



OTS Technical Advisory Committee Meeting

December 5th 2012

For Audio Dial 416-343-2285 or 1-877-969-8433

PIN# 4467765

Agenda

- 1) Diversion Rates
- 2) Tire Collection Update
- 3) Tire Transportation and Delivery Update
 - a) August/September/October Surplus Review
 - b) Special Tire Collection (STC) Review/Update
- 4) Tire Processing & Manufacturing Update
- 5) Claims Updates
- 6) Stockpile Update
- 7) Program Communications
- 8) Tire Education Guide
- 9) TI Adjustments
- 10) Hauler to Processor Payment
- 11) Next Meeting Date: January 15th 2013, 9:00am – 11:00am Location: OTS
- 12) 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.

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

1) Diversion Update

- Diversion rates shown based on data available to OTS in late September 2012 (OTS notes that some data not yet finalized despite revised submission timelines) for Q2 2012
- Data presented is in DRAFT at this time
- Collection figures for PLT and MT down slightly over last year, OTR volume is up

Tire Category	Diversion Rate
PLT	97%
MT	98%
OTR	130%

2) Tire Collection Update

- Tires being collected from locations by Haulers as applicable
- No issues to report

3) Tire Transportation & Delivery

- a) Ad Hocs & Redirects: requests for OTRs redirects/ad hocs remain high, very few On Road requests (only for cut MTs; OTS currently looking into ways to deter cutting of tires from rims)

Ad Hoc and Redirects:

Ad Hocs authorized in August = 21

Ad Hocs authorized in September = 18

Ad Hocs authorized in October = 4

Redirects authorized in August = 1

Redirects authorized in September = 0

Redirects authorized in October = 0

3) Tire Transportation & Delivery

b) STC Review/Updates:

Number of STCs approved in August: 11

Number of STCs approved in September: 3

Number of STCs approved in October: 7

4) Tire Processing & Manufacturing Update

- Capacity for all tires types increased over last year on average
- Variations still seen with OTR capacity
- Manufacturers: actively participating in promotional activities with OTS

5) Claims Update

- Collector Claims:
- Collector claims filing in accordance with typical trends
- Hauler Claims:
- Yard Count required for all haulers with their November 2012 submission.
- Haulers filing in accordance with typical trends

5) Claims Update

Processor Claims:

- Processors claims continue to be filed as normal

RPM Claims:

- Continue to file as usual

6) Stockpile Update

- First RFP bid successful with site in Ohsweken, ON
- Participants with questions regarding stockpiles can direct them to info@ontariots.ca
- Contract awards will consider end use of material (i.e. TDP type and supply to an RPM) as well as cost
- Currently the team is assessing the stockpile locations with the assistance of MoE enforcement officers to determine the status/condition of the stockpile
- Future RFP's will be provided in the new year

7) Program Communications

Refresher Training Sessions:

- Currently no refresher training sessions are planned
- Individual training sessions continue as applicable (typically with new participants)

Other Communication Updates:

- HST cheques for Haulers for the claim periods of September 2009 to June 2012 are complete.
- HST cheques for Collectors from September 2009 to June 2012 claim periods are anticipated to be sent out by the end of December 2012.
- November 2012 yard counts for all haulers is required. The completed yard count form is to be sent with the November 2012 claims hard copies.
- EFT coming soon in 2013 for Haulers, Processors and RPM's

7) Program Communications – con't

Collector Claims: Collectors are responsible and obligated to ensure that the information filed on their behalf by a third party must be true and accurate. (i.e. Tire counts claimed, Dates of collections, Collection tire logs etc.)

Program Communications – con't

- **OTS 2012 Community Grant Program**

20 applications were received. Currently confirming TDP tonnage utilized by each project with Processors and Manufacturers. Notification will be sent to the successful applicants on or before January 15, 2013.

- **OTS Websites**

OTS will be amalgamating its participant, consumer and trade websites under the RethinkTires.ca url in mid to late Q1 2013. Changes should improve participant's site navigation. Participants will receive advance notice of any changes that will impact their online user experience.

