

Used Tires Program Wind Up

RPRRA Stakeholder Consultation

January 2018



Webcast interface

Used Tires Program Wind Up Plan Q&A

01/29/2018 10:00 AM EST

This webcast has not yet started

Questions and Answers

Question : test
Answer pending

Type a question and press 'Enter'.

To ask a question at any time during the presentation or for technical assistance, type your question in the text box and press 'enter.'

Wind Up Plan: Municipalities, Collectors & Haulers

Key Issues

- Incentives
- TreadMarks
- Data
- Other?

Incentives

“There is no disruption in the operation of the waste diversion program while the program is operating.” (February 17, 2017)

Recognize year-end service provider inventories (as per existing contractual commitments)

- Any tires collected prior to December 31, 2018 will be eligible for Collection Allowances claims submitted in Q1 2019
- Used tires which have been picked up from registered collectors and held by Haulers as of December 31, 2018 will be paid for provided they are delivered to a registered processor by January 31, 2019

TreadMarks IT

“An approach to deal with OTS’ Treadmarks IT system that ensure fair and equitable access to all users.” (June 30, 2017)

Plan proposes to make TreadMarks available to producers

Producers can share TreadMarks with their own service providers

TreadMarks to be made available for transfer on May 1, 2018

Available from OTS until March 2019 then transferred to RPRA

Data transferring and sharing

“The sharing of data and information to parties other than the Authority must be done in a fair, open and transparent manner...” (February 17, 2017)

Public release of aggregated used tire recycling data for 2015-2017 including:

- New tire supplies by tire classification (PLT, MT and OTR)
- Collection data by postal code and tire classification
- Tire processing tonnage inputs and outputs and processing category outputs (crumb rubber vs. shred)
- Tire manufacturing tonnage inputs and outputs

Data transfer to RPRA = historic and detailed tire sales and recycling data

Wind Up Plan: Municipalities, Collectors & Haulers

Key Dates

Date	Action
September 2018	OTS Service Provider briefing re termination Collectors and Hauler notified of termination of contracts for December 31, 2018 (September 30)
December 2018	Program terminates
January 2019	Deadline for collectors to have year-end used tire inventory transported off site (Jan 25) 4 th Quarter 2018 Collection Allowance Claims Due (Jan 31) December 2018 Transportation Incentive Claims Due and Deadline for Haulers to have year-end inventories transported to processors (Jan 31)

Wind Up Plan: Municipalities, Collectors & Haulers

Key Dates

Date	Action
February 28 2019	January CA year-end inventory claims due – Final CA claims submission deadline January TI year-end inventory claims due – Final TI claims submission deadline
May 2019	Target date for resolution of all service provider contractual payments (May 31)

Used Tires Program Wind Up

RPRRA Stakeholder Consultation

January 2018



Wind Up Plan: Processors and RPMs

Key Issues

- Incentives
- TreadMarks
- Data
- Others?

Incentives

“There is no disruption in the operation of the waste diversion program while the program is operating.” (February 17, 2017)

Recognize year-end service provider inventories (as per existing contractual commitments)

- Pay out PI in relation to processor year-end inventory as of December 31, 2018 if tires have been processed into TDP between Jan 1 and March 31, 2019
- Pay out of MI in relation to RPM year-end inventories that have been manufactured and sold between Jan 1 and March 31, 2019
- Processor and RPM year-end inventories must be confirmed by OTS by January 10, 2019

TreadMarks IT

“An approach to deal with OTS’ Treadmarks IT system that ensure fair and equitable access to all users.” (June 30, 2017)

Plan proposes to make TreadMarks available to producers

Producers can share TreadMarks with their own service providers

TreadMarks to be made available for transfer on May 1, 2018

Available from OTS until March 2019 then transferred to RPRA

Data transferring and sharing

“The sharing of data and information to parties other than the Authority must be done in a fair, open and transparent manner...” (February 17, 2017)

Public release of aggregated used tire recycling data for 2015-2017 including:

- New tire supplies by tire classification (PLT, MT and OTR)
- Collection data by postal code and tire classification
- Tire processing tonnage inputs and outputs and processing category outputs (crumb rubber vs. shred)
- Tire manufacturing tonnage inputs and outputs

Data transfer to RPRA = historic and detailed tire sales and recycling data

Wind Up Plan: Processors and RPMs

Key Dates

Date	Action
December 2017	OTS notifies processors and RPMs of termination of contracts for December 31, 2018
April 2018	Release of public tire recycling data
September 2018	OTS service provider briefing re termination/transition
December 2018	Program terminates
January 2019	Processor & RPM year-end inventory audit site visits (Jan 2-8) Processor & RPM year-end inventory counts affirmed (Jan 10) December PI and MI incentive claims due (Jan 31)
February 2019	January PI and MI year-end inventory claims due (Feb 28)

