Used Tires Program Plan
Appendices

Appendix 1: Ministers Program Request Letter

Ministry
of the
Environment

Office of the Minister

135 St. Clair Ave. West
12th Floor
Toronto ON M4V 1P5
Tel (416) 314-6790
Fax (416) 314-6748

Ministère
de
l'Environnement

Bureau du ministre

135, avenue St. Clair ouest
12e étage
Toronto ON M4V 1P5
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Ontario

AUG 14 2008

Ms. Gemma Zecchini
Chair
Waste Diversion Ontario
45 Sheppard Avenue East, Suite 920
North York, ON M2N 5W9

Dear Ms. Zecchini:

Pursuant to subsection 23 (1) of the *Waste Diversion Act, 2002* (WDA), I am pleased to write the Board of Directors of Waste Diversion Ontario (WDO) to require WDO to develop a waste diversion program for used tires as defined in O. Reg. 84/03 made under the WDA.

This letter, including the attached Addendum, replaces the former program request letter dated March 20, 2003.

Waste Diversion Ontario shall either develop the program in co-operation with an existing Industry Funding Organization (IFO) or incorporate an IFO as described in section 24 of the WDA. I would also ask that WDO take on an active role as the IFO develops the program.

In order to be consistent with principles of the WDA, the proposed funding rules should designate and define stewards under the program as brand owners and/or first importers of tires into Ontario.

I ask that the program be developed to address the diversion of all motor vehicle tires including 'off the road' (OTR) tires, industry and farm vehicle tires that are supplied into the Ontario market.

The program should place a priority on the diversion of used tires into higher end uses whenever possible, based on the principle of the 3Rs [reduction, reuse (i.e. retreading where feasible) and recycling]. Landfilling, the use of used tires as daily cover at landfills, or incineration, shall not be part of the program unless the 3R options are not available or not technically feasible.

The program shall include all aspects associated with the management of used tires once they are removed from a vehicle, including the handling, storage (temporary or otherwise), collection, transportation, reuse, processing, recycling and disposal of used tires.

The program should be consumer-focused and designed in a manner to ensure that the program and its return options are user-friendly, available across the province and accessible to all Ontarians. There shall be a single fee paid by the stewards that is associated with the program. Collectors of tires, including retailers, that are participating in the program, shall not charge consumers an additional fee for the management of tires following the removal of the tire from the vehicle.

The program should also seek to foster the development of green technology and a green economy in its efforts to develop and promote an Ontario-based market for recycling and recycled products that can be made from scrap tires.

The program shall also include a plan to address the clean-up of existing stockpiles of used tires across the province. This plan should promote the diversion of stockpiled tires into recycling and higher end uses whenever possible, depending on the quality of stockpiled tires. The clean-up of stockpiles should be considered a priority under the early mandate of the program and expedited as much as possible. WDO should work with Ministry of the Environment staff to identify and prioritize stockpile sites for clean-up.

It is extremely important that we implement a tire program as soon as possible. I therefore must insist that the used tire program shall be submitted to me by December 31st, 2008 for my approval.

I am pleased that we are moving ahead with this much needed initiative. This government is committed to the development and implementation of a used tire program. I look forward to working with you in order to deliver a program that meets Ontario's ambitious environmental agenda.

Sincerely,

John Gerretsen
Minister of the Environment

Addendum to the Minister's request for a used tire diversion program.

1. For the purpose of this program, a brand owner means:
    a. The registered owner of the brand, or
    b. A licensee of the brand, or
    c. A person who owns the intellectual property rights to the brand, or
    d. A person who is the licensee, in respect of the intellectual property rights of the brand.

    For the purpose of this program, a first importer means a person who imports tires into Ontario, for which a brand owner does not exist in Ontario, and who is the first to take title to the tires upon or after arrival in Ontario from elsewhere.

    A retailer shall not be identified as a steward in the funding rules for the program unless the retailer is a brand owner or first importer of tires.

