



# **OTS Technical Advisory Committee Meeting**

**December 16, 2010**

# Agenda

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- ⑩ 2009/2010 Year in Review
- ⑩ Tire Collection
- ⑩ Tire Transportation and Delivery
  - 2011 TI Rate update
  - Changes to out of province deliveries
- ⑩ Claims
- ⑩ Tire Processing and Manufacturing in Ontario
- ⑩ Temporary Tire Storage
- ⑩ Program Communications

# Technical Advisory Committee Representation

## Meeting Objective:

The Technical Committee meeting is intended to provide updates from OTS, and get feedback and suggestions from program Participants of a general nature about the OTS Program.

Note: The Technical Committee meetings are open to all registered operational participants: Collectors, Haulers, Processors, RPMs

## 2009 / 2010 Year in Review

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### Program Objectives:

#### Used Tire Plan:

To divert 90% of On-Road Tires, and 50% of Off-Road Tires in 5 years

#### OTS:

Develop Ontario-based Processors and Markets to be able to absorb  
100% of the annual generation of Scrap Tires

## OTS Progress to Date: more than 7,000 participants

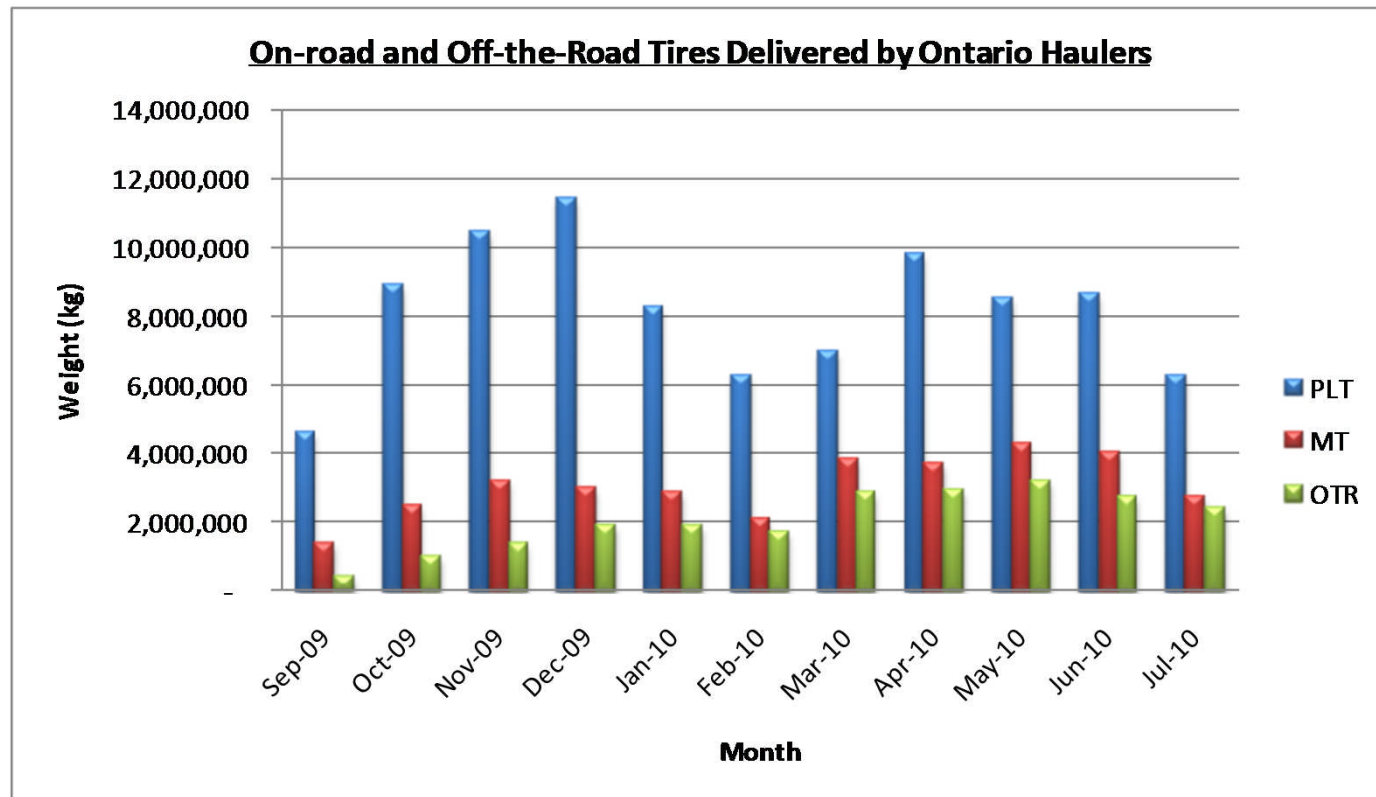
- Stakeholder Registration

	November
Stewards (active)	609
Collectors	6228
Haulers	155
Processors	31
Recycled Product Manufacturers	8

# Program Accomplishments To-date

## Diversion Rates

- Passenger and Light Truck tires exceed 80%
- Medium Truck tires exceed 100%
- Off-the-Road tires exceed 130%



To date OTS has not sent **any** tires to landfill either in or out of province.

## Program Accomplishments To-date

### Capacity Increases & Investment in Ontario

- 4 Ontario Processors adding 2.5 million tires of capacity
- 1 new Processor in place adding approx. 1.5 million tires of capacity
- 3 New Processors coming to Ontario (1 to open in January, 2 others in various stages of approval)
  - Adding approximately 8 million on-road tires worth of capacity and 25,000 tonnes worth of OTR tire capacity
- 2 existing Rubber Product Manufacturers (RPM) adding capacity
- 2 new RPMs setting-up operations in Ontario
- **Combined investment to date \$6-8 million, expected investment in 2011 \$15-\$25 million**
- **Estimated new job creation in 2010 = 35-50**
- **Estimated new job creation in 2011 = 50-70**

# OTS Progress to Date

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## Compliance

OTS is striving to expand this function which supports a level playing-field for all Program Stakeholders. Since October 2009 OTS has been performing Desk and on-site compliance reviews and audits of program stakeholders based on:

