

The Role of Haulers in Ontario's New Tire Recycling System

October 1, 2019



Agenda

1. Purpose of today's meeting
2. Tire recycling in Ontario
3. The role of haulers

Purpose of today's meeting

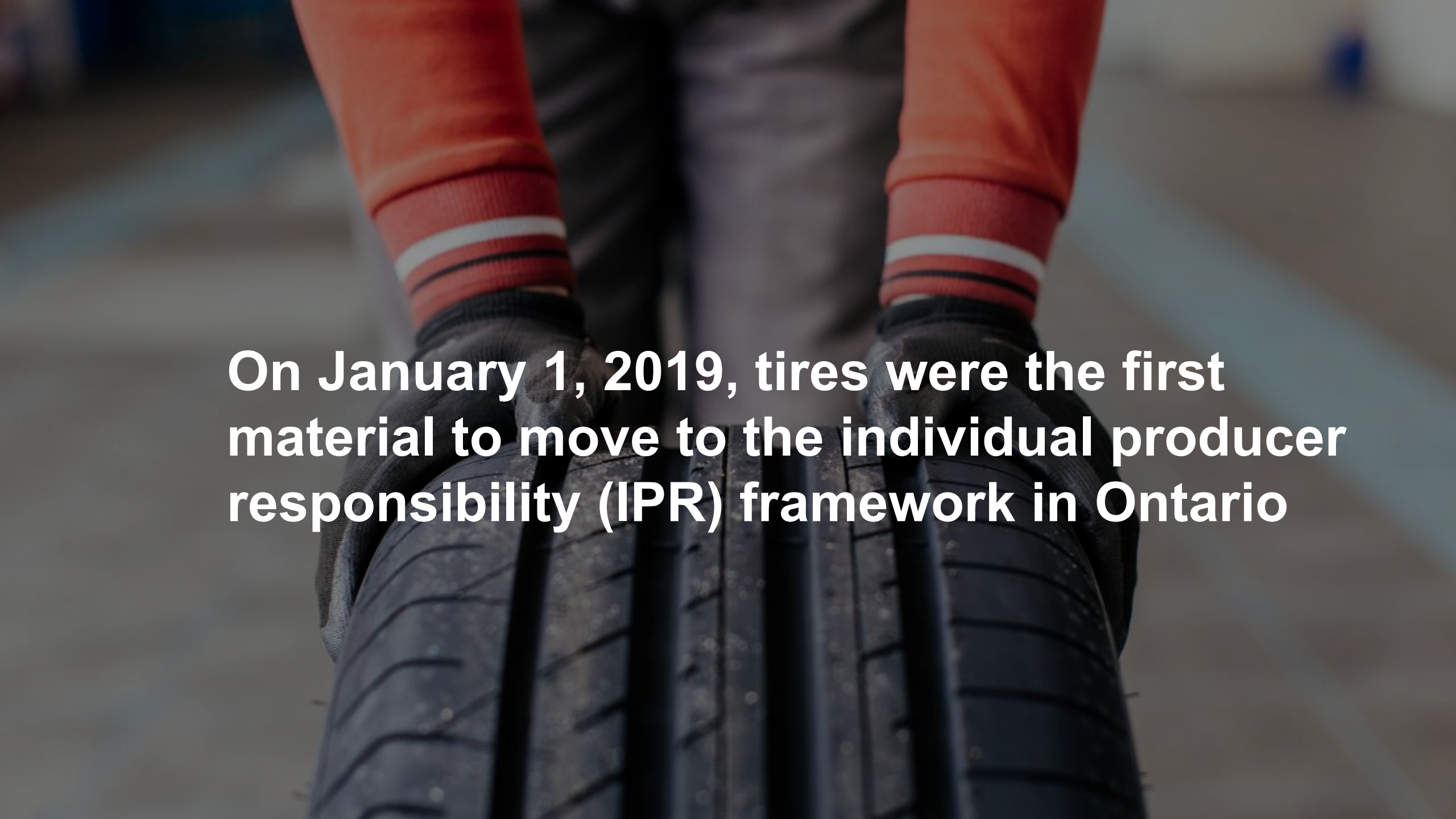


Why an information session?