2. Designated stewards shall be responsible for the payment of all program costs. At a minimum, program costs shall include the costs incurred for the following activities:
    a. Collecting, storing, transporting, processing and marketing all used tires collected for diversion and actually diverted.
    b. Collecting, storing, transporting, processing and disposing all used tires collected for diversion but not diverted.
    c. Research and development activities to support and increase the effectiveness and efficiency of used tires collection and diversion.
    d. Activities to develop and promote the diversion of used tires that are available for collection under the program.
    e. Education and public awareness activities to support the used tire program. These activities should enhance the program's accessibility for consumers as well as public and stakeholder understanding of the program and its environmental benefits.
    f. Activities to develop and promote value added markets for recycled products.

3. Funding rules for the program:
    a. The proposed funding rules shall clearly identify used tires included under the program for which fees are payable.
    b. Fees collected during the program shall be used to pay for program activities.
    c. In addition fees collected during the program shall also consider capital costs to meet program accessibility targets.

4. The program submission shall include a set of vendor qualification requirements to ensure used tires are stored, handled and processed in a safe and environmentally sound manner that satisfies local, provincial and national regulations and international obligations as they may apply.

5. The program submission shall identify a tracking and auditing mechanism for used tires from the point of collection through to their final destination, including verification of processing.

6. The program shall at a minimum, describe and include an assessment of the following elements:
    a. A breakdown of the quantity of tires introduced into the Ontario marketplace.
    b. An estimate of the quantity of tires that is available for collection.
    c. Anticipated collection and diversion targets for used tires for the first five years of the program. By Year 5, the program shall achieve, at minimum, a target of 90% diversion.
    d. Program accessibility targets to ensure that the program is convenient and accessible to all Ontarians, including, but not limited to: high-density urban areas, rural communities and northern Ontario, and the proposed methodology for defining the appropriate accessibility targets.
    e. The methodology for expanding and improving the existing collection and diversion infrastructure for tires to meet the capture and accessibility targets.
    f. A description of any tire diversion and recovery infrastructure in place.
    g. Descriptions of markets for used tires.
    h. A list of benchmarks and performance measures used to encourage the 3Rs, promote best practices and encourage the development of innovative diversion techniques
    i. A detailed breakdown of financial payments including:
        i. Specific payments directed to collecting, transporting, processing, marketing, and disposing.
        ii. Capital to improve the existing collection and diversion infrastructure.
        iii. Criteria to be applied to determine payment eligibility.
        iv. The procedure for eligible parties to request and receive payments.
    j. A tracking and audit mechanism to ensure overall program compliance.

7. The program shall consider incentives encouraging stewards to initiate measures designed to reduce waste resulting from their products, increase reuse (i.e., retreading where feasible), increase recyclability of products and increase use of recycled content of products.

8. The program should encourage sufficient re-use and recycling capacity to maximize management of used tires.

9. The program shall also include provisions to establish and/or expand the availability of used tire collection programs and sites to make them convenient and accessible to all Ontarians, including, but not limited to: high-density urban areas, rural communities and northern Ontario. It should ensure return options for used tires are consumer focused and consumer friendly.

Appendix 2: OTS Articles of Incorporation

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Ontario Ministry of Consumer and Business Services
Ministère des Services aux consommateurs et aux entreprises

LETTERS PATENT
This application constitutes the charter of the corporation which is issued by these Letters Patent dated this

LETTRES PATENTES
La présente requête forme la charte de la compagnie constituée en personne morale par lettres patentes datées du

SEPTEMBER 10 SEPTEMBRE, 2003

Minister of Consumer and Business Services
Le Ministre des Services aux consommateurs et aux entreprises

per/par Director(A) / Directrice intérimaire

Ontario Corporation Number
Numéro de la personne morale en Ontario

1.

1582104

Form 2
Corporations Act

Formule 2
Loi sur les personnes morales

APPLICATION FOR INCORPORATION OF A CORPORATION WITHOUT SHARE CAPITAL
REQUÊTE EN CONSTITUTION D'UNE PERSONNE MORALE SANS CAPITAL ACTIONS

1. The name of the corporation is/Dénomination sociale de la personne morale:

ONTARIO TIRE SERVICES / SOCIETE DES PNEUS USAGES
TE DE L'ONTARIO

2. The address of the head office of the corporation is/Adresse du siège social:

2000 Argentia Road, Plaza 4, Suite 250
(Street & No., or R.R. No.,or Lot & Consession No., or Lot & Plan No., Post Office Box No. not acceptable; if Multi-Office Building give Room No.)
(Rue et numéro, ou R.R. et numéro, ou numéro de lot et de concession, ou numéro de lot et de plan; numéro de boîte postale inacceptable;s'il s'agit d'un édifice à bureaux, numéro du bureau)