- Stakeholder size
- Potential risk
- Random sampling of stakeholders' data

This program will be continued and expanded in 2011. For operational participants focus will be on compliance with OTS guidelines and rules governing program incentives

OTS is collaborating with the Investigations and Enforcement Branch of the Ministry of the Environment regarding enforcement action against non-compliant Participants

# Program Accomplishments To-date

## Forecasted 2010 YE Financial Position

- Program will be in strong financial Position overall
  - PLT category to end with a surplus
  - MT category to end with a shortfall

Variances in PLT and MT tire actual diversion costs vs. budget are primarily due to on-going changes in the processing market driving variances in the Transportation and Processing costs due to need to leverage out of province options.

Expect greater market stability in 2011

- OTR category to end with a shortfall
  - OTR supply has lagged behind expectations, this has resulted in reduced revenue

OTS will address variances in tire category budgets in future years, no on-going cross subsidization will occur

# Tire Collection

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## Sub-Collector Agreement announced November 12

- Agreement may be used to accommodate larger collectors who receive tires from other smaller unregistered collection sites to account for their tire receipts
- Only tires received from sub-collectors after the date that the sub-collector agreement is signed and submitted to OTS will be eligible for CA allowance (for the receiving collector)
- Collector will be responsible for ensuring that Sub-Collectors are not charging a disposal fee on tires
- Activity so far: 9 requests for Sub-Collector Agreement, 1 signed

# Tire Collection

## Pre-Program Tires

Sept. 1 <sup>st</sup> 2009	Registration Date	
No OTS Forms	UCR Forms	TCR Forms
Pre-Program Tires	Program Tires from Unregistered Sources	Program Tires From Registered Source

- Pre-Program Addendum announced November 12th
- Addendum will allow Registered Collectors to have Pre-Program tires picked up; ; the costs associated with the management of these tires will be evenly deducted over a set period (max of 3 yrs) from any CA generated until the costs are covered. Remaining balances after the 3 yr period must be paid to OTS by the collector
- Activity so far: 2 requests from Collectors