- To provide clear guidance and direction around tire hauling and recycling in Ontario since the Ontario Tire Stewardship program ended on December 31, 2018
- To discuss:
 - the changes to tire recycling in Ontario that have occurred since January 1, 2019
 - how the changes have affected tire haulers in particular
 - the contractual relationships in the new system
- Opportunity for you to raise key questions about the new system and any challenges you've faced since January 1, 2019

Tire recycling in Ontario



A close-up photograph of a person's hands, wearing black work gloves, working on a tire. The person is wearing orange work pants with white and black stripes at the cuffs. The background is blurred, showing a concrete floor and a blue object in the distance.

On January 1, 2019, tires were the first material to move to the individual producer responsibility (IPR) framework in Ontario

Individual producer responsibility

IPR means that producers are responsible and accountable for collecting and managing their products and packaging after consumers have finished using them



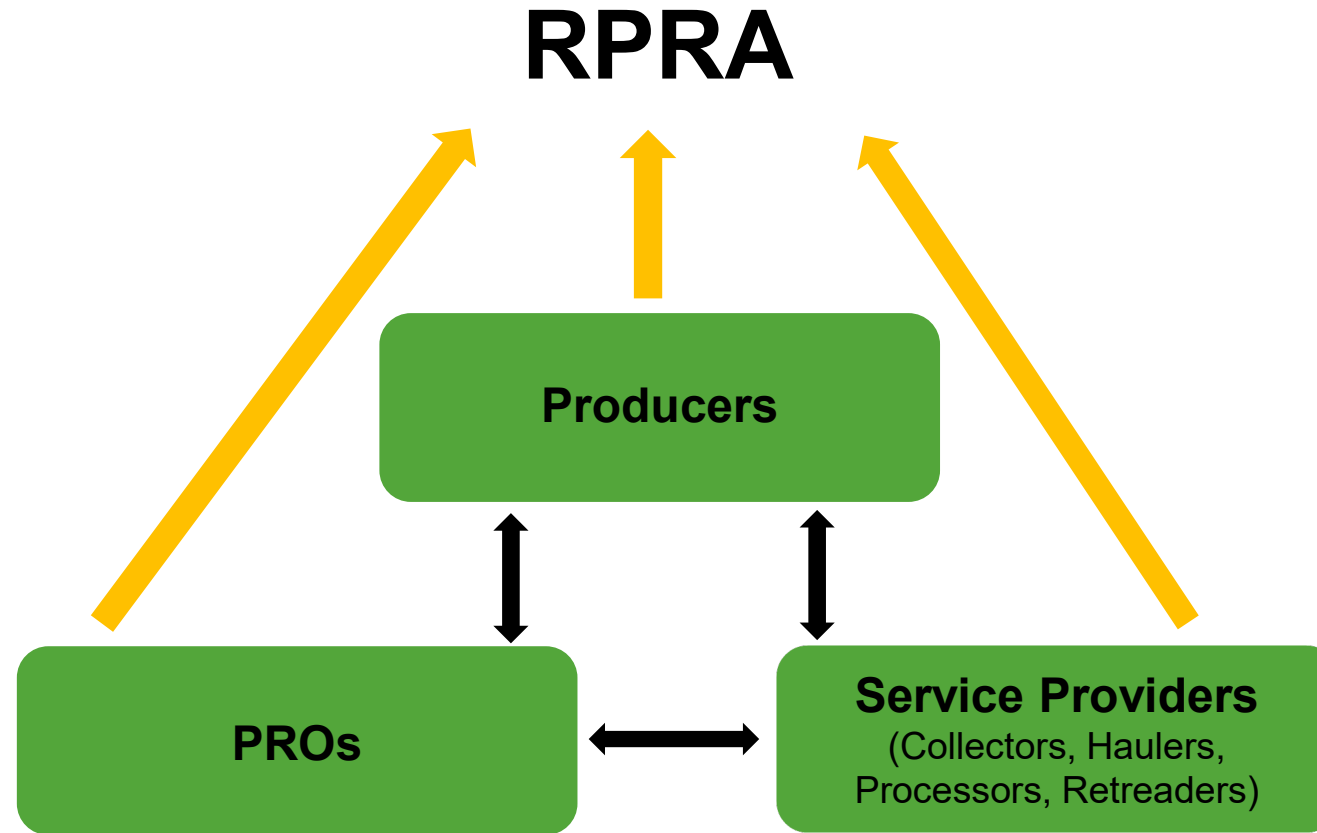
What has changed?