Mississauga, Ontario — L5N1W1
(Name of Municipality) (Nom de la municipalité) — (Postal Code/Code postal)

3. The applicants who are to be the first directors of the corporation are:
Requérants appelés à devenir les premiers administrateurs de la personne morale:

Name in full, including all first, middle names Nom et prénoms au complet	Address for service, giving Street & No., or R.R. No.,or Lot & Concession No., or Lot and Plan No., and Postal Code (Post Office Box No. not acceptable) Domicile élu y compris la rue et le numéro ou la R.R. et le numéro, ou le numéro de lot et de concession, ou le numéro de lot et de plan, ainsi que le code postal (Numéro de boîte postale inacceptable)
Gordon Wayne Barnes	237 Glen Afton Dr., Burlington, ON, L7L 1G8
Gail Patricia Bebee	17 Blithfield Ave., Toronto, ON, M2K 1X9
John Leonard Goodwin	69 Shavian Blvd., London, ON, N6G 2P4
Glen J. H. Hall	223 Sea Birch Dr., PO Box 524, Pictou, N.S. B0K1H0
Laurence J. Hardy	128 Woodridge Dr., Manhiem, ON, N0B 2H0
Andrew David Horsman	50-5958 Greensboro Dr., Mississauga, ON, L5M 5Z9
Glenn Richard Maidment	251 Fern Cr., Waterloo, ON, N2V 2P9

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4. The objects for which the corporation is incorporated are:
Objets pour lesquels la personne morale est constituée:

1. the establishment and operation of an association of interested corporations and other organizations to act as an industry funding organization within the meaning of and for the purposes of the Waste Diversion Act (Ontario) and its successor and amending legislation from time to time (the "Act"), and for such purpose to undertake all actions, assume all obligations and exercise all powers, rights and authorities of an industry funding organization under the Act, and for greater certainty and without in any way limiting the generality of the foregoing:

a. to act as an industry funding organization for the administration of provincial and local programs for the disposal of used tires, as defined pursuant to the Act ("used tires");

b. to operate a waste diversion program for used tires in the Province of Ontario, as required by the Act;

c. to develop a program for the disposal and recycling of used tires on an environmentally responsible basis;

d. to develop a program for the environmentally responsible elimination of existing stockpiles of used tires;

e. to work with governments and government agencies to develop guidelines and standards for environmentally responsible recycling of used tires;

f. to sponsor or conduct research and development into materials and methods to support and increase the effectiveness and efficiency of used tire diversion;

g. to develop or promote products that result from the waste diversion program;.

h. to develop and manage a consumer awareness and education program to promote understanding and support for the activities of the Corporation;

2. to provide a forum for the discussion and the dissemination of information regarding used tire issues of importance or interest to tire members, including, but not limited to, technical, economic and standardization issues;

3. to organize and promote educational opportunities for members;

4. to represent the members and to advocate the position of the Corporation before administrative tribunals, municipal government, provincial ministries, federal departments and their agencies; and

5. for such other complementary purposes that are not inconsistent with these objects.

Form 2
Corporations Act

Formule 2
Loi sur les personnes morales

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5. The special provisions are/Dispositions particulières:

The corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the corporation shall be used in promoting its objects.

La personne morale doit exercer ses activités sans rechercher de gain pécuniaire pour ses membres, et tout bénéfice ou tout accroissement de l'actif de la personne morale doit être utilisé pour promouvoir ses objets.

