

# OTS Technical Advisory Committee Meeting

**September 22nd, 2010**

# Agenda

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- Program Diversion Rates
- Tire Collection
- Tire Transportation and Delivery
- Claims
- Tire Processing and Manufacturing in Ontario
- Program Communications

# Technical Advisory Committee Representation

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The OTS Board decided to change the format of the Committee from an Official Committee of the Board to a formal Advisory Committee

- Representation is now open to all operational stakeholders
  - Limit of one per organization
  - TC meetings will be held in-person and webcast, attendance in person will be by RSVP on a first-come first-served basis
  - The call-in line will be muted for attendees; therefore any questions will need to be submitted via the webcast
- The Committee Terms of Reference will continue to apply and Committee members will not be bound by the OTS Code of Conduct
- Role of this committee includes providing advisory feedback and suggestions to OTS
- Jen Barbazza, OTS Manager of Operations and Special Projects, will lead the committee

# Meeting Content

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- The Technical Committee is a forum where general operational program issues will be presented and discussed
- Individual participant cases will not be discussed in this forum they will be taken off line
- Suggestions for agenda topics may be submitted to [communications@ontariots.ca](mailto:communications@ontariots.ca) leading up to the meeting; OTS will do their best to incorporate suggested topics
- Agendas, PowerPoint presentations and meeting notes from the TC meetings will be posted on the OTS website under the "Resources" section of the site

## OTS Program Diversion Results to Date (end of April)

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- PLTs: 123%
  - MTs: 102%
  - OTRs: 100%
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- Diversion figures for PLT tires greatly exceeding expectations
  - OTR diversion continues high due to reduced supply

## OTS Program Diversion Results to Date (end of April)

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- Using existing data and trend analysis OTS is forecasting an overall surplus for the 2009-2010 financial year
  - Surplus for PLT tires
  - Shortfall for MT tires
  - Shortfall for OTR tires
- OTS will be addressing these variances in future years
- Ontario processing capacity is expected to increase during 2011 to eliminate most/all of the surplus tire deliveries out of the province

# Tire Collection

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- a) OTS is in the final stages of creating a 'sub-collector' agreement
  - 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)
  - Sub-collector agreement on track for September/October Announcement
  - Collector will be responsible for ensuring that Sub-Collectors are not charging a disposal fee on tires

# Tire Collection

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- b) Stockpile Update
  - OTS is in discussions with the MoE on developing an approach to abatement that is agreeable to all parties
  - OTS will provide details as we move forward



# Tire Collection

## c) 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

- Addendum discussed during the August Technical Committee Meeting will likely be available in late September/early October
- 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

# Tire Collection

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## d) Collected vs Generated Tires

- Both Collected and Generated Tires are eligible for free tire pick up, however only Collected tires are eligible for a Collection Allowance
- “Collected” tires are documented on separate Tire Collection Receipt (TCR) Forms than “Generated Tires”
- This means that for one pick up, from a given collection site it is possible to have two TCR forms; one will document “collected” tires (which are eligible for Collection Allowances) while one will document “generated” tires (which are not eligible for a Collection Allowance).
- This information was sent to all Collectors & Haulers as a reminder in late August

# Tire Transportation & Delivery

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- a) Guaranteed Supply surplus tire shipments out of province will likely continue through remainder of 2010
  - August
    - PLT – 500 tonnes
    - MT – 500 tonnes
  - Sept
    - PLT – 500 tonnes
    - MT – 300 tonnes
  - **October**
    - **PLT – 500 tonnes**
    - **MT – 300 tonnes**

# Tire Transportation & Delivery

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## b) Transportation Incentives

- Hauler Consultation Session on Proposed TI Rates held on September 2<sup>nd</sup> 2010
- Feedback; received from numerous Haulers from across the Province, currently being reviewed by OTS
- Next Steps:
  - Final review of proposed rates by OTS
  - Review/approval of Rates by WDO
  - Rates to be posted to the OTS website as soon as approved for implementation early 2011

# Tire Transportation & Delivery

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c) Ad Hocs & Redirects: are expected to continue at same or higher level with limited excess capacity available at Ontario Processors

Ad Hoc and Redirect Rates:

Ad Hocs authorized in July = 201

Ad Hocs authorized in August = 215

Redirects authorized in July = 58

Redirects authorized in August = 41

NOTE: Ontario Processors should update OTS weekly of excess processing capacity by tire type to help ensure adequate tire supply

# Tire Transportation & Delivery

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## c) Ad Hocs & Redirects Cont'