- Starting January 1, 2019, tire producers have mandatory, enforceable targets for collecting and recycling used tires
- This was not the case under the OTS program – OTS had a target that was not enforceable, and stewards covered the cost of the OTS program based on their market share
- Under the Tires Regulation, producers now have three key **enforceable** performance obligations. Each producer must:
 1. Meet a collection target, based on the tires they supply into Ontario
 2. Establish and operate a used tire collection and management system
 3. Meet a resource recovery target, based on what is actually collected

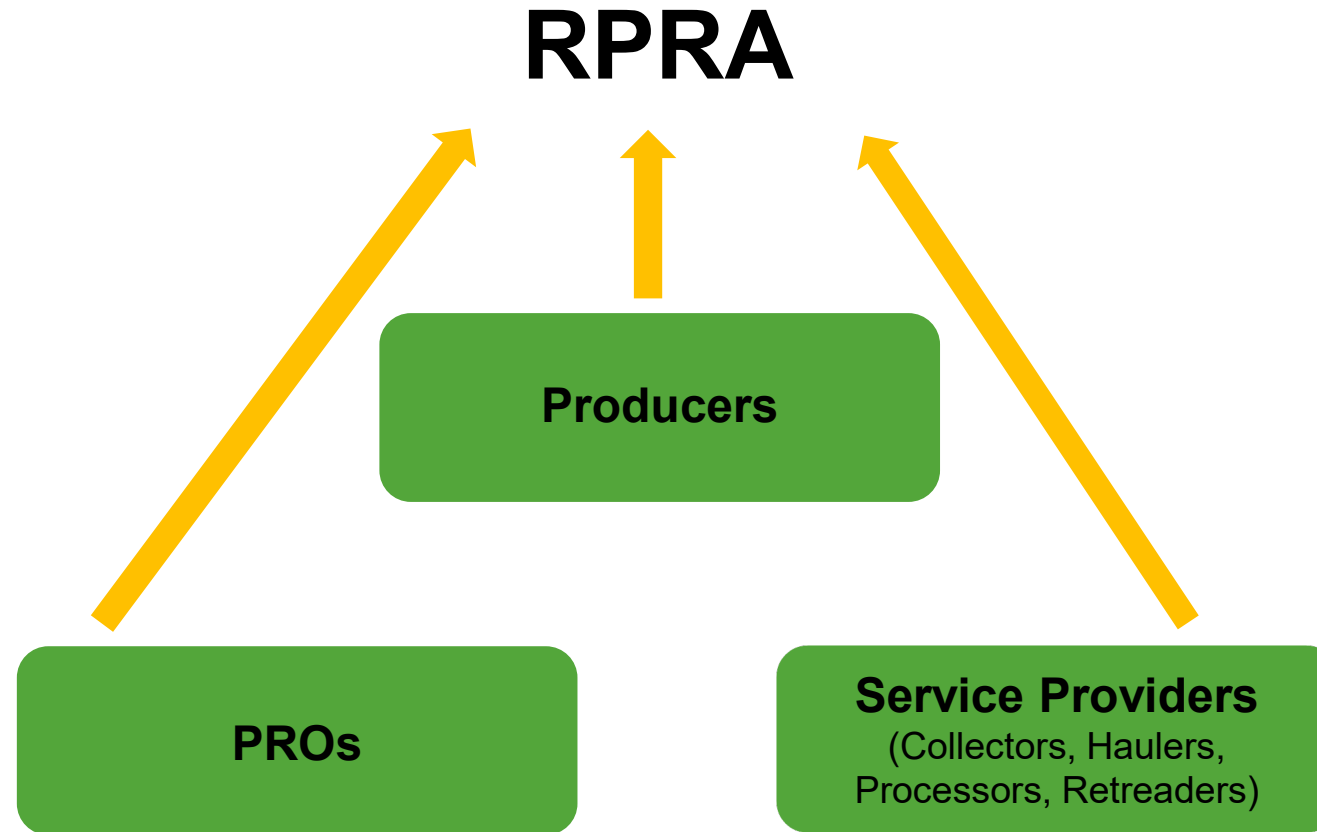
What has changed? (cont.)