Form 2
Corporations Act

Formule 2
Loi sur les personnes morales

1. to enter into agreements with governments, Waste Diversion Ontario, municipalities and their agencies, boards and commissions, for the development and implementation of a waste diversion program, as contemplated by the Act;

2. to establish and collect fees from stewards under the Act;

3. to invest and reinvest the funds of the Corporation in such manner as determined by the Board of Directors from time to time;

4. to employ any investment manager or managers to invest money that is required to be invested and to pay the compensation of such investment manager or managers from the capital and/or income of such invested money as is deemed appropriate;

5. to establish one or more common trust funds in which donations, grants or other sums of money received by the Corporation, whether or not designated, are combined for the purpose of facilitating investment and to operate such fund or funds in accordance with terms of reference established by the board of Directors from time to time;

6. to employ and pay such assistants, clerks, agents, representative, and employees, and to establish, equip, furnish, maintain, operate, manage and staff appropriate offices, facilities and programs complementing such purposes, and to incur such reasonable expenses as may be necessary therein;

7. to accumulate from time to time part of the fund or funds of the Corporation or the income therefrom subject to any statutes or laws when applicable;

8. to exercise all voting rights and to authorize and direct the execution and delivery of proxies in connection with any securities or obligations in any company, corporation, trust, partnership or other form of business entity ("Entity") held by the Corporation;

9. to take up proportions of any increased capital of an Entity in which the Corporation may at any time hold securities or obligation, to purchase any additional securities or obligations in such Entity; to join in any plan for the reconstruction, re-organization or amalgamation or for the sale of assets of any Entity, or part thereof; to enter into any pooling or other agreement in connection with the securities or obligations of an Entity held by the Corporation; and to give consent to the creation of any mortgage, lien or indebtedness of any Entity whose securities or obligations are held by the Corporation;

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10. to require payment of all sums of monies and claims to any real or personal property in which the Corporation may have an interest, and to compromise in any such claims, and to pursue payment in its corporate name through whatever means are available at law;

11. to draw, make, endorse, execute and issue cheques and other negotiable instruments; and,

12. to perform any manner of actions as are incidental or conducive to the attaining of the above-mentioned objects of the Corporation.

6. The names and addresses for service of the applicants:
Noms et prénoms et domicile élu des requérants:

Name in full, including all first, middle names Nom et prénoms au complet	Address for service, giving Street & No., or R.R. No.,or Lot & Concession No., or Lot and Plan No.,and Postal Code (Post Office Box No. not acceptable) Domicile élu y compris la rue et le numéro ou la R.R. et le numéro, ou le numéro de lot et de concession,ou le numéro de lot et de plan, ainsi que le code postal (Numéro de boîte postale inacceptable)
Gordon Wayne Barnes	
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Glen J. H. Hall	
Laurence J. Hardy	
Andrew David Horsman	
Glenn Richard Maidment	

Form 2
Corporations Act

Formule 2
Loi sur les personnes morales

This application is executed in duplicate.
La présente requête est faite en double exemplaire.

Signatures of applicants/Signature des requérants

Gordon Wayne Barnes

Gail Patricia Bebee

John Leonard Goodwin

Glen J. H. Hall

Laurence J. Hardy

Andrew David Horsman

Glenn Richard Maidment

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Appendix 3: OTS Board of Directors

Sarah Webb
CanadianTire Corp.
sarah.webb@cantire.com

Philippe Trudel
Michelin North America (Canada) Inc.
philippe.trudel@ca.michelin.com

Eric Gilbert
Ericway Tires
ericwaytire@primus.ca

Doug Hamilton
Goodyear Canada
doug_hamilton@goodyear.com

Usman Valiante
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valiante@corporatepolicygroup.com

Diane Gibson
Wal-Mart Canada Corp.
Diane.Gibson@wal-mart.com

Glenn Maidment (Chairman)
Rubber Association of Canada
glenn@rubberassociation.ca

Appendix 4: Used Tire Exports

Used Tire Exports - From Ontario to USA and All Other Countries

	CODE	DESCRIPTION	Exported From	YEAR	Exported to USA (units)	Exported to All Countries (units)
	40122000	Pneumatic tires used	Ontario	2007	210,134	223,822
	40121900	Retreaded tires, nes	Ontario	2007	3,671	4,316
	40121200	Retreaded tires of a kind used on buses or lorries	Ontario	2007	2,425	4,144
	40121100	Retreaded tires used on motor cars (inc station wagons & racing cars)	Ontario	2007	18,583	27,179

(Source: Statistics Canada, Strategis Trade Data On-Line, 2008)

Appendix 5: New Tire Volumes in Ontario Report

David Lamb & Associates
242 Maplewood Avenue, Toronto, ON M6C 1K2

November 17, 2008

Mr. Glenn Maidment
President
The Rubber Association of Canada
2000 Argentia Rd., Plaza 4, Suite 250
Mississauga, ON, L5N 1W1

Dear Glenn,

Attached is the final report on Tire Volumes for Ontario.