Wind Up Plan: Processors and RPMs

Key Dates

Date	Action
March 2019	February PI and MI year-end inventory claims due (March 31)
April 2019	March PI and MI year-end inventory claims due (April 31)
May 2019	Target date for resolution of all service provider contractual payments (May 31)

Used Tires Program Wind Up

RPRRA Stakeholder Consultation

January 2018



Wind Up Plan: Producers

Key Issues

- Fee Elimination
- OTR Debt Recovery
- Reconciliation – Wind Up and Program
 - July 1, 2017- December 31, 2018 reconciliation
 - September 2009-December 2018 reconciliation
- TreadMarks
- Data transferring and sharing

Fee Elimination

Key Issues

“Where possible, the rules would eliminate fees for PLT tires in order to minimize the remaining surplus funds... It is my expectation that OTS will implement the fee elimination from May 1, 2018 or as soon as feasible...” (June 30, 2017)

Proposed plan:

- Elimination of PLT fees, target date of October 15, 2018
 - Based on \$3.4M per month PLT operating cost
 - May be revised in spring of 2018 based on updated financial information
- Positive resolution of Transportation Incentive HST obligation would result in an added ~\$12.6 Million available for wind up costs accommodating an earlier fee elimination date

OTR Debt Recovery

Key Issues

“An approach to manage the deficit from OTR tire classes including proposed rules to continue debt repayment...” (June 30, 2017)

Plan proposes to:

- Invoice OTR Stewards for anticipated shortfall in historic OTR account deficit
- Current estimate of ~\$1.5 Million will be owed by OTR Stewards at program termination
- Steward Rules to include rule to determine individual OTR debts
 - OTS to conduct consultation on revised Rules in Feb 2018

OTR Debt Recovery

Year	OTR Debt	Debt Repayment
2009-2013	\$25.6M	
2014		\$2M
2015 (includes historic revenue reclassification)		\$9.8M
2016 (including reconciliation)		\$3M
2017 (includes reconciliation)		\$2.7M (estimated)
2018		\$3.3M (estimated)
2019		\$3.3M (estimated)
OTR Balancing Owing (Jan 1, 2019)		\$1.5M

Reconciliation – Wind Up and Program

Key Issues

“Monies held in trust by OTS are treated appropriately in accordance with the WDTA and its regulations” (February 17, 2017)

- Plan proposes:
 - Steward Rules to include reconciliation for July 1, 2017-December 31, 2018 and reconciliation for 2009-2018
 - Remaining funds post-wind up will be disbursed to stewards in accordance with the Steward Rules

TreadMarks

Key Issues

“An approach to deal with OTS’ Treadmarks IT system that ensure fair and equitable access to all users.” (June 30, 2017)

Plan proposes to:

- Make TreadMarks available to producers
- Producers can share TreadMarks with their own service providers
- TreadMarks to be made available for transfer on May 1, 2018
- Available from OTS until March 2019 then transferred to RPRA

Data Transferring and Sharing

“The sharing of data and information to parties other than the Authority must be done in a fair, open and transparent manner...” (February 17, 2017)

Plan proposes:

- Public release of aggregated used tire recycling data for 2015-2017 including:
 - New tire supplies by tire classification (PLT, MT and OTR)
 - Collection data by postal code and tire classification
 - Tire processing tonnage inputs and outputs and processing category outputs (crumb rubber vs. shred)
 - Tire manufacturing tonnage inputs and outputs
- Data transfer to RPRA = historic and detailed tire sales and recycling data

Wind Up Plan: Key Dates for Producers

Key Dates

Date	Action
April 2018	<ul style="list-style-type: none">• Release of tire recycling data• Initial meeting with producers re TreadMarks
May 2018	TreadMarks available for Transfer to Producers
September 2018	OTS hosting Producer Transition Meetings
October 2018	PLT TSF eliminated (October 15 or earlier TBD) OTS hosting Producer Transition Meetings
November 2018	OTS hosting Producer Transition Meetings
December 2018	Program Terminates December 31

Wind Up Plan: Key Dates for Producers

Key Dates

Date	Action
January 31, 2019	Deadline for final Steward Dec 2018 supply report and payments
February 28, 2019	Deadline for any Steward wholesale reconciliation re: 2018 supply reports
March 2019	Final calculation of OTR steward amounts owing – invoicing OTR stewards
April 30, 2019	Due date for final OTR steward payments to OTS
TBD	Final OTS Steward Reconciliation

Wind Up Plan: Producers - Related Issues

Other

- Registry User Acceptance Testing
 - Reaching out to producers to help with testing of Registry
- Tire Regulation
 - MOECC consultation closed January 22
- RRPA Fee Setting Policy and Tire Fees
 - To be released this week for 45 day consultation period