

Resource Productivity and Recovery Authority

Ontario Tire Stewardship Wind Up Plan

Consultation Report

March 6, 2018

Table of Contents

Introduction & Purpose	2
Consultation Sessions	3
What We Heard.....	4
Response.....	5
Questions & Contact.....	6
Appendix A – Rationale, Approach & Timeline.....	7
Appendix B – Participant Evaluation Survey	9
Appendix C – Consultation Topics	10
Appendix D – Questions & Answers	12
Appendix E – Written Submissions & Answers.....	26

Introduction & Purpose

This report summarizes stakeholder input received during consultations held by the Resource Productivity and Recovery Authority (RPRRA) on the proposed Ontario Tire Stewardship (OTS) Wind Up Plan (the Plan).

On February 17, 2017, the Minister of the Environment and Climate Change directed OTS to wind up the waste diversion program for Used Tires on December 31, 2018, and subsequently OTS itself. OTS submitted the Plan for RPRRA's review on November 30, 2017.

Under section 14 of the *Waste Diversion Transition Act, 2016* (WDTA), RPRRA is required to:

- review the Plan for consistency with the Minister's direction;
- consult on the Plan with representatives of municipalities, representatives of stewards and other affected parties ("stakeholders"); and
- approve the Plan if consistent with the Minister's direction in writing and including any conditions the Authority determines are appropriate.

OTS is required to implement the approved Plan along with any amendments directed by the Minister and comply with any conditions set by RPRRA.

To fulfil its obligations to consult on the Plan with representatives of municipalities, representatives of stewards and other affected parties and in keeping with RPRRA's consultation principles, RPRRA conducted the following consultation activities between November 30, 2017 and March 1, 2018:

1. Proposed Used Tires Program Wind Up Plan posted on RPRRA's website for public consultation on December 21, 2017.
2. In-person consultation held in Toronto on January 23, 2018 (simulcast via webinar and conference call) with three breakout sessions for: municipalities, collectors and haulers; processors and recycled product manufacturers; and producers.
3. Follow-up consultation webinar held on January 29, 2018.
4. Written submissions from stakeholders accepted via email for the duration of the consultation period of December 21, 2017 to March 1, 2018.
5. Meetings held at the request of stakeholders throughout the consultation period.

OTS consulted separately on the proposed OTS Rules for Stewards with Respect to Payment of Tire Stewardship Fees on February 26th, 2018.

For more information on the rationale, the approach used and related timelines for the consultation, please refer to Appendix A. An evaluation survey seeking feedback on the consultation sessions was sent to participants at the conclusion of the consultation period. Results of the survey can be found in Appendix B.

Consultation Sessions

In-Person/Webinar Consultation

RPRA held an in-person consultation (simulcast via webinar) in Toronto on January 23, 2018 to provide an overview of the OTS Wind Up Plan and receive feedback on the Plan from stakeholders. Approximately 50 people attended the session in person and a further 136 people participated via webinar. Stakeholders represented the broad spectrum of Used Tire Program participants, including municipalities, private collectors, haulers, processors, re-treaders, manufacturers, retailers, stewards and industry associations.

The consultation began with a plenary session led by Geoff Rathbone, RPRA's Director of Transition. He provided context for the Minister's Directions to wind up the Used Tires Program and background information on the development of the Plan. He then facilitated a discussion of key elements of the Plan against the criteria set out in the WDTA, Minister's Directions and RPRA's Wind Up Guide. Carmelina Macario, RPRA's Program Lead for the Used Tire Program, and Andrew Horsman, Executive Director of OTS, were both present during the session to respond to questions as required.

Three simultaneous breakout sessions were held after the plenary session for the following stakeholder groups:

1. Municipalities, Collectors, Haulers
2. Processors and Recycled Product Manufacturers
3. Producers

The breakout sessions provided an opportunity for participants to ask more targeted questions about the Plan and allowed RPRA to gain further insight into the views of specific stakeholder groups.

While conference calling was provided during the breakout sessions, the large number of participants on the line for the Municipalities, Collectors, Haulers session and the Producers session made it difficult for those calling in to listen and/or participate.

Follow-up Webinar

As a result of the technical difficulties during the January 23 consultation, and to provide stakeholders an additional opportunity to provide feedback, RPRA held a follow-up consultation webinar on January 29, 2018. There were 119 people who attended the session, mainly representing municipalities and tire collectors, haulers and producers. Stakeholders from other current waste diversion programs also participated in the session.

Geoff Rathbone, Director of Transition, facilitated the webinar. Carmelina Macario, Program Lead for the Used Tire Program, and Andrew Horsman, Executive Director of OTS, were also on hand to respond to questions. The webinar reviewed the topics discussed during the January 23 breakout sessions for Municipalities, Collectors, Haulers and Producers.

Recordings and presentation slides for the January 23 plenary session and January 29 follow-up webinar are available on [RPRA's website](#). See Appendix C for the list of topics discussed during the consultation sessions.

A summary of the feedback received during RPRA's consultation sessions is included in the following section of this report.

Webinar on Amended Rules for Stewards

OTS hosted a consultation to review the proposed OTS Rules for Stewards with Respect to Payment of Tire Stewardship Fees on February 26th, 2018. A draft of the proposed rules, the presentation slides and a recording of the consultations is available on their [website](#). OTS accepted written comments on the proposed rules until March 6, 2018.

What We Heard

During the consultation sessions, participants had the opportunity to ask questions and provide comments. Stakeholders also had the opportunity to submit written feedback via email for the duration of the consultation period from December 21, 2017 to March 1, 2018.