The breakdown by tire category is based on Tire and Rim Association and CATRA definitions, as much as possible. The major sources of the data are: The Rubber Association of Canada, Statistics Canada and DesRosiers Automotive Reports.

The data has had numerous reasonable tests applied. These include: provincial distribution of households versus tires consumed; Statistics Canada data versus The Rubber Association of Canada data; comparisons of Ontario volumes versus the balance of Canada and comparison of average import values.

The final report includes additional data requested and a definition of all data sources, along with major assumptions and reasonableness tests.

Should you require further clarification, please contact me.

Sincerely yours,

David Lamb

David Lamb
Tire Industry Consultant

Ontario 2007

Program Tire Types Units in thousands	OEM'S	Replacement	Total
Pneumatic Motorized Road Motor Vehicle Tires			
Auto	2,629.7	5,912.7	8,542.4
Light Truck	336.0	611.5	947.5
Total Light Vehicle	2,965.7	6,524.2	9,489.9
Commercial Truck	132.1	383.5	515.6
Motor Cycle	194.6	156.1	350.7
ST Trailer	22.5	6.6	29.1
Total Pneumatic Motorized Road Motor Vehicle Tires	6,280.6	7,070.4	10,385.3
Pneumatic Motorized Non-Highway Vehicles Tires			
Agricultural Free Rolling	68.0	64.5	132.5
Agricultural Drive	51.4	48.7	100.1
Small OTR = or < 23.5R25	15.5	40.1	55.6
Medium OTR > 23.5R25 to 33"	8.5	22.2	30.7
Large OTR >33" to 39"	1.0	2.3	3.3
Giant OTR >39"	1.8	4.0	5.8
Small Industrial	28.3	144.2	172.5
Large Industrial >24"	3.1	16.8	19.9
ATV	53.8	161.4	215.2
Golf Carts	23.0	69.0	92.0
Miscellaneous		684.4	684.4
Total Pneumatic Motorized Non-Highway Vehicle Tires	254.4	1,257.6	1,512.0
Solid Motorized Non-Highway Vehicles Tires			
Industrial	40.0	182.5	222.5
Total Solid Motorized Non-Highway Vehicle Tires	40.0	182.5	222.5
Total Program Tires	6,575.0	8,510.5	12,119.8

DATA SOURCES

Program Tire Types	OEM'S
Pneumatic Motorized Road Motor Vehicle Tires	
Auto	DesRosiers provincial sales
Light Truck	DesRosiers provincial sales for commercial LT
Commercial Truck	RAC Industry split by province
Motor Cycle	Stats Can Imports
ST Trailer	RAC Industry split by province
Pneumatic Motorized Non-Highway Vehicles Tires	
Agricultural Free Rolling	Stats Can vehicle imports split by RAC history
Agricultural Drive	Stats Can vehicle imports split by RAC history
Small OTR = or < 23.5R25	Stats Can vehicle imports split by RAC history
Medium OTR > 23.5R25 to 33"	Stats Can vehicle imports split by RAC history
Large OTR >33" to 39"	Stats Can vehicle imports split by RAC history
Giant OTR >39"	Stats Can vehicle imports split by RAC history
Small Industrial	Stats Can vehicle imports
Large Industrial >24"	Stats Can vehicle imports
ATV	Stats Can vehicle imports
Golf Carts	Stats Can vehicle imports
Miscellaneous	
Solid Motorized Non-Highway Vehicles Tires	
Industrial	Stats Can vehicle imports