- All out of province shipments must be authorized in advance
- Approved shipments types must be delivered to the approved destination within the authorized window
- If a load is delivered without prior authorization, prior to an authorization code being issued, after the expiration of the code, delivered to the incorrect Processor or the load type is not that which was approved, the Hauler may
  - not receive any base TI or premium for the delivery
  - have the PT paid to the Processor by OTS clawed back from future Hauler TI claims
  - have their registration revoked.
- This information is posted on the OTS website and reminders were sent to all Haulers in mid-August

# Tire Transportation & Delivery

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- d) OTS encourages and is open to explore options for temporary tire storage in province to help manage supply to Ontario processors.
- Issues include: storage locations. timing for advance planning,
  - Options may include:
    - Recommending a change minimum number temporary tire storage to >5000 tires
    - Temporary suspension of CoA restrictions for 3 month period at end of 2010
    - Explore locations that could store tires e.g. auto recyclers who don't have CoA restrictions
    - Storage of finished product (e.g. crumb) or tire storage and OTS potentially can provide relief to help cover storage costs
  - Need Technical Advisory Committee support to further define the temporary tire storage concept – volunteers should speak to OTS following today's meeting

# Claims

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- a) Collector Claims Adjustments
  - Number of requests for adjustments have slowed in recent months, OTS hopes to see this number continue to decrease
- b) Collector Allowance Claims Cheque Mailing to Contact address:
  - System based solution is currently active
  - Collectors wishing to have their Collector Claims incentives sent to the contact address are now able to notify OTS and the change will be made



# Tire Processing & Manufacturing in Ontario

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## a) July – August Review

- Ontario processing capacity continues to lag forecasts
- OTS is currently assessing historical processing capacity using year over year data and information received from Processors to forecast Guaranteed Supply amounts required for the busy season
- Priority is to continue with Ontario First policy to help ensure Ontario-based Processors get the tires they need

# Tire Processing & Manufacturing in Ontario

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## b) 2011 Forecast Processing Capacity

- Based on discussion with Processors OTS continues anticipating a surplus of Processing capacity in Ontario in 2011
  - Approximately 140,000 tonnes of On-Road tire processing capacity vs. estimated 120,000 tonnes of annual generation on-road tires (may be compensated somewhat by continued supply of existing tires, opportunity for stockpile management)
  - Expect continued surplus of OTR tire supply over processing capacity
- Despite these estimates the lack of stability in the processing market in 2010 will lead OTS to assume some supply of on-road tires out of province will be necessary, though perhaps only on an Ad Hoc basis

# Tire Processing & Manufacturing in Ontario

## c) 2011 Forecast Manufacturing Capacity

- Based on discussion with Manufacturers OTS continues anticipating a growth in Manufacturing capacity in Ontario in 2011
  - Current Manufacturing capacity is estimated at approximately 25,000 tonnes of crumb usage (2010)
  - Potential Manufacturing capacity for 2011 may be as high as 50,000 tonnes
- Current OTS budget assumes that every tonne of Ontario crumb will receive an MI, though not at current MI rates
  - Current proposal is for an incentive of \$40 / tonne on “base” production (using same 2006-2009 average base as currently), \$160 / tonne on incremental manufacturing and Ontario crumb use
  - OTS will be further consulting with Manufacturers on this approach

# Tire Processing & Manufacturing in Ontario

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## d) Manufacturing Incentives and Claims Filing

- Claims filing proceeding well, RPMs completing filing through on-line reporting portal
- Deadline to submit claims September 2009 to June 2010 is September 30, 2010.
- Future claims must be submitted with 90 days of reporting period

# Program Communications

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- a) STC Events – August
  - 26 Events

# Program Communications

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## b) Tire Maintenance Education Program

- The “Tire Life Check” Program to educate Ontario drivers about how proper tire maintenance can extend the life of their tires, make them safer on the roads and improve fuel efficiency continues to be out in full force through out September.
- OTS is continuing to encourage Participants interested in having the TLC team out to their location in 2011 notify OTS as soon as possible.



**TLC Event vehicle (x2)**

# Program Communications

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## b) OTS Upcoming Events

- Ontario Tire Dealers Association (OTDA) Conference
  - Toronto, ON
  
- Rubber Association of Canada (RAC) Conference
  - Toronto, ON
  
- International Home Show
  - Toronto, ON



# New Business

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# Next Meeting

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- Wednesday, November 3<sup>rd</sup> 2010, 9:00am-12:00pm
  - Location: to be determined

# Adjourn Meeting

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