Elements of the Plan on which RPRA sought stakeholder feedback included:

- The proposed fee elimination period
- Off-the-road tires debt recovery
- The incentive payment structure
- Access to TreadMarks system
- Data transferring and sharing

Key concerns raised by stakeholders include:

- Need for clear administrative deadlines and defined responsibilities to minimize service disruption during the transition period.
- Without the payment of incentives, service providers will have no reason to collect and process tires, potentially exacerbating existing difficulties with the collection of tires in some areas.
- Stewards are being asked to pay twice for the recycling of the same tire under the OTS Program and under the Tires Regulation, given the Plan's approach to incentive payment deadlines.
- The potential for the proposed fee elimination period to cause service disruption, inventory devaluation and consumer confusion.
- The ability for retailers to charge consumers fees during the fee elimination period and/or any new fees charged by producers following the wind up of the current program.
- Issues regarding an expected backlog of tires in inventory as of December 31, 2018, non-feasible timelines for dealing with the logistics of this backlog, and the difficulty of identifying whether the tires are OTS Program tires or RRCEA producer tires after December 31, 2018.

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- Lack of clarity on payment arrangements between producers and their supply chain under the RRCEA and how the new system will incent innovation and research and development, and meet the geographic needs of both northern and southern communities.
 - Security and privacy of data transferred from OTS to RPRA during the transition period.
 - Lack of clarity on reporting requirements following the December 31, 2018 cease operations date, such as form, details, timelines, extensions, penalties, etc.
 - Questions about the aggregated data held by OTS, such as when it will be made available, what will it contain, and how it will be presented.
 - Who will have access to the Treadmarks system and when access will be available.
 - Lack of clarity on use of the HST liability fund if the CRA ruling is favourable to OTS.
 - The plan and process for calculating Program wind-up inventories and the OTS inventory audit process.

The list of stakeholder questions asked and answers provided during the plenary session and follow-up webinar is included in Appendix D. A summary of written submissions received with responses is included in Appendix E.

Response

RPRA considered the comments received during the consultation period in its assessment of the proposed Used Tires Program Wind Up Plan submitted by OTS.

Under the WDTA Section 14 (16), an approval of a wind up plan must be in writing and may include the conditions RPRA determines are appropriate. RPRA staff addressed all stakeholder concerns, where the stakeholder issue identified could be addressed in a manner that was consistent with the Minister's direction and the WDTA, by imposing conditions on OTS.

The following conditions were imposed on OTS to address stakeholder concerns:

1. The OTS Wind Up Plan, including the final fee elimination date can be amended by the IFO Wind Up Ad Hoc Committee as required to address operational issues, such as disruption to the management of tires, and implementation issues as required. The Board determined that, based on the current information available, the latest the fee elimination period could begin was October 1, 2018.
2. OTS will communicate any amendment made by the IFO Wind Up Ad Hoc Committee, including the final fee elimination date, to representatives of municipalities, representatives of stewards and other affected stakeholders in a manner that is satisfactory to RPRA.

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3. The OTS Wind Up Plan will be updated as information becomes available, including but not limited to:
 - The audited 2017 and 2018 financial statements, when available;
 - New financial information (e.g., Canada Revenue Agency ruling on Harmonized Sales Tax, change to budgets or actuals, cash flows);
 - The final detailed method for final reconciliation including recovery of the outstanding Off-the-Road tire deficit; and
 - The amount and management of any unanticipated liabilities.
 4. OTS will make the TreadMarks IT system available to any party as directed by RPRA. In making this determination, RPRA will consider benefits to Ontario and the circular economy.
 5. OTS shall transfer all of the data that is in OTS' custody and control to RPRA, as directed by RPRA.

Further information on comments received and RPRA response can be found in Appendices D and E.

Questions & Contact

Questions about this Report or about the Used Tires Program Wind Up Plan can be directed to consultations@rpra.ca.

For all other inquiries please [contact us](#).

Appendix A – Rationale, Approach & Timeline

Rationale

On February 17, 2017, the Minister of the Environment and Climate Change directed Ontario Tire Stewardship (OTS) to wind up the waste diversion program for Used Tires on December 31st, 2018, and subsequently OTS itself. OTS submitted a proposed Used Tires Program Wind Up Plan for RPRA's review on November 30, 2017.

Under section 14 of the *Waste Diversion Transition Act, 2016 (WDTA)*, RPRA is required to:

- review the Plan for consistency with the Minister's direction;
- consult on the Plan with representatives of municipalities, representatives of stewards and other affected parties; and
- approve the Plan if consistent with the Minister's direction in writing and including any conditions the Authority determines are appropriate.

OTS is required to implement the approved Plan along with any amendments directed by the Minister and comply with any conditions set by RPRA.

Approach

RPRA is committed to engaging stakeholders in developing its operational policies and programs. Consultations are guided by the following principles¹:

- **Inclusiveness and openness**—Engage broadly with a wide variety of stakeholders, provide clear and understandable information, and make the consultation process accessible, comprehensible and responsive.
- **Timeliness**—Engage stakeholders early before decisions are made and provide regular opportunities for engagement on key program and policy matters.
- **Accessible and cost-effective**—Consider a variety of tools and methods to gather feedback that promote efficient and cost-effective consultations
- **Balance**—Provide opportunities for diverse perspectives and opinions to be heard and considered.
- **Transparent**—Record feedback, report back summary to stakeholders and synthesize feedback into programs and policies as appropriate.