Program Tire Types	Replacement
Pneumatic Motorized Road Motor Vehicle Tires	
Auto	RAC industry estimates split by provincial history
Light Truck	RAC industry estimates split by provincial history
Commercial Truck	RAC industry estimates split by provincial history
Motor Cycle	Stats Can Imports
ST Trailer	RAC industry estimates split by provincial history
Pneumatic Motorized Non-Highway Vehicles Tires	
Agricultural Free Rolling	Stats Can tire imports split by RAC history
Agricultural Drive	Stats Can tire imports split by RAC history
Small OTR = or < 23.5R25	Stats Can tire imports split by RAC history
Medium OTR > 23.5R25 to 33"	Stats Can tire imports split by RAC history
Large OTR >33" to 39"	Stats Can tire imports split by RAC history
Giant OTR >39"	Stats Can tire imports split by RAC history
Small Industrial	Stats Can tire imports split by vehicle imports & tire life estimates
Large Industrial >24"	Stats Can tire imports split by vehicle imports & tire life estimates
ATV	Stats Can tire imports split by vehicle imports & tire life estimates
Golf Carts	Stats Can tire imports split by vehicle imports & tire life estimates
Miscellaneous	Stats Can tire imports
Solid Motorized Non-Highway Vehicles Tires	
Industrial	Stats Can tire imports

Notes:

O.E. Industrial split is estimated based on vehicle type

O.E. Industrial solids are based on vehicle type and an estimate of 60% solids with balance pneumatic

Comparison of Ontario versus National for Motor Cycle and Agricultural for reasonableness

Comparison of Ontario versus National for replacement Miscellaneous for reasonableness

Replacement miscellaneous average import value is approximately $30.00 and is believed to include: agricultural free-rolling and small industrial tires

Ontario 2007

Program Distribution Channels Units in thousands	Total
Pneumatic Motorized Road Motor Vehicle Tires	
Vehicle Dealers New Vehicles	3,097.8
Vehicle Dealers Rep. Tires	554.6
Tire Companies (National Accounts)	782.9
Mass Merchants	1,185.9
Tire Dealers	4,384.3
Motor Cycle Dealers	350.7
Miscellaneous	29.1
Total Pneumatic Motorized Road Motor Vehicle Tires	10,385.3
Pneumatic Motorized Non-Highway Vehicles Tires	
Ag. Dealers New Vehicles	144.4
Tire Companies	25.0
Tire Dealers	379.2
Miscellaneous	963.4
Total Pneumatic Motorized Non-Highway Vehicle Tires	1,512.0
Solid Motorized Non-Highway Vehicles Tires	
Industrial Dealers New Vehicles	40.0
Tire Dealers	182.5
Total Solid Motorized Non-Highway Vehicle Tires	222.5
Total Program Tires	12,119.8

Ontario 2007

Program Tire Sources Units in thousands	Total
Pneumatic Motorized Road Motor Vehicle Tires	
Vehicle Imports	2,982.6
Vehicle Production	309.8
Tire Companies in Ontario	5,707.9
Tire Companies/Dealers not in Ontario	1,385.0
Total Pneumatic Motorized Road Motor Vehicle Tires	10,385.3
Pneumatic Motorized Non-Highway Vehicles Tires	
Vehicle Imports	229.0
Vehicle Production	25.4
Tire Companies in Ontario	150.0
Tire Companies/Dealers not in Ontario	1,107.6
Total Pneumatic Motorized Non-Highway Vehicle Tires	1,512.0
Solid Motorized Non-Highway Vehicles Tires	
Vehicle Imports	40.0
Tire Companies/Dealers not in Ontario	182.5
Total Solid Motorized Non-Highway Vehicle Tires	222.5
Total Program Tires	12,119.8

Appendix 6: RAC Mystery Shopper Study

2006 "Mystery Shopper" Study

Report for:

The Rubber Association of Canada

Prepared by:

desrosiers
AUTOMOTIVE CONSULTANTS INC.

May 1, 2006

Introduction/Mandate

DesRosiers Automotive Consultants Inc. (DAC) was retained by the Rubber Association of Canada (RAC) to conduct a telephone survey of 300 Ontario tire retailers, broken down as follows:

- 200 tire dealers
- 50 new vehicle dealers
- 50 additional tire retailers (non-specialized)

The primary objective of this study was to ascertain the following information:

- Do tire retailers charge the consumer a fee for disposal of old tires?
- If yes, how much is the fee per tire?

Secondary information yielded by the study falls into the following categories:

- Incidence of specific tire brands recommended as an "inexpensive alternative"

The primary deliverable from this study was a set of data tables documenting the results of the survey. In addition, this report presents a summary of some key findings.