- **OTS 2013 Student Landscape Design Challenge**

Student "Design Jam" is being held at the Greater Toronto YMCA on January 18-19. Ten teams from post-secondary schools across Ontario will develop and present their design vision for the YMCA's street front entrance and outdoor gathering space, utilizing tire-derived products. The winning design will be built in the spring/ summer of 2013. See the new challenge video at <http://www.otsdesignchallenge.com/>

- **In the News**

Byline article by Andrew Horsman entitled "Reinventing the Wheel" featured in the December issue of Construction Canada magazine. <http://bit.ly/TryBos>

- **Recent Events**

Construct Canada, November 28-30. OTS generated leads for RPM products through our 10 x 20 display at this show.

Program Communications – con't

- **Upcoming Events**

Recycling Idol, December 6. OTS is sponsoring this innovation challenge. For more information, visit <http://riccentre.ca/programs/growing-your-business/recycling-idol/>

Landscape Ontario Congress, January 8 – 10, 2013. OTS will be exhibiting tire-derived products at this show, which is attended by close to 13,000 industry professionals.

For up-to-the minute news about OTS, follow us on Twitter @GreenMyTires

8) Tire Education Guide

- Thank you to those individuals who have come forward thus far and expressed interest in aiding in the preparation of a Tire Education Guide and for sending in pictures etc.
- The Tire Education Guide will be developed in conjunction with Stewards and participants and will complement the existing tire definitions in the program plan
- Illustrations, pictures and other aids will be included in the guide to help provide clarity in tire classification to those in the field

9) A Refresher - Components of Transportation Incentives

Incentive Rates are derived from three collection cost components:

- **Local collection costs**
 - includes delivery costs to either processing facilities (where the facility is located within or proximate to the collection zone) or to a sorting or consolidation yard;
 - zones are defined based on collection patterns, density and efficiency of collection:
- **Sorting yard costs**
 - include the costs of sorting and reloading tires for delivery to a domestic processing facility;
 - Not all tires hit a sorting yard but use averages across a collection zone:
 - Assumed minimum annual volume for an efficient yard:
- **Final Transport costs from a sorting yard / collection point to a processing facility**
 - Assumed average distance to processing facilities based on capacities:
 - Ontario transport operating costs per Km from Transport Canada Truck Operating Cost Surveys adjusted for changes to the transportation component of the Consumer Price Index

Adjustments to Local Collection Costs Components

- Average # tires per load –
- *increased average load for 5 ton trucks based on 3 years collection data; smaller truck sizes not adjusted*
- The point of origination is based on postal codes (FSA)
- *FSA rates were combined in zones to smooth rates – weighted averages across 42 zones, still presented as individual FSA rates*
- *5 FSAs were moved to GTA*
- *South Central zone extended to include Brantford and area – significant concentrated processing capacity*

Adjustments to Sorting Yard Cost Components

Assumed sorting yard usage:

- Lower percentage in GTA
- Higher in rural areas
- *Minor adjustments to smooth percentages across new*
- *Mini-zones*

Adjustments to Sorting Yard Cost Components

Assumed average distance to processing facilities:

Facilities locations based on capacity

***2009** Model started with fictional facility in Milton*

***2010/2011** processing capacity opened up in Moose Creek, GTA, Brantford, Chatham – capacity was up and down – still significant two way movement between SE and SC/GTA built into model to allow for these fluctuations*

***2012** – Capacity expanded significantly in these areas, processing capacity exceeds supply ; Northern capacity emerged; capacity stabilized, need for two way east-west cross capacity appears to be gone*

Adjustments to Final Transport Cost Components

Assumed average distance to processing facilities

Average Load Sizes of Final Loads

- *increased average long haul load size based on 3 years collection data for PLTs and MTs, no changes to OTRs*

Truck Operating Cost Assumptions

- *Quarterly adjustment – slight decrease to September 30*

The 2013 Rates

⑩ *Average Decreases*

⑩ *PLTs – 15%*

⑩ *MTs – 13%*

⑩ *SOTRS – 12%*

⑩ *LOTRS – 11%*

Hauler Consultation will occur on Tuesday, December 18th @ 9:00
Where: OTS Main Office and Webinar

10) Hauler to Processor – Pay on Actual Weight

- Beginning for the January 1st, 2013 claims, Haulers will be paid based on Actual Weight to Processors instead of Estimated Weight.
- Percentage breakdown will be based on the estimated weight of the types of tires picked up and the Haulers Average Inventory Value
- Further details will be provided at the Hauler Consultation meeting

11) Next Meeting

- Wednesday January 15th 2013, 9:00am-11:00am
 - Location: OTS Main Office

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.

12) Adjourn Meeting