¹ Adopted from OECD Best Practice Principles on Stakeholder Engagement in Regulatory Policy
[Used Tires Program Wind Up Plan Consultation Report](#) | Resource Productivity & Recovery Authority

- Evaluation—Demonstrate the impact of public consultations on program delivery and policy development

To fulfil its obligations under the WDTA and in keeping with its consultation principles, RPRA conducted the following consultation activities:

1. Proposed Used Tires Program Wind Up Plan posted on RPRA's website for public consultation on December 21, 2017.
2. In-person consultation held in Toronto on January 23, 2018 (simulcast via webinar and conference call) with three breakout sessions for: municipalities, collectors and haulers; processors and recycled product manufacturers; and producers.
3. Follow-up consultation webinar held on January 29, 2018.
4. Written submissions from stakeholders accepted via email for the duration of the consultation period of December 21, 2017 to March 1, 2018.

OTS hosted a consultation to review proposed changes to the Rules for Stewards on February 26th, 2018. A draft of the proposed OTS Rules for Stewards, the presentation slides and a recording of the consultations is available on their [website](#). OTS accepted written comments on the proposed rules until March 6, 2018.

Timeline

The timeline for the development and consultation of the Used Tires Program Wind Up Plan is shown in Figure 1.

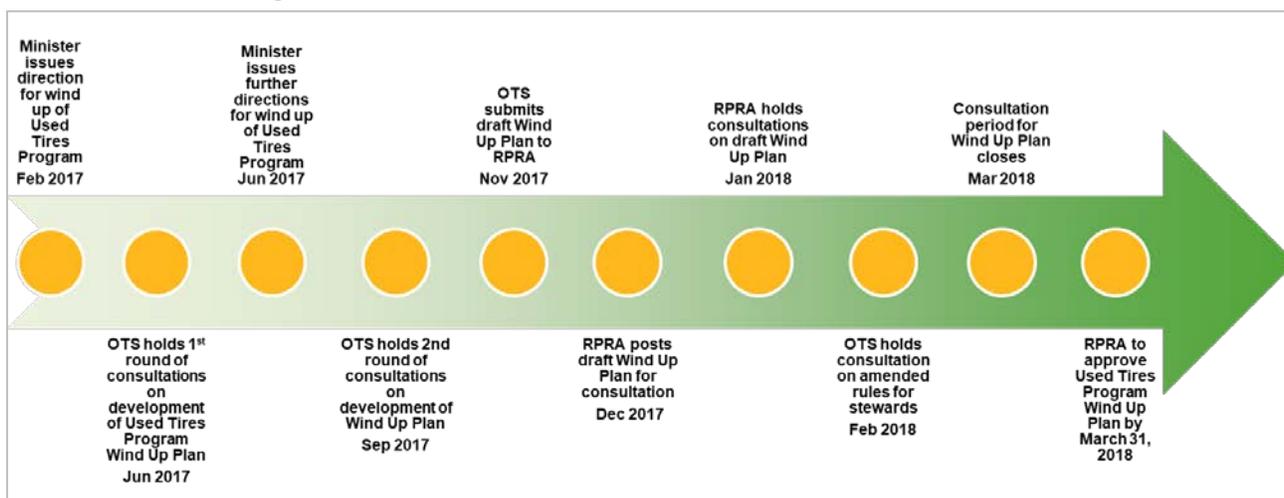


Figure 1: Timeline for Development and Consultation of the Used Tires Program Wind Up Plan

Appendix B – Participant Evaluation Survey

RPRRA sent an evaluation survey to all participants who attended the January 23 and January 29 consultation sessions with a 10% response rate. Participants were asked the following questions:

1. Did you attend one or more of the following consultation sessions?
 - January 23, 2018 In-Person Consultation
 - January 23, 2018 Webinar Consultation
 - January 29, 2018 Follow-up Webinar Consultation
2. Did you review the proposed Used Tires Program Wind Up Plan posted on RPRRA's website prior to attending the consultation session(s)?
3. Did the consultation session presentation clearly outline and explain the issues?
4. Did the consultation process provide a meaningful opportunity to engage with RPRRA?
5. Could the information have been presented in another manner?
6. How could the consultation have been improved?
7. On a scale of 1 to 5, with 1 being poor and 5 being excellent, how would you rate RPRRA's consultation on the proposed Used Tires Program Wind Up Plan?

While the majority of respondents felt the process provided a meaningful opportunity to engage with RPRRA, some respondents felt the sessions were more informative than engaging. 60% of respondents felt the consultation presentation clearly outlined and explained the issues, while 20% felt it did not. They indicated that there was still confusion about how the transition would work in practice. For example, one respondent was still confused about how the final tire pickup process will work when the OTS Program ceases operations on December 31, 2018.

In addition, respondents indicated that the format and approach to present the information was appropriate for the subject, though respondents noted difficulty accessing the January 23 webinar presentation. On average, the rating for the consultation was 3 out of 5.

A number of respondents suggested ways that the consultation could have been improved, such as:

- Having either webinar or in-person sessions rather than holding both simultaneously.
- Limiting the discussion to the Wind Up Plan to avoid participants asking questions about the transition to individual producer responsibility under the RRCEA.
- Providing more information about the RRCEA approach to collecting and managing tires.
- Providing more information about the financial status of the OTS Program
- Clarifying how the feedback received from participants will be used in RPRRA's decision making.
- Creating a stakeholder working group to advise on consultations for waste diversion program wind ups.