- With the wind-up of OTS, there is no longer a central organization to manage used tires on behalf of producers
- Producers have the choice of meeting their performance requirements individually either by:
 - working directly with service providers to establish collection and management systems; or
 - contracting with a producer responsibility organization (PRO)
- A PRO is a program operator that contracts with collectors, haulers, retreaders and processors to establish and operate a tire collection or management system on behalf of producers
 - PROs compete with one another for producer clients
 - PROs look for competitive pricing from service providers
 - Hauling
 - Processing
 - Retreading
 - To date, most producers have contracted with a PRO to meet their obligations

New world – New relationships



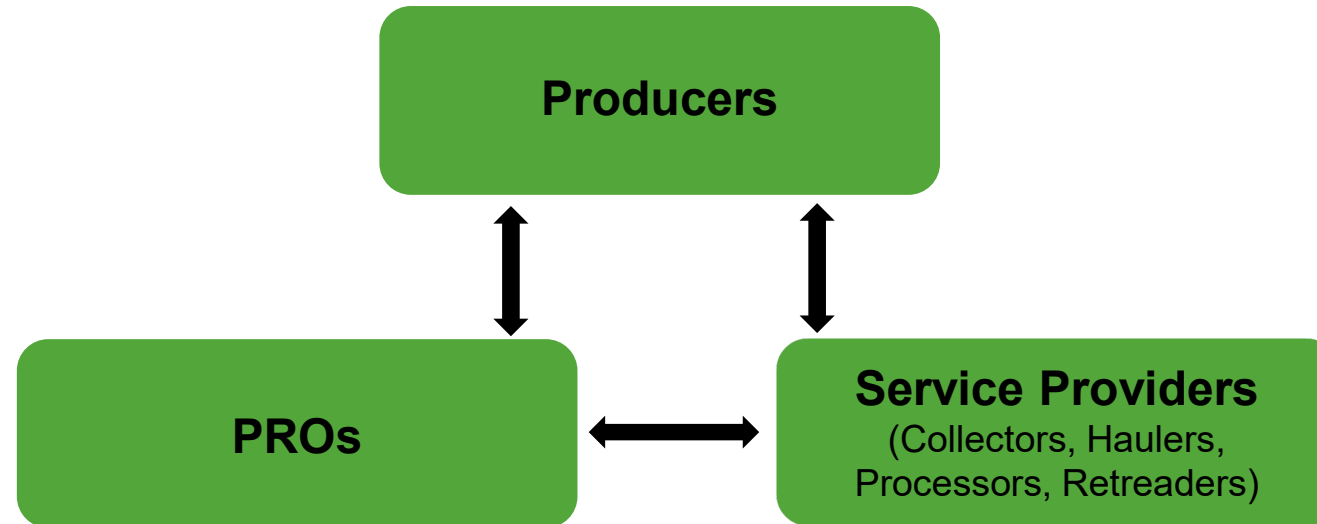
New world – The regulatory relationship



What has changed? There is now a regulator: RPRA

- The Resource Productivity and Recovery Authority is a regulatory body created by the Ontario government in November 2016
 - The Authority oversees the transition of existing waste diversion programs to IPR (Tires, Municipal Hazardous or Special Waste, Waste Electrical and Electronic Equipment and Blue Box)
 - Once materials, like used tires, have transitioned to IPR, the Authority is responsible for monitoring businesses and ensuring their compliance with new IPR requirements
- Producers, PROs and service providers (collectors, haulers, processor, retreaders) must register with the Authority and report annually on their performance ([Compliance Bulletin No. 7 - Annual Reporting Requirements](#))
- The Authority will enforce compliance with requirements to register, report and meet collection and resource recovery targets
 - Enforcement through inspections, orders, administrative penalties and prosecutions

New world – Contractual relationships



Contractual requirements have changed

- Previously, OTS had contracts with collectors, haulers, processors and rubber product manufacturers
- These contracts were a vehicle for OTS to deliver payments to service providers
 - For example, under the OTS agreements with processors, a processor would have received money from OTS to cover the cost of processing and hauling
 - This meant that a hauler could pick up tires from a collector knowing that:
 - a processor would take them,
 - the hauler would get paid by the processor, and
 - the hauler didn't need a contract with the processor
- **This is no longer the case**
- OTS has been replaced by competitive PROs
- A hauler needs to ensure that it has the contractual arrangements in place with PROs or processors so that when the hauler is picking up tires, the hauler knows where to take them

A shared collection system

- **Producers** must comply with the accessibility requirements (i.e. must establish and operate a used tire collection and management system) outlined in the Tires Regulation
- Section 5 of the Tires Regulation:
“For greater certainty, a tire collection site may be operated by or on behalf of one or more producers and may be relied on by one or more producers...”