# Tire Transportation and Delivery

- ⑩ Out of province Processing approach - changes are planned
  - Intent is to offer haulers and processors greater flexibility to manage delivery and receipt of approved loads, as well as reducing administrative burden and increase efficiencies in OTS
  - Out of province deliveries continue to require prior OTS approval
  - Hauler may decide out of province destination to any Processor who has executed an Agreement with OTS
    - Surplus form will be updated to include planned destination
  - Updated Surplus delivery premiums will be announced by end of December 2010
  - Out of province processing incentives to move to offering standard, consistent rates for PLT/MT and OTR tire categories
    - Implementation date of Out of province PI rates to be announced by end of December 2010
  - Currently OTS does not plan Guaranteed Supply agreements in 2011

# Tire Transportation & Delivery

## 2011 Transportation Incentives (TI)

- PLT / MT rates have been finalized and distributed to Haulers by end of December 2010
- OTR and Surplus out of province TI rates to be announced by end of December 2010.
- Hauler consultation session scheduled January 12, 2011 to discuss OTR and Surplus rates
  - Note: Surplus TI rates are planned to move to a single rate regardless of location of load and out of province destination
- Implementation date of new TI rates to be announced by end of December 2010

## Tire Transportation & Delivery

c) Ad Hocs & Redirects: are expected to continue in December / January at same rate as previous months

Ad Hoc and Redirect Rates:

Ad Hocs authorized in Sept = 287

Ad Hocs authorized in October = 215

Ad Hocs authorized in November = 309

Redirects authorized in Sept = 42

Redirects authorized in October = 16

Redirects authorized in November = 46

Estimated % of Deliveries sent out of Province 25% - 30%

NOTE: Ontario Processors should update OTS weekly of excess processing capacity by tire type and planned holiday closures

# Claims

## Collector Claims Adjustments

- Number of requests for adjustments have slowed in recent months, OTS hopes to see this number continue to decrease
- Total Number of Adjustments Requested: 314
- Instructions on how to file an approved adjustment have been sent to Collectors who have received approval to file for the following reporting periods:
  - September – December 2009
  - January – March 2010
  - April – June 2010
  - July – September 2010
- All adjustments must be filed between January 1 – 31, 2011

# Claims

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Collector Claims: July - September 2010

- Closing date to file claims is December 31, 2010
- NOTE: Limited support on December 31, Collectors should file by December 29 to ensure claims are accepted

## Temporary Tire Storage – opportunity for Processors

- Objective: provide support to registered processors to assist with managing short term fluctuations in tire supply while remaining cost neutral to OTS
- Key Dates
  - Program start: December 20, 2010
  - Program end: May 1, 2011
- Processors are responsible for storage within their Certificate of Approval limitations
- OTS subsidy for trailer rental: up to \$225 / month for maximum of 3 months = up to \$675 / trailer
- Interested Processors need to sign an Addendum to the Processor Agreement Temporary Tire Storage (being created by OTS Legal)
  - Contact OTS Control Tower at [hauler@ontarioTS.ca](mailto:hauler@ontarioTS.ca) for further information

# Program Communications

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## STC Events:

- September
  - 20 Events
- October
  - 16 Events
- November
  - 17 Events

Note: STCs on hold during winter months, to resume in Spring

- Monthly Newsletters:
  - Issue #7 published in early December
  - Issue #8 to be available early January

# Program Communications

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## Operational Refresher Training

- Collectors: Claims Training webinar held December 1
- OTS plans to host webinars for all Participant groups during 1Q 2011
  - “Refresher” training focusing on claims
- Individual participant sessions may be available on request

## Program Communications

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Participant Guidebooks are now available at [www.ontarioTS.ca](http://www.ontarioTS.ca)

- OTS has prepared Guidebooks specifically for all Participants (i.e. A Guidebook for Stewards, Collectors, Haulers, Processors and RPMs)
- Guidebooks contain helpful policy and procedure information for each group

Research and Development program announced November 15

2011 Program Plan Update; to be available January 2011

Consultations held with RPMs November 24

- Manufacturing Incentive changes for 2011

Hauler consultation to be scheduled January 12, 2011

## Next Meeting

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- Wednesday, January 26th 2010, 9:00am-12:00pm
  - Location: OTS office, 405 The West Mall, Toronto, 4<sup>th</sup> floor

Any suggested topics for the TC Meetings are to be sent via email to [communications@ontariots.ca](mailto:communications@ontariots.ca) prior to the meeting; all topics will be considered but may not be accommodated depending on the existing agenda.

# Adjourn Meeting

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