Appendix C – Consultation Topics

January 23, 2018 In-Person/Webinar Consultation

Plenary Session:

1. Background and Context for development of the proposed OTS Wind Up Plan
2. Review of the proposed Used Tires Program Wind Up Plan against:
 - a) Waste Diversion Transition Act requirements
 - Operating plan
 - Timeline
 - Proposal to deal with assets, liabilities, rights and obligations
 - Proposal for transferring and sharing data
 - Description of the changes to the program
 - Consult with stewards, municipalities and anyone else affected by the wind up
 - Rules that apply on wind up (modifications to Corporation Act)
 - b) Minister's direction to OTS – February and June 2017 direction letters
 - Data transferring and sharing
 - Monies held in trust
 - Steward Rules
 - No disruption
 - Meet targets or current performance
 - Consultation report
 - Communication plan
 - Limit spending
 - Fee elimination
 - Sufficient funds
 - OTR deficit management
 - TreadMarks IT
 - c) RPRA Wind Up Guide
 - Operating plan to termination
 - Implementation plan and timeline
 - Communication with stakeholders
 - Financial forecast and budget
 - Assets
 - Liabilities
 - Cut-Off period for incentives
 - Reserves
 - Data security, sharing and transfer
 - Human resources
 - Legal
 - Tax
 - Management of other risks

Municipalities, Collectors, Haulers Breakout Session:

Key Issues:

1. Incentives
2. Equitable access to TreadMarks
3. Data transferring and sharing
4. Key dates

Processors and RPMs Breakout Session:

Key Issues:

1. Incentives
2. Equitable access to TreadMarks
3. Data transferring and sharing
4. Key dates

Producers Breakout Session:

Key Issues:

1. Fee elimination
2. OTR debt recovery
3. Reconciliation – Wind Up and Program
4. Equitable access to TreadMarks
5. Data transferring and sharing
6. Key dates

January 29, 2018 Follow-up Webinar

Key Issues for Municipalities, Collectors, Haulers:

1. Incentives
2. Equitable access to TreadMarks
3. Data transferring and sharing
4. Key dates

Key Issues for Producers:

1. Fee elimination
2. OTR debt recovery
3. Reconciliation – Wind Up and Program
4. Equitable access to TreadMarks
5. Data transferring and sharing
6. Key dates

Appendix D – Questions & Answers

The following table provides a complete list of questions asked during the January 23 consultation plenary session and January 29 follow-up webinar, along with the RPRA and/or OTS response. Recordings of these sessions are available on RPRA’s website. While the breakout sessions of the January 23 consultation were not recorded, a summary of the main issues discussed is provided in the main body of this consultation report.

The questions were edited for clarity and content so that they could be understood outside of the webinar.

The answers provided have been updated if new information has become available that modifies the answer given during the webinar.

January 23 Plenary Session Question	Answer
Deadlines for Collecting Tires in the Current Program	
If we have collected tires by December 31, 2018 but a hauler doesn't pick them up until January 2019, will we be paid the Collection Incentive for the tires?	Yes. Tires that are in inventory on December 31, 2018 are Used Tires Program tires and OTS will pay the collection incentive if the tires are picked up from the collector by the specified deadline in January 2019.
Does a hauler who picks up tires (that were collected prior to December 31, 2018) on January 2, 2019 get paid?	No, OTS will not pay the hauler for this service. The service to haul tires on or after January 1, 2019 should be paid for by producers responsible under the RRCEA.
Producers who paid fees to OTS right up to December 31, 2018 will be asked to pay yet again for those same tires that are hauled after January 1, 2019.	Fees paid to OTS pay for the costs incurred by OTS. OTS is paying the Collection Incentive on tires collected by December 31, 2018, the Transportation Incentive on tires hauled by December 31 2018 and the Processing Incentive for tires received by processors by December 31, 2018. Services provided in 2019, including hauling of tires collected in 2019, will not be paid by OTS and these costs are not part of the steward fees paid to OTS. There is no double payment for the same activities (e.g. hauling) for a tire by OTS and by producers under the RRCEA.

What is the final 2019 date by which claims must be submitted to be eligible for 2018 Collection incentive?	Claims for the Collection Incentive for tires collected in Q4 and picked up by December 31, 2018 must be submitted by January 31, 2019. Claims for the Collection Incentive for tires collected prior to December 31 but picked up in January 2019 must be submitted by February 28, 2019. OTS will put together a detailed schedule of these claim submission deadlines and communicate this to service providers.
Eco Fees	
We would likely have many tires on hand as of October 15th that we have already paid the eco-fee for (since we pay our vendor who remits it to OTS). Can we continue to display the eco-fee after October 15th until we sell through these tires?	The fee elimination applies to the fees paid by stewards. As a retailer, if you have paid a fee you have the ability to recover the cost you were charged.
If you plan on eliminating the TSF from stewards on tires in the fall will that affect those of us that order our tires in the summer? Do we still charge the customer the fee?	If you are charged the fee by your supplier, you have the ability to recover whatever costs you were charged.
Is there anything that prevents retailers from charging their own separate eco fee through the fee elimination period, such as a handling fee?	Neither OTS nor RPRA regulate the application of fees on a retail transaction. In the OTS Collector Agreements, it requires (consistent with the Minister's direction given in 2008) that a retailer participating in the program not charge a fee for disposal of a used tire. If a retailer chooses to "gross up" the fee that they charge on the sale of a new tire, as long as they are not misrepresenting that additional fee as the tire stewardship fee, they have the ability to do.
Fee Elimination Period	
Given that the retailers are fully allowed to continue to charge any costs that they may have incurred through to the end of the program, what is the utility of the "fee holiday"?	The fee elimination was directed by the Minister and will draw down the PLT surplus that has accumulated. RPRA is responsible for ensuring that the Minister's direction is enacted.