- For practical purposes, collection sites must be shared by producers
- The Authority has worked with PROs and service providers to ensure:
 - collectors are registered
 - collection sites are operated by PROs on behalf of producers on a fair basis
- Collection sites have designated PROs that are responsible for the service of those sites
 - PROs are required to provide a monthly report on the progress toward meeting their respective aggregate producer annual collection target and identify any issues relating to processing or retreading that may affect the ability of a producer to meet its resource recovery obligation

Questions?



The role of haulers




What does this mean for haulers?

- Haulers should not be picking up tires unless they have a contract with someone who will take those tires
- Collectors and haulers need to be enrolled with every PRO that a hauler contracts with
 - This allows tires to be tracked from point of collection to point of processing or retreading
- Under the Tires Regulation, producers are obligated to establish and operate a collection system
 - They must report that system to the Authority
 - They must use that system to track their tires
 - They must meet their performance requirements using tires collected from that system
 - Their independent auditors must be able to verify their performance

How best to operate in the new system

- Enter into agreements with registered PROs or processors
- Make sure the collectors you pick up from are enrolled with the PROs that you have agreements with
- Make sure the processors you bring tires to are also are enrolled with the PROs that you are hauling tires for
 - This will enable you to ensure that tires are properly tracked from collection to drop-off
- Only pick up from companies that are enrolled in a shared collection system
- Only deliver tires to companies registered with the Authority
 - Remember, producers can only meet their targets with tires hauled, retreaded and processed by parties registered with the Authority
- Have an agreement in place to deliver tires to a processor or retreader before picking them up from a collection site to maintain the flow of tires through the network
- You can find lists of registered PROs, processors, retreaders and collectors on the Authority's website: <https://rprra.ca/programs/tires/find-a-tire-registrant/>

A man in a light-colored long-sleeved shirt and blue jeans is walking through a warehouse, pushing a wooden hand truck. The hand truck is loaded with several stacks of black tires. The warehouse has high metal shelving units on both sides, also filled with stacks of tires. The lighting is somewhat dim, and the overall scene is industrial.

**Producers can only meet their targets with
tires hauled, retreaded and processed by
parties registered with the Authority**

Questions?



Thank you for joining us!

For more information, visit our tires web page:

<https://rpra.ca/programs/tires/>

Contact us:

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