Methodology

A sample of Ontario-based tire retailers was contacted by telephone during February and March 2006. The sample body was assembled using a list tire dealers provided by RAC, as well as lists of new vehicle dealers and non-specialized tire retailers compiled by DAC.

DAC callers posed as average consumers. Merchants were asked to provide a price quote on an inexpensive set of four all-season tires (size P195/70 R14) for a popular vehicle with a popular tire size. In most cases, a 2001 Chevrolet Cavalier was used as the example car. When contacting new vehicle dealers, a brand-correct model using the same size tire was cited if asked.

Typical interviews were conducted in the following manner:

"Hello, can I get a price quote on a set of tires?"
- "*Sure, what size?*"

"My old tires are 195/70 R14."
- "*What sort of car do you have?*"

"I have a 2001 Chevrolet Cavalier"
- "*I've got some Uniroyal Tigerpaws at $76.00.*"

"Does that price include installation and balancing?"
- "*Yes.*"

"Will you take my old tires? Is there a disposal charge?"
- "*There's a $2.00 disposal charge.*"

The following variables were recorded from each call:

- Recommended tire/brand model (as expressed by the merchant)
- Cost per tire (if given)
- Package cost (if given)
- Installation/balancing charge (if given)
- Disposal fee (if given)

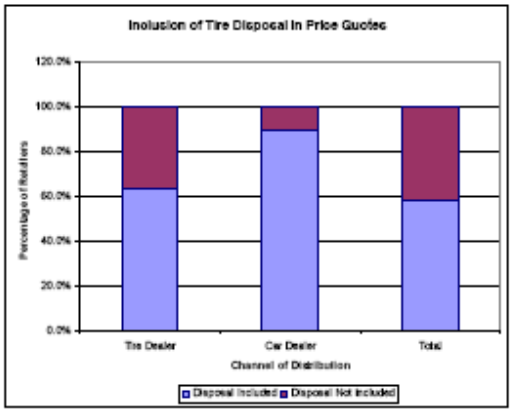
In the vast majority of calls, a total package cost was not volunteered. The data tables therefore use a formula ([tire cost + labour + disposal] x 4 x [PST+GST]) to determine package costs.

Installation and balancing are treated as a single variable in the data tables because the majority of tire dealers treat them as such.

Results

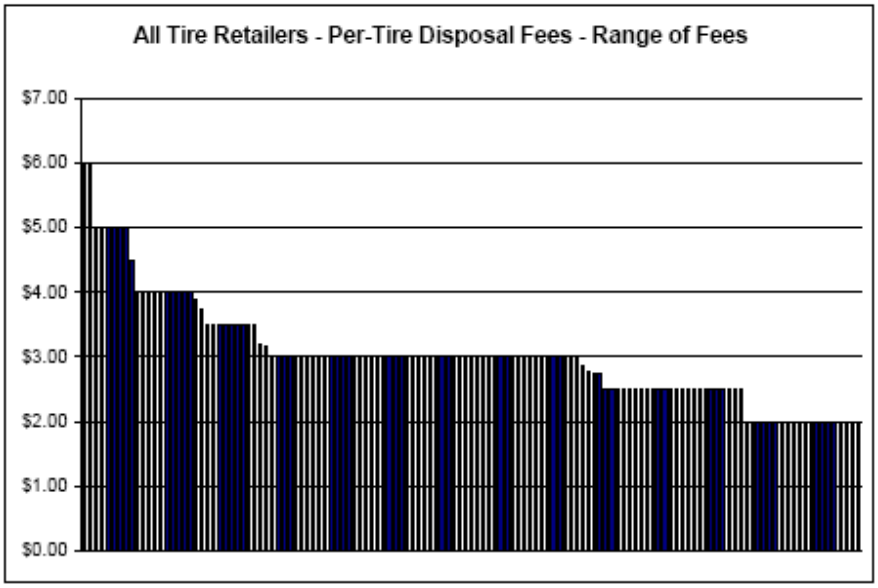
Tire Disposal Charges

The majority of tire dealers (64%) included tire disposal in their calculations when determining individual tire and tire package costs. 36% chose to levy a separate charge for tire disposal. Among those who charged separately, the average cost was $3.19 per tire, while the median charge was $3.00. The highest quoted disposal charge was $6 per tire, while the lowest was $2 per tire. Few tire dealers volunteered that information – most needed to be prompted to reveal their disposal charges.