<p>We believe the PLT fee holiday is a terrible idea in terms of its disruption of the marketplace. Is there any appetite at all to move the fee holiday from the October-December period to the May-July period? That would be less disruptive to the marketplace.</p>	<p>As presented in the Plan, the fee elimination period will occur in the last 10 weeks of the program. Applying a fee elimination at the end of the program ensures that the latest information on program expenditures in 2018 is utilized to set the start date for the fee elimination period.</p> <p>If you have alternate suggestions, please provide those as part of your submission and we will take them under consideration.</p>
<p>What happens starting January 1, 2019 with the used tires we collect?</p>	<p>Those tires would be the responsibility of producers who are identified in the draft Tires Regulation that the Ministry is currently consulting on. The Ministry will determine the responsible parties and those tires would be their responsibility.</p>
<p>Other Questions</p>	
<p>Why was such a large deficit allowed with OTR? Should it not have been addressed at an early date?</p>	<p>The deficit was accumulated between 2009 and 2013 and began to be paid off in 2014. Payments to reduce the deficit have been made since 2014 and are continuing to today. The \$1.5M referenced is the amount that will be remaining as of December 31, 2018 of the original \$25.6M debt.</p>
<p>In the plan, has RPRA taken into consideration the amendment to O. Reg 347, namely O. Reg 85/16 which pertains to End-of-Life Vehicles that directly will affect the number of tires in the system? Do you anticipate a long lapse in the ability to deal with these tires? Companies need a plan to be able to avoid storing them for eco/fire/safety reasons.</p>	<p>At the time of the webinar, RPRA had not considered that regulation. Subsequent to the webinar, it was determined that O. Reg 85/16 is not expected to affect the OTS Wind Up Plan.</p>

January 29 Webinar	
Question	Answer
Deadlines for Collecting Tires in the Current Program	
By what date do tires that a Collector has in inventory on December 31 st , 2018 have to be picked up by a Hauler?	The deadline for Collectors to have year-end used tires inventory transported off-site is January 25, 2019.
Doesn't this create a gap between tires collected at a collector site prior to December 31, 2018, if they aren't picked up by a hauler before the end of December?	If Collectors have the tires they collected by December 31, 2018 picked up by January 25, 2019, the Collector will be paid the Collection Incentive for those tires.
Do tires have to be collected by December 31, 2018 to be eligible for the Collection Incentive?	Yes. Tires that are in a Collector's inventory on December 31, 2018 are eligible for the collection allowance, so long as the tires are picked up by a hauler before January 25, 2019.
Are collectors able to use multiple haulers to ensure inventoried tires are submitted on time?	There is no restriction on the number of haulers that are used.
What happens after December 31, 2018 for companies that are still accumulating tires? What do we do with the tires after January 1, 2019?	The OTS Used Tires Program ceases to exist as of December 31, 2018. As of January 1, 2019, there will be requirements for producers to collect and manage the tires. The MOECC's new Tires Regulation is still to be finalized.
How do we segregate tires we had on hand as of December 31, 2018 and those we receive after January 1, if the tires in inventory as of December 31 are not picked up until mid-January? Will there be some sort of unique report or evidence we have to provide to OTS to prove the number and type of tires we had on hand at December 31, 2018?	It is expected that each collector will segregate the December 2018 tire inventory from tires collected after January 1, 2018 according to the specific requirements of their collector operations.

How will a Processor be able to determine if the tires delivered by a hauler were in the hauler's inventory prior to January 1, 2019? Processors completing PTRs do not have visibility to that data.	There will be an auditing process that will occur between January 1 and mid-January to identify what is in inventory and determine what is eligible for incentives from OTS. The process will be similar to how OTS handles tracking of hauler inventory today.
Incentives	
Will processors also receive the incentive if they receive tires after Dec 31?	Processors will receive Processing Incentives for tires that are in their possession on December 31, 2018 if the tires are processed into TDP by March 31, 2019.
Will there be any additional premium for haulers in northern areas?	Under the current Used Tires Program, OTS offers collection premiums on tires picked up from northern areas. These rates will continue for tires picked up on or before December 31, 2018.
Are processors not receiving incentives for tires they receive after December 31, 2018 to make the fee holiday financially feasible? Why are the new PROs responsible for these tires?	Processors are receiving incentives based on the terms of their contracts with OTS. Tires that are received by processors after January 1, 2019 will be the responsibility of producers who are identified in the draft Tires Regulation on which the Ministry is currently consulting.
Will a Processing Incentive be paid to processors for tires delivered after December 31, 2018?	There is no PI paid to processors for tires delivered after December 31, 2018.
If the processor does not receive PI for tires delivered, why will they accept them?	Under the Tires Regulation that will apply as of January 1, 2019, producers will be responsible for collecting and managing a certain percentage of tires that they supply into the marketplace. The Ministry is proposing an 85% collection target based on the average of the previous three years of tires supplied. Of the tires collected, 85% must be managed through reuse, retreading or recycling. Producers will require tires to be collected
You indicated that processors will only be paid incentives for tires delivered by December 31, 2018. Did you mean January 31, 2019 since haulers are still allowed to deliver until then and	Incentives will be paid for tires that are in inventory on December 31, 2018 i.e. tires at a Collector's site, with a Hauler, at a processing facility, or at a recycled product manufacturer's facility. Tires that are picked up by a Hauler on or after January 1, 2019 are not eligible for an incentive from OTS.

