagree with that assessment?

Other Issues

- Are there other concerns for service providers that OTS has not identified or included in the plan areas? And how might they be impacted?
- Are there other pros, cons and/or risks that haven't been identified in assessment of options?



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