

Ministry of the Environment
and Climate Change

Ministère de l'Environnement
et de l'Action en matière de
changement climatique



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JUN 30 2017

ENV1283MC-2017-1772

Ms. Glenda Gies
Chair

Resource Productivity and Recovery Authority
4711 Yonge Street, Suite 1102
Toronto ON M2N 6K8

**Re: Policy Direction Regarding the Authority and Wind Up of the Used Tires
Program and Ontario Tire Stewardship**

Dear Ms. Gies:

Pursuant to section 29 of the *Resource Recovery and Circular Economy Act, 2016*, I am issuing policy direction to the Resource Productivity and Recovery Authority (the Authority) with respect to its duties relating to the waste diversion program for used tires and Ontario Tire Stewardship (OTS).

This policy direction is complementary to my direction letters to OTS issued pursuant to s. 14 of the *Waste Diversion Transition Act (WDTA)* to develop a plan to wind up the waste diversion program for used tires and OTS itself. The wind up direction letters are dated February 17, 2017 and June 30, 2017 respectively. As you know, OTS is required to submit the proposed wind up plan to the Authority by October 31, 2017.

I am directing the Authority, further to its duties under clauses 5 (d) and (i) of the WDTA to oversee the orderly winding up of industry funding organizations (IFOs) and waste diversion programs and determine the amount of money required by IFOs to carry out their responsibilities under the WDTA, to engage with OTS in a timely manner to conduct the following activities:

- Review OTS' 2017 program budget and expenditures with OTS to determine approaches to support efficient cost reduction and to limit new spending to program expenditures that are necessary for the waste diversion program for used tires to continue to deliver program performance for 2017.
- Confirm that OTS' 2018 program budget promotes efficient cost reduction approaches during the wind up period and limits new spending to program expenditures that are necessary for the waste diversion program for used tires to continue to deliver program performance throughout the wind up period.

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Ms. Glenda Gies

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- Review OTS' current and estimated costs for 2017 and 2018 and develop an approach to ensure sufficient funds are available to wind up the waste diversion program for used tires and OTS itself in accordance with the WDTA, and consistent with my direction to OTS.

To facilitate such activities, it is expected that the Authority will obtain quarterly reports from OTS within four weeks of the end of each remaining quarter starting in the third quarter of 2017 regarding OTS' revenue and expenditures for 2017 and 2018 in order for the Authority to oversee OTS' development of the wind up plan and, if approved by the Authority, the implementation of the wind up plan.

In addition, when reviewing and assessing OTS' wind up plan, the Authority shall ensure that it is consistent with the direction letters issued to OTS, including, where possible, eliminating fees for passenger and light truck tires from May 1, 2018, or as soon as feasible, while ensuring there are sufficient funds for the costs set out in section 33 of the WDTA. In addition, the plan, and any accompanying rules, should be in accordance with the WDTA and its regulations. It is also expected that the Authority will consult with representatives of municipalities, stewards and other affected persons, when assessing OTS' proposed wind up plan, as required by subsection 14 (14) of the WDTA.

I trust that the Authority will engage with OTS in a timely manner to manage OTS' affairs in accordance with the WDTA and its regulations, having regard to the need for an orderly wind up of the waste diversion program for used tires.

Lastly, the Authority shall make publicly available on the Authority's website my wind up direction letters to OTS as well as this policy direction letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Glen Murray', with a stylized flourish extending to the right.

Glen Murray
Minister

c: Mr. Paul Evans, Deputy Minister
Ministry of the Environment and Climate Change

Board Members
Ontario Tire Stewardship

Mr. Andrew Horsman, Executive Director
Ontario Tire Stewardship