processors need to be paid for processing these tires?	
Are there any changes in the \$ amount for Collector Incentives through 2018?	There are no changes that are contemplated in the Wind Up Plan that is being considered. Incentives are intended to remain the same for 2018.
Will haulers receive incentives for tires picked up from registered Collectors and held as of December 31, 2018 but delivered to Processors by January 31, 2019?	Yes, OTS will pay incentives if the tires were in a Hauler's inventory on December 31, 2018.
You said haulers can pick up tires from collectors until January 25, 2019 but are only paid on tires picked up by December 31, 2018. That does not work.	Haulers will only be paid by OTS for tires in their inventory as of December 31, 2018. Tires picked up on or after January 1, 2019 are the responsibility of Producers under the Tires Regulation that is currently being developed by the Ministry.
Will processors receive PI on the tires received from haulers between December 31, 2018 and January 31, 2019?	OTS will not pay processors a Processing Incentive on tires received between December 31, 2018 and January 31, 2019. OTS will pay processors an incentive based on the tires in their possession on December 31, 2018. OTS will pay a transportation incentive to the processor for tires received between December 31, 2018 and January 31, 2019, provided that the Hauler had that tire in its inventory as of December 31, 2018.
If tires on hand at Collectors on December 31, 2018 are recognized as OTS tires why is OTS not paying the TI and PI for these tires as they move through the system?	The OTS Used Tires Program ceases to exist as of December 31, 2018..
If Haulers will receive incentives for tires in their possession on December 31, 2018 but delivered to processor by January 31, 2019, will transport incentive be issued by Processor, even though processor will not be receiving incentive for processing those tires? How will this be enforced?	OTS will pay a transportation incentive to the processor when the processor receives the tires as is the existing practice. The terms of the payment arrangements between the processor and the hauler are up to them.

What will the new incentives be?	Under the RRCEA, commercial terms will be determined as B2B decisions between producers, or their producer responsibility organizations, and the collectors, haulers and processors with whom they contract.
Fee Elimination Period	
What is considered "supplied" in terms of the fee holiday? What about a situation where a consumer buys a tire online before the fee holiday, but doesn't actually receive the tire at their home or store for pickup until after the fee holiday is in place? Is the fee still due to OTS for this tire?	Each steward has an established practice in its accounting system regarding which transactions trigger the reporting of supply. The expectation is that stewards will maintain these transaction practices.
How will RPRA evaluate the disruption to producers and the market in determining whether a fee holiday is truly feasible? It should be considered on par with whether OTS can financially make a fee holiday work. The amount of disruption to producers is enormous and will create consumer confusion and significant financial hardship for producers.	The Minister asked to balance the introduction of a fee elimination period with ensuring sufficient funds are available for wind-up. OTS proposed to pay incentives to collectors, haulers and processors based on contractual obligations. OTS also as set aside \$19M for wind-up. The proposed fee elimination date of October 15, 2018 was selected taking into account OTS financial sustainability.
Has RPRA conveyed the producer hardships and anticipated market disruption to the Ministry? RPRA should be conveying these impacts to Ministry staff instead of evaluating the feasibility of a fee holiday solely on whether OTS can afford it.	RPRA is looking at balancing all requirements found in the Minister's letter, including no disruptions to collection, transportation, processing and recycled product manufacturing and the availability of sufficient funds for wind-up.
So are we no longer charging the customers for the tires after October 2018?	The OTS Used Tires Program does not require you to charge customers a tire fee. The requirement is that producers pay a fee to OTS. Following October 15 2018, PLT stewards will not be required to pay a fee to OTS but will still need to report to OTS the number of tires they supply.

Regarding the PLT fee elimination, if a steward supplies a tire to a dealer in September 2018 and the dealer sells to a customer in October 2018, does the dealer ask for a refund from the steward?	This is a question for the dealer. How the dealer manages the cost - either seeking a refund from the steward or recovering the cost from the customer - is up to them. The steward cannot turn recover cost from OTS.
Can you please explain how returns in 2019 related to 2018 supply should be addressed? Is this complicated by the proposed fee holiday?	OTS will deal with negative adjustments in the same fashion as today, with one significant caveat: there will be a much shorter deadline imposed on stewards (i.e. 60 days) to report adjustments. OTS will review the mechanisms in place that manage the negative adjustments process.
Data Submission and Sharing	
Will OTS provide RPRA with aggregated data?	OTS will transfer all data to RPRA in a disaggregated form. OTS will also aggregate data and release publicly in the following four categories: <ul style="list-style-type: none"> • 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
To confirm, OTS will provide RPRA with individual producer's confidential data?	Correct. OTS will transfer all program data, including the data submitted by individual producers, to RPRA. RPRA is currently building a new Registry where it will directly hold the data transferred from OTS and other IFOs and submitted by registrants under the RRCEA.
Doesn't the new regulation require data starting from 2014? If so, could OTS release data starting from 2014?	RPRA will explore this with OTS.
Will Collectors be scrutinized by the Producer as we have been by OTS for the information required on the collection sheets? Will the lack of information disqualify collectors for payment?	This question is related to the new system that will be in place January 1, 2019. The draft Tires Regulation sets out the information that must be submitted to RPRA by collectors and by producers and requires that producers meet their collection and management obligations solely with tires from Ontario. This may mean that producers will require collectors to substantiate that tires originated in Ontario.

When will OTS release the aggregated used tire data for 2015 to 2017?	OTS has proposed to release the data in April.
Will RPRA have the historical data from TreadMarks?	Yes. One of the requirements of the Waste Diversion Transition Act is that all IFOs transfer historical data to RPRA.
When released, will TreadMarks contain the data OTS currently has?	No. TreadMarks will be solely the operating system and not the data that has been submitted to OTS via TreadMarks. The aggregated data to be made public will be released via a separate process not related to the release of TreadMarks.
Requirements Under the New System	
What do we do with our collected tires after the end of the program?	Refer to the Ministry's website for the draft Tires Regulation, which provides information on the requirements for collection and management of used tires starting January 1, 2019.
Just to be clear, after January 2019 we will move on with the new system and continue to collect/haul tires?	Correct. As of January 1, 2019, the new Tires Regulation that is being developed by the MOECC is intended to provide for continuity of collecting and recycling tires.
Will RPRA be helping producers link with service providers to ensure the proper flow of tires to the nearest processors?	No, RPRA is not involved in organizing the relationships between producers and service providers. OTS provides a list of current producers and service providers on their website. RPRA and OTS recognize that some collectors are having challenges receiving pick up of tires and we are taking steps to address the challenges.
Will producers be dealing directly with haulers, processors or recycled product manufacturers to satisfy their requirements?	That is up to the producers. They have the opportunity to deal directly with service providers or with one or more producer responsibility organizations who would make arrangements with service providers.
Are we going to have to re-register our company with the Authority to continue hauling and collecting? Are we going to be notified as to how to do this?	The Tires Regulation will set out who has to register with the Authority. The draft Regulation specifies that collectors, haulers and processors will have to register with RPRA and report certain information upon registration and then annually.