90% of new vehicle dealers included disposal charges in their price quotes. Only 10% charged an extra fee for disposal. Among that 10% minority, the average charge was $3.20 per tire while the median charge was $2.50. The highest tire disposal fee was $5 per tire, while the lowest fee was $2 per tire. Dealer parts counter employees were generally unaware of disposal charges and needed to consult with other staff members or service managers.

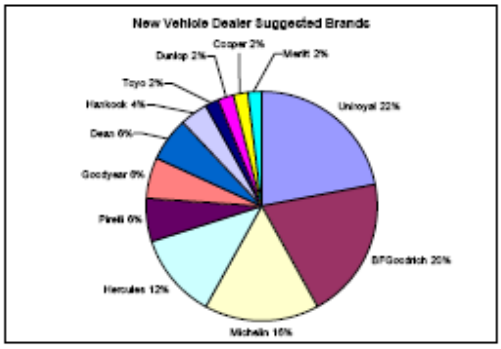
Among all retailers surveyed, 58.3% included disposal costs in the basic price of the tire. A large minority (41.7%) chose to quote disposal costs seperately. Among those who quoted seperately, the average charge was $3.03 while the median charge was $3.00. The highest and lowest quoted fees were $6 and $2 per tire, respectively.



Suggested Brands

DAC callers recorded the tire brand and model information (when available) during their conversations with tire retailers. It was common for the brand name to be provided, but not the model name or speed rating. Additionally, many lesser-known brands were often accompanied by a remark about their "real" manufacturer (e.g. "It's an off-brand made by Goodyear").

The largest group (18.5%) of tire dealers defaulted to the Hercules brand when asked to specify a low-cost tire. Other common brands were Uniroyal (13%), Cooper (7.5%), Dayton (7%), and Goodyear (6%). In total, 33 brands were suggested.



Despite their higher prices, a high number (22%) of new vehicle dealers suggested the same brand, Uniroyal, as their value-oriented counterparts at smaller tire retailers. Other brands suggested by car dealers included BFGoodrich (20%), Michelin (16%), Hercules (12%), and Pirelli (6%). In total, 12 brands were suggested.

Questions Asked

DAC callers opened all conversations by saying, "I'd like to get a price quote on a set of tires." The tire retailers' follow-up questions were then recorded as the call progressed.

In the vast majority of cases, the interview subject would immediately ask what size tires the caller was looking for. They would then attempt to refine their search by asking a leading question, such as, "Are you looking for an all season tire?" or, "Are you looking for an inexpensive tire?" It was also common for them to ask, "Anything specific?" Once it was established that the caller was looking for an inexpensive all-season tire, a price quote was forthcoming.

It was fairly rare for the tire retailer to ask what sort of car the caller owned. It was extremely rare (just over 1% of calls) for the retailer to attempt to make a sale on the phone. The majority of interview subjects were happy to quote prices without commitment.

Appendix 7: Ontario Crumb Rubber Processing Survey

Ontario Tire Stewardship		
Crumb Rubber Processing Survey		
Production		
Ontario 2007 Processing (PTE's)		6.6 million
Ontario Processor Capacity (PTE's)		10.2 million
Markets		
% by Market Jurisdiction		
Ontario		26.80
Other Provinces		4.50
USA		68.70
Other Countries		0.00
Ontario Volumes by End-Use		
Sports Surfaces/Fill		15.30
Molded Goods		57.00
Animal Products		1.50
Rubberized Asphalt		9.80
Tires		0.00
Other		16.40
Export Volume by End-Use Mfgr.		
Sports Surfaces/Fill		26.40
Molded Goods		65.70
Animal Products		0.00
Rubberized Asphalt		0.00
Tires		0.00
Other		7.90
Tip fees ($/PTE)		
Passenger/Light Truck Tires/Medium Truck Tires		$0.50
Crumb Rubber Pricing ($/tonne)		$242.00