

RethinkTires.ca

# OTS Technical Advisory Committee Meeting

Wednesday, April 4<sup>th</sup>, 2018



Rethink your relationship with tires

## Meeting Objective

The Technical Advisory 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

Open discussion is encouraged, the meeting is not intended to be advanced warning of upcoming changes, rather to discuss proposed changes.

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

**Session is being recorded in order to accurately capture comments for preparation of notes.**



## Agenda

- 1) Diversion Rates
- 2) Tire Collection Update
- 3) Tire Transportation and Delivery Update
- 4) Tire Processing & Manufacturing Update
- 5) Transportation Rates – April 1<sup>st</sup>
- 6) Program Updates
- 7) OTS Wind Up Plan
- 8) Next Meeting Dates
- 9) Adjourn Meeting



## 1) Diversion Update

- Data below shows tonne of tires supplied, collected and delivered.
- January 2017 – Dec 2017
- Supply & Collected weight is based on estimated weight
- Deliveries is based on actual weight

### 2017

Supply	Tonnes
PLT	118,740
MT	46,080
OTR	20,937

Collected	Tonnes
PLT	88,399
MT	35,457
OTR	17,827

Deliveries	Tonnes
PLT	90,649
MT	34,621
OTR	16,468

### 2016

Supply	Tonnes
PLT	116,230
MT	45,448
OTR	18,225

Collected	Tonnes
PLT	88,835
MT	32,122
OTR	16,472

Deliveries	Tonnes
PLT	89,193
MT	33,095
OTR	15,440



## 2) Tire Collection Update

### Collector Filing

- Collectors are to file as per the normal claim period deadline dates which are outlined on our website
- **Collection Updates**
- OTS updated the website to make it easier for collectors to find haulers called Find a Tire Hauler
- This is for collectors who are still having an issue receiving service from their regular Hauler.
  - If a Collector is unable to arrange a Used Tire pick up by a registered Hauler, the collector must show via the form online at least 3 three haulers were contacted asking for assistance.
  - As a reminder, collections in Southern Ontario must have a minimum of 50 used tires for pick up, while those in Northern Ontario, a minimum of 75 is required.



### 3) Tire Transportation and Delivery Update

- Reminder to please sync on a daily basis
- Yard Counts – Reminder to be very accurate on your yards
  - With capacity an issue at the end of 2017, want to assure those tires have a home to go to.
  - When completing a yard count, please make sure tires not yet delivered and/or no PTR has been created for are not included in the yard count numbers

#### Hauler Premiums

- In Q4, it was noted that there were pockets in the province that were having a difficult time having their tires picked up from registered haulers.
- As part of OTS obligation to assure tires are picked up by specific timeframes as part of its Agreements, OTS implemented a few initiatives to help keep the movement of tires successful.
- One of the strategies was to implement a Hauler Premium, similar to the Northern Premiums, for these regions.



### 3) Tire Transportation and Delivery Update

- Effective March 1<sup>st</sup> (retroactive), OTS will pay a Transportation Incentive Premium (TIP) directly to Haulers for pick-up in these zones. (Kawartha and Pembroke)
- This will continue until the end of April 2018.
- For specific postal codes and rates, please visit the OTS web page



## 4) Tire Processing & Manufacturing Update

### Processors

- Yard Counts – Monthly for 2018
- Include bags full of crumb to be sold
- Specifics to OTR counts
- Do not need counts of tires in trailers if you are participating in the OTS trailers program(as OTS will cross reference these numbers)
- Environmental Compliance Approval
  - OTS will continue to monitor compliance with numbers in Treadmarks and Yard Counts provided
  - If there is a discrepancy or concern of the amount of tires/crumb etc. on property, OTS will request a third party to validate that the Processor is within their ECA.

### Processor Capacity

- As you are all aware, Q3-Q4 had capacity issues throughout the province





## 4) Tire Processing & Manufacturing Update

- In addition to the Hauler Premium outlined earlier, the following were implemented:
  - Out of Province Processing to help with capacity
  - Arrangements with 4 processors to provide incremental processing capacity (based on actuals prior year) for incentive premium
- This has seemed to resolve many of the issues in regards to getting tires picked up across the province

### Manufacturing

- Scale tickets are always required for transactions
- Reminder - OTS will be reviewing RPM inventory in the upcoming few months to help with wind up of the program.