Communication of Wind Up Plan	
Will a schedule of the wind up be sent out to collectors? Or will it be up to collectors to understand the procedure?	Yes, a schedule will be sent to collectors.
Will RPRA/OTS provide the claims/cut-off dates in a consolidated table?	Yes.
Will there be a detailed communication sent to the steward regarding the elimination of the PLT fee prior to the October 2018	Yes. OTS will communicate directly with stewards at least 30 days in advance of a change to the PLT Tire Stewardship Fee.
Collection Issues	
We have not received a tire collection since early 2017. We have made multiple requests from haulers for collection and are being told we are outside of the area where service by a hauler is affordable We have seen a huge disruption to service. How are we to get pick up of tires?	RPRA will follow up directly regarding this concern. As well, OTS is exploring additional options to ensure service in these situations.
Given the current challenge with some collectors getting their tires picked up during the current "business as usual" time, collectors who attempt to get their December 2018 inventory of tires collected but are unable to do so must be eligible for the collection allowance from OTS.	Thank you for the comment. RPRA and OTS will be monitoring the pick up of collectors' tires through to December 31, 2018 and subsequently the pick up of the tires in inventory at collectors as of December 31, 2018.
Will there be the possibility of an extension to the January 25 deadline for removing collected tire inventory, since there may be a lot of tires to be moved in a short period of time?	RPRA and OTS will monitor the quantity of tires in collectors' inventory as of December 31, 2018.
How do we guarantee our year-end tires to be picked up by January 25 th ? It has been quite difficult to have them picked up in a timely way.	RPRA and OTS are aware there have been challenges receiving pick up of and are continuing to work to resolve the issues, both before December 31, 2018 and in the period January 1 to January 25, 2019.
What is the timeframe for the solutions to resolve backlogs to tire pick up from collectors?	In the fall, OTS issued an RFP offering incremental processing incentives to identify additional outlets for tires. This has been somewhat successful but there are still challenges in certain areas of the province.

	If there is an issue at a specific collector's, we will follow up to provide assistance in resolving the challenge.
Why are we having trouble getting a hauler?	A backlog of tires at some Collectors has been building, especially in certain geographical areas of the province. Some of the backlog is due to processing disruptions, and although some of these processing problems have been rectified, the repercussion is still being felt in the flow of tires. If this is something you're experiencing directly please contact RPRA with further details so that we provide assistance in finding a solution.
Consultation Process	
Where are the slides from the January 23 meeting?	Slides from the January 23 consultation meeting can be found on the RPRA website. From the Consultation page select the Used Tires Program Wind-up to find the presentation slides for the plenary and the breakout sessions, as well as a recording of the plenary session.
Is there any talking during this presentation?	The reason for accepting only written questions is to avoid technical difficulties. In the previous breakout session, we attempted to take questions via telephone, however, it resulted in technical problems.
Will the minutes of this meeting be available on the RPRA website after the meeting?	This webinar is being recorded and will be available on the RPRA website.
The new used tire regulation states program requirements but not details. It is difficult to assess/comment on this wind up plan without knowing what we are transitioning to.	Thank you for your comment.
How will dates for OTS' consultation on steward rules be announced?	OTS will communicate directly with stewards through Treadmarks, notify trade associations and host a webinar.
Other Questions	

Has OTS accepted the RPWCO's Collector Incentive Code of Practice?	RPRA is currently reviewing the Code of Practice submitted by OTS. (Note: this Code applies to municipalities only).
Will the RPWCO's Collector Incentive Code of Practice also apply to a collector that collects on behalf of municipalities?	The Code of Practice would be applied to the municipality. The municipality would need to ensure that its service providers are meeting the requirements.
Does OTS have a comprehensive plan to address devaluation of new tire inventories held by Registered Stewards?	OTS considers the value of tires in inventory in producer distribution networks to be an issue arising from the terms of private B2B transactions. This issue was discussed in the OTS Wind Up Plan. The Plan does not propose compensation to stewards or members of steward distribution networks arising from the terms of private B2B transactions.
Obviously, there will be tires brought in during the OTS Program. Will the Producer still have to pay for these tires that are collected?	Tires that are collected by December 31, 2018, hauled by December 31, 2018 and received by processors by December 31, 2018 are OTS Program tires. Any tires that are collected after January 1, 2019, hauled after January 1, 2019 and received by processors after January 1, 2019 are not OTS Program tires as the OTS program ceases operation on December 31, 2018. These tires will be the responsibility of producers obligated under the RRCEA Tires Regulation.
Why does the HST resolution only get applied to PLT? Why not OTR as well?	Should CRA decide the HST issue in OTS' favour, the relevant portion of the accrued liability would be applied to OTR tires.
Tire distributors which have paid OTS fees on inventories prior to Dec 31, 2018 are at risk to lose substantial revenues given that OTS has no plan to reimburse stewards. It would seem the Business to Business arrangement does not address this issue and, unless addressed, this will likely result in higher prices of tires to Ontario consumers.	Thank you for your comment.

What is OTS doing with any stewards that do not pay their December 2018 remittance by January 31, 2019?	Under the WDTA, RPRA is responsible for enforcement of stewards with OTS' Rules for Stewards. OTS will work with RPRA to ensure stewards are in compliance.
Do we submit quarterly claims as always during 2018?	During 2018, yes. There will be an abbreviated Collection Incentive claim period in 2019 for a one-time pickup by January 25, 2019 of any tires that were collected by December 31, 2018.
Will the same type of submitting sheets be used and same information be required for payment?	Yes, there is no change to the format or the nature of the submission sheets.
I think that extending the Processing Incentive for tires received up to January 31, 2019 will clear all backlogs from winter hauler/collectors' pickups.	Thank you for your comment.
A hauler is not eligible for a transportation incentive from OTS for picking up a tire after December 31, 2018. Won't this discourage haulers from picking up tires received by a collector before December 31, 2018?	Tires that are picked up by haulers after January 1, 2019 will be the responsibility of producers who will be obligated under the Tires Regulation that will apply as of January 1, 2019. Producers will be responsible for collecting and managing a certain percentage of tires that they supply into the marketplace. The Ministry is proposing an 85% collection target based on the average of the previous three years of tires supplied. Of the tires collected, 85% must be managed through reuse, retreading or recycling.
If the Producers will pay fees for new supply in 2018 why aren't those fees being used to pay incentives to haulers and processors for managing the tires collected up to December 31, 2018? Only paying for Collector inventory at December 31, 2018 means producers will have to pay twice for tires hauled and processed in 2019!	Fees paid to OTS pay for the costs incurred by OTS. OTS is paying the Collection Incentive on tires collected by December 31, 2018, the Transportation Incentive on tires hauled by December 31 2018 and the Processing Incentive for tires received by processors by December 31, 2018. Services provided in 2019, including hauling of tires collected in 2019, will not be paid by OTS and these costs are not part of the steward fees paid to OTS. There is no double

	payment for the same activities (e.g. hauling and processing) for a tire by OTS and by producers under the RRCEA.
Because of the busy tire season in the last quarter of any year, could we not extend this by one month to February 2019 just to ease the backlog?	The Minister's direction set December 31, 2018 as the date on which OTS is to cease operations.
In this new "competitive dynamic", will there be a watchdog body to ensure a level playing field between independent haulers vs aligned hauler/processors?	RPRA is responsible for ensuring compliance by all haulers (and collectors and processors) with the applicable requirements set out in the Tires Regulation. As well, if any party is acting in a manner that contravenes the Competition Act, this would be brought to the attention of the Competition Bureau.

Appendix E – Written Submissions

Written comments were accepted by RPRA until March 1, 2018. Nine submissions were received from municipalities, producers, retailers and haulers. The written submissions included questions and comments similar to those received during the in-person and webinar consultations (e.g. related to deadlines for collecting tires, potential for service disruption during transition, the fee elimination period, submission of data, etc.). A summary of the feedback received in the written submissions can be found in the following table.

Question/Comment	Answer
<p>How will First Nation-specific needs be acknowledged for successful integration of a Used Tires Program (UTP) within that community?</p> <p>How will the legislative support, afforded to municipalities to adequately fund public awareness and enforcement strategies of a UTP, be shown to First Nation communities? Currently there are no incentives for Collectors or Haulers to operate within FNs etc.</p>	<p>Under the OTS Used Tires Program, incentives for collectors and haulers are available to First Nation and non-First Nation collectors and haulers. OTS has worked directly with a number of First Nations communities to ensure that stockpiled tires were removed and that collection service for used tires was available.</p> <p>Under the Tires Regulation that will apply as of January 1, 2019, producers will be responsible for collecting and managing a certain percentage of tires that they supply into the marketplace. The Ministry is proposing an 85% collection target based on the average of the previous three years of tires supplied. Of the tires collected, 85% must be managed through reuse, retreading or recycling. Producers will require tires to meet these obligations. The manner in which producers establish arrangements to collect and manage the tires is to be determined by the producers. Producers will also be responsible for public education.</p> <p>RPRA is responsible for compliance and enforcement of the producer obligations under the Tires Regulation that will apply as of January 1, 2019.</p>
<p>What are the current measures set out to ensure that during a potential wind-up surge of tires into the collection supply chain that non-obligated tires (e.g. out-of-province) are not being paid year-end 2018 incentives?</p>	<p>OTS will continue to apply its existing procedures to identify and exclude out-of-province tires.</p>

Question/Comment	Answer
Has there been discussion around providing accrued HST liability surplus equally amongst all stewards (including OTR)?	Should CRA decide the HST issue in OTS' favour, the relevant portion of the accrued liability would be applied to each category of tires including OTR tires.
OTS Residual Funds should be passed onto Consumers not back to Stewards.	A fee elimination on PLT tires will achieve this objective.
Why is returning HST liability to stewards taking priority over controlled, uniform end of program?	Should CRA decide the HST issue in OTS' favour, the relevant portion of the accrued liability would be applied to each category of tires including OTR tires. Allocation of the HST liability, should CRA decide in OTS' favour, is not taking priority over efficient and effective management of wind up of the Used Tires Program.
Residual Funds from OTS should be paid to Processors and Manufacturers to upgrade equipment to reduce disruption to current program targets.	OTS has implemented a protocol to increase payments to processors to mitigate disruptions in processing capacity. These costs are being paid by funds collected from stewards in 2018 or from surplus funds accumulated by overpayment of steward fees in previous years.
Has there been discussion around writing off remaining OTR debt as responsible stewards cannot be clearly demonstrated?	Writing off the OTR debt has been considered but, as the OTR debt would