



OTS Technical Advisory Committee Meeting

June 29th, 2011

Agenda

- 1) HST Update
- 2) Diversion Rates
- 3) Tire Collection Update
- 4) Tire Transportation and Delivery Update
 - a) April/May Surplus Review
 - b) Special Tire Collection (STC) Review/update
 - c) TI Fuel Adjustment & Southeast Adjustment
- 5) Tire Processing & Manufacturing Update
- 6) Claims Updates
- 7) Stockpile Update
- 8) Program Communications
- 9) New Business
 - a) 2012 Transportation & Processing Incentives for OTR Tires
 - b) OTR Used Tire Study & Collection Allowance Study
- 10) Next Meeting Date; August 24th 2011 9:00am – 11:00am
- 11) Adjourn Meeting

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.

OTS Announcement

OTS is pleased to announce the following changes:

Christina Lima – New Claims Supervisor

Stefanie Corasaniti – Operations Centre Lead; Collectors

Harpreet Malhi – Operations Centre Lead; Haulers

Debbie Boyce – Operations Centre Lead; Processors & RPMs

Operations Centre Leads will take on an elevated role pertaining to training operational participants and handling complex issues relating to their specific product group while continuing to process claims and support the claims team.

1) HST Update

- OTS, in conjunction with other industry funded organizations, has requested a ruling from the Canada Revenue Agency regarding applicability of GST/HST to incentive payments
- IFOs have engaged legal counsel to aid in ruling receipt and preparation of documents submitted to CRA
- CRA has responded to the inquiry requesting additional background information from the IFOs; all applicable information has been passed on to CRA
- OTS recognizes that participants may be working with CRA auditors etc., and is willing to provide file updates and information to the specific field auditors regarding the OTS/IFO files

2) Diversion Update

- Diversion rates shown based on data available to OTS in mid May 2011 (reflective of Q1 2011)
- OTS anticipates the diversion rates to climb slightly as additional data is uploaded to the system
- Collection figures comparable to 2010
- **Suggestions from committee regarding forecasted trends etc.?**

Tire Category	Diversion Rate
PLT	79%
MT	88%
OTR	115%

3) Tire Collection Update

- Pre-Program Tire Clean Up Activity: 4 (no change)
- Sub-Collector Activity:
- Activity so far: 21 requests for Sub-Collector Agreement (no change)

4) Tire Transportation & Delivery

- a) Ad Hocs & Redirects: Declines in surplus requests in April, however requests on the rise in May and June and expected to remain elevated throughout June.

Ad Hoc and Redirect Rates:

Ad Hocs authorized in March = 7

Ad Hocs authorized in April = 12

Ad Hocs authorized in May = 29

Redirects authorized in March = 22

Redirects authorized in April = 21

Redirects authorized in May = 14

NOTE: Ontario Processors have limited capacity for MTs and are continuing to update OTS weekly

4) Tire Transportation & Delivery

a) Cont.

OTS has registered an additional out of province processor and is continuing to pursue an additional processor.

b) STC Review/Updates:

Number of STCs approved in April: 2

Number of STCs approved in May: 8

4) Tire Transportation & Delivery

c) TI Fuel Adjustment & Southeast Adjustment

- Scheduled fuel adjustment to TI model posted on website (effective July 1st 2011)
- Feedback from last TC meeting resulted in a review of the South Eastern TI rates; as a result certain FSA areas have been revised to reflect adjustments made regarding assumed capacity (slight increase to a subset of the South Eastern FSAs) effective July 1st 2011 included in the rates posted on line with fuel adjustments

5) Tire Processing & Manufacturing Update

- Processing Capacity seen to be varying at times during recent months; Processors continue to update OTS on capacity and plans for coming months
- Manufacturers: Actively participating in promotional events (i.e. Toronto Green Guide) and growing business.

6) Claims Update

Collector Claims:

- Collector claims filing in accordance with typical trends
- Requests for adjustments to claims down, calls regarding claims filing assistance also down
- **Feedback from committee regarding Collector claims?**

Hauler Claims:

- Haulers continue to file in a 'business as usual' manner
- *Reminder* last year OTS sought initial feed back from Haulers regarding moving to an online filing system; development of that system is underway
- New online filing system expected to be rolled out (with training sessions etc.) starting September/October 2011

6) Claims Update

Processor Claims:

- Development of Online Processor complete
- Training sessions have been conducted for Processors on the new claims filing process
- Last day to file using the spreadsheet solution was June 24th
- Processors will be able to file online and submit data starting July 6th 2011
- Presentation posted on OTS website; guidebook update will be posted on June 6th 2011

7) Stockpile Update

- OTS remains in discussions with MoE regarding Stockpile Remediation Approach
- Participants with questions regarding stockpiles can direct them to info@ontariots.ca

8) Program Communications

Refresher Training Sessions:

- OTS has conducted multiple training sessions in recent months including Collector, Hauler, Processor and RPM training

Other Communication Updates:

- Consumer-centered website www.greenmytires.ca went live last week; promotion of the site to follow in the coming weeks and months
- Tire Life Check (TLC) Team Tour started on the last weekend in May and will continue into fall

9) New Business

a) 2012 TI & PI for OTR Tires

In developing the incentive approach to OTR tires OTS based assumptions about costs to transport and process OTRs on early work done in Alberta.

This research indicated that OTR tire TI & PI should attract a 25% premium to address the incremental equipment and handling costs associated with these tires.

This assumption was in large part the rationale for OTS adopting a “silo’ed” approach to used tire management in the approved Program Plan (where there are 3 separately tracked, costed and reported on types of tires, PLTs, MTs and OTRs).

Through 2010 and 2011 OTS has been further investigating the actual industry practices relating to OTR tires and is proposing reviewing the premium assumption for the 2012 program.

9) New Business

TI

Based on 2010 results only 18% of OTRs were picked-up on DOTs, thus attracting the premium.

This is 3.5% of all tonnes (8.3% of all MT+OTR tonnes) picked up in 2010

Based on this OTS is proposing to eliminate the OTR TI premium for 2012

9) New Business

PI

Through 2010 and 2011 OTS has been in discussions with Processors in Ontario and outside to better understand the special requirements associated with handling OTR tires (specialized equipment, pre-processing, end markets).

Based on these discussions OTS does not believe that all OTRs require the payment of a PI premium.

OTS proposal is to pay the OTR premium on TDPs derived from LOTRs and GOTRS (which accounted for approximately 5% of the weight of OTRs in 2010)

All other categories of OTRs will be incented for Processing at the same rate as PLTs and MTs

9) New Business

b) OTR Used Tire Study & Collection Allowance Study

Active RFPs:

- 1) Used Tires Weights Study; aimed at looking at the average weight lost over the life time of an OTR and the factors that play a role in the weights lost; estimated completion mid August 2011
- 2) Collection Allowance Review (Time/Motion Study); review the direct/indirect costs associated with the collection of a used tire; estimated completion early September 2011

Results of the studies will aid in budgeting for 2012 as well as provide an indication of how the market place may have changed over the past few years (i.e. collection costs related to the program)

10) Next Meeting

- Wednesday, August 24th, 2010, 9:00am-11:00am
 - Location: TBD

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

11) Adjourn Meeting