## 5) TI Rates – April 1, 2018

## Processor TI Rates as of April 1, 2018

Processor TI On Road Rates	
Delivery Zone	
Moose Creek	\$1.38
GTA/Brantford	\$1.36
Windsor/Tilbury/Chatham	\$1.58
Sturgeon Falls	\$2.32

Processor TI Off Road Rates	
Delivery Zone	
Moose Creek	\$1.66
GTA/Brantford	\$1.62
Windsor/Tilbury/Chatham	\$1.82
Sturgeon Falls	\$2.32 *

\*Confirm acceptable Processor tire types for Sturgeon Falls Delivery Zone at:

<https://rethinktires.ca/program-participants/find-program-participant>



## 6) Program Updates

### Processor Bonds

- Bonds are still required for 2018
- Changes were minimal so bonds will stay at the 2017 amount

### Registration Termination

- All Program Registrants have been sent their Termination letters from OTS
- This again is due to the wind up of the program December 31, 2018.



## 7) OTS Wind Up Plan

- Minister's Wind-up Directions:
  - February 17, 2017;
  - June 29, 2017.
- Stakeholder feedback
- Resource Productivity Recovery Authority (RPRA) Industry Funding Organization (IFO) Wind-up Guide;
- Key Timelines:
  - OTS to submit wind up plan to RPRA by October 31, 2017;
  - RPRA, following consultation, to approve a plan by March 31, 2018;
  - Used Tire program to cease operations December 31, 2018 (as per Minister's direction Feb 17, 2017);

**UTP WUP was submitted to the RPRA November 30<sup>th</sup> 2017 following the granting of an extension by the Minister**



## Minimize Disruption to Program Operations

- WUP Strategies/Recommendations to address:
  - Recognition of year-end service provider inventories (as per existing contractual commitments):
    - Minimizes likelihood of processors cutting back on used tire processing;
  - Extensive stakeholder outreach and communications strategy to clarify Wind Up processes and steps;
  - Cooperation/briefings with RRCEA producers and UTP Operational Stakeholders throughout 2018;
  - Human resource strategy designed to retain staff necessary to complete OTS Wind Up functions.



## Maintaining\Exceeding Performance Targets

- Collection Allowance Wind-Up Approach:

COLLECTORS	
Date/Deadline	Details
<b>December 31, 2018</b>	Tires collected until end of business on December 31 <sup>st</sup> , 2018 <u>and</u> picked-up by January 25 <sup>th</sup> , 2019 are eligible to receive CA
<b>January 25, 2019</b>	Deadline for tires collected before January 1 <sup>st</sup> , 2019 to be picked-up by Haulers in order to be eligible for CA
<b>January 31, 2019</b>	Deadline to submit CA claims to OTS for the October - December 2018 claims period
<b>February 28, 2019</b>	Deadline to submit CA claims to OTS for tires collected by December 31 <sup>st</sup> , 2018 and picked up by a Hauler between January 1 <sup>st</sup> and January 25 <sup>th</sup> , 2019
<b>NOTE: Tires collected as of January 1<sup>st</sup>, 2019 are NOT eligible to receive OTS CA incentives. These tires are the obligation of Producers under the new legislative framework.</b>	

## Maintaining\Exceeding Performance Targets

- Transportation Incentive Wind-Up Approach:

HAULERS	
Date/Deadline	Details
<b>December 31, 2018</b>	TI paid on all tires picked-up and in Hauler's possession/inventory as of 11:59pm on December 31 <sup>st</sup> , 2018
<b>January 25, 2019</b>	Deadline to pick up tires collected before January 1 <sup>st</sup> , 2019 from Collectors
<b>January 31, 2019</b>	Deadline to deliver all pre-January 1 <sup>st</sup> tires to Processors
<b>January 31, 2019</b>	Deadline to submit TI claims for December 2018 deliveries to Processors
<b>February 28, 2019</b>	Deadline to submit TI claims for January 2019 deliveries to Processors of pre-January 1 <sup>st</sup> tires
<b>NOTE: Tires picked up as of January 1<sup>st</sup>, 2019 are NOT eligible to receive OTS TI incentives. These tires are the obligation of Producers under the new legislative framework.</b>	

# Maintaining\Exceeding Performance Targets

- Processing Incentive Wind-Up Approach:

PROCESSORS	
Date/Deadline	Details
January 2 <sup>nd</sup> - January 8 <sup>th</sup> , 2019	Submission of 2018 year-end tire, work-in-progress and TDP inventory counts to OTS – to be verified by OTS with physical site visit
January 31, 2019	Deadline to submit December 2018 PI claims to OTS
February 28, 2019	Deadline to submit PI claims for pre-January 1 <sup>st</sup> inventory processed/sold in January 2019
March 31, 2019	Deadline to submit PI claims for pre-January 1 <sup>st</sup> inventory processed/sold in February 2019
April 30, 2019	Deadline to submit PI claims for pre-January 1 <sup>st</sup> inventory processed/sold in March 2019 – OTS will pay PI on TDP sold as of March 31 <sup>st</sup> 2019 and on unsold TDP in inventory as of this date provided it was produced from tires in inventory as of December 31 <sup>st</sup> 2018 – to be verified by OTS with a physical site visit
<b>NOTE: Tires delivered to Processors after December 31<sup>st</sup>, 2018 are NOT eligible to be claimed for OTS Processing Incentives. These tires are the obligation of Producers under the new legislative framework.</b>	





# Maintaining\Exceeding Performance Targets

- Manufacturing Incentive Wind-Up Approach:

RECYCLED PRODUCT MANUFACTURERS (RPMs)	
Date/Deadline	Details
January 2 <sup>nd</sup> - January 8 <sup>th</sup> , 2019	Submission of 2018 year-end TDP, work-in-progress and manufactured product inventory counts to OTS – to be verified by OTS with a physical site visit
January 31, 2019	Deadline to submit December 2018 MI claims to OTS
February 28, 2019	Deadline to submit MI claims for manufactured product sold in January 2019 produced from TDP in inventory as of December 31 <sup>st</sup> 2018 – to be verified by OTS with a physical site visit
March 31, 2019	Deadline to submit MI claims for manufactured product sold in February 2019 produced from TDP in inventory as of December 31 <sup>st</sup> 2018 – to be verified by OTS with a physical site visit
April 30, 2019	Deadline to submit MI claims for manufactured product sold in March 2019 produced from TDP in inventory as of December 31 <sup>st</sup> 2018 – to be verified by OTS with a physical site visit
<b>NOTE: Crumb Rubber received by RPMs after December 31<sup>st</sup>, 2018 is NOT eligible to be claimed for OTS Manufacturing Incentives.</b>	



## Collection Service Issues

In late Q3 – Q4 2017 numerous Collectors reported issues accessing pick-up services from Haulers. Reasons included:

- High used tire volumes;
  - Processing Capacity constraints in Brantford, Chatham and Windsor;
  - Hauler concerns regarding adequacy of payment flowing from Processors.
- OTS has implemented a number of initiatives to address these bottlenecks and backlogs:
    - Contract with out of province Processor for additional processing capacity;
    - Agreements with 4 Ontario Processors to provide incremental processing capacity in exchange for an incentive premium;
    - Implementation of a collection premium to be paid to Haulers who pick-up tires in identified service constrained areas (e.g. Pembroke, Kawartha Lakes)

**These combined initiatives along with easing of in-province Processor challenges appear to have addressed the service issues.**



## Collection Service Issues

In addition OTS has redeployed tool on the OTS website to assist Collectors in identifying Haulers Servicing their areas:



The “Find A Tire Hauler” locator should be used when a Collector is having difficulty receiving service from their regular Hauler or for those Collectors who do not have a regular Hauler and are interested in securing regular and reliable pick-up service.

Under the terms of the Collector agreement, if a Collector is unable to arrange a Used Tire pick-up by a Registered Hauler, the Collector can request the assistance of OTS to facilitate a pick-up. **A Collector must contact at least three Haulers before requesting OTS’s assistance.** Click [here](#) to use our Hauler locator or to request an OTS-facilitated pick-up.

## Next Steps

- WUP approval by the RPRA – end of March 2018
- UTP Wind-Up December 31, 2018



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Questions?



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## 8) Next Meeting Date

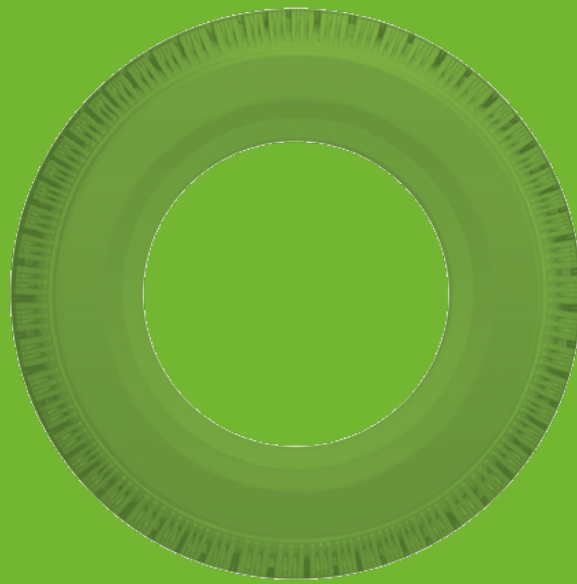
- Next OTS Technical meeting will be held on June 13th, 2018(date may be subject to change)
- A meeting invite will be sent closer to the date.



## 9) Adjourn Meeting



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