

Purpose

The purpose of this discussion paper is to begin reviewing the approach to determining the calculated weight of tires, in consultation with tire registrants. The Authority will hold two webinars to discuss whether there is a need to change the procedure and the options for changing it.

Background

In February 2018, the Registrar developed a [Registry Procedure](#) that established, for the purposes of the Tires Regulation, O.Reg. 225/18:

- weight conversion factors that can be used to determine the calculated weight of tires; and
- the minimum weight of a large tire.

This procedure was incorporated by reference into the Tires Regulation, as amended from time to time.

The initial version of the procedure set out conversion factors for new tires. The procedure was amended in April 2018 to apply to used tires.

The procedure adopted the approach taken by Ontario Tire Stewardship (OTS) that established 18 categories of tires, comprised of passenger and light truck tires, medium truck tires and 16 categories of off the road tires. There is a weight range and a weight conversion factor for each category.

What is calculated weight?

Every tire producer is required to register with the Authority and report on the tires they have supplied into the Ontario market. This information is used to establish a collection target that must be met by the producer. The collection target is based on the average of three years of new tire supply data multiplied by 85% to account for used tires weighing about 15% less than new tires.

For initial RPRA registration purposes, tire producers were required to provide supply data for the years 2014, 2015 and 2016. It was recognized that most tire producers were previously registered as stewards with OTS and that for those years, they had reported the number of tire units they supplied into the Ontario market to OTS. Stewards reported their tire units against 18 tire categories and OTS applied a weight conversion factor to each category to convert the reported units into kilograms.

Under the Tires Regulation, producers were given two options for calculating the weight of the tires they supply into Ontario when reporting to the Authority:

1. the actual weight; or
2. the weight based on applying a conversion factor to the number of units supplied into Ontario.

These options were made available so that producers could utilize the unit supply data they had previously submitted to OTS to meet their RPRA reporting requirement. Producers who use their OTS data are not required to provide a third-party audit to verify that data.

Why is a review needed?

There are several reasons a review of the procedure is needed at this time:

1. 2018 is the last year in which producers reported tire supply units to OTS. This 2018 data can be used by producers to meet their RPRA supply data reporting requirements in 2020. The OTS used tire program ended on December 31, 2018 and producers are no longer reporting supply data to OTS. As of January 1, 2019, producers must keep track of the weight of the tires they supply into Ontario each year, so that it can be reported to RPRA two years later (e.g. 2019 supply data will be submitted in 2021). This data, which was not previously submitted to OTS, must be verified by an independent auditor.
2. Many tire producers in the current passenger and light truck category determined, based on the weight of the tires they supply, that the 12.5 kg conversion factor for that category was too high, meaning their calculated collection target would be too high. The Registrar published [Compliance Bulletin No. 3](#) to address this issue and those producers were given the option of utilizing tire manufacturer specifications to calculate the weight of the tires they supplied into Ontario. Several producers opted to do this and they had no difficulty meeting the audit requirement.
3. While the passenger and light truck tire and medium truck tire categories each show some internal variability, there is considerably more variability within each of the sixteen categories of off the road tires. This means that there is internal cross-subsidization within tire categories, with some producers having collection targets that are too high and others too low.
4. While the 18 OTS categories have been used by producers for several years, they have not been used the same way by used tire service providers (i.e. collectors, haulers, processors). Used tire counts are estimated by collectors and haulers at the point of collection, while processors use the actual weight of the tires they receive for processing.

Based on the considerations above, the following questions will be discussed in the upcoming webinars:

1. Should the current 18 categories and related weight conversion factors be kept?
2. If not, should the passenger and light truck category or medium truck category related weight conversion factors be kept?
3. Should the weight established in tire manufacturer specifications be used?
4. What would be easier for an independent auditor to verify:
 - tires are properly reported in the existing 18 categories; or
 - the number of tires and the weight calculated using the manufacturer specifications are properly reported?
5. How should the weight of used tires sold for reuse be determined?
6. How should the weight of retreaded tires be determined?
7. If there are changes to how calculated weight is determined, should those changes apply to supply data beginning in 2019 or 2020?

The results of the webinar consultations will be used to determine how calculated weight will be established for tire supply data and any resulting changes will be reflected in an updated registry procedure. This review of the weight conversion factors will be followed by the development of an audit procedure for new tire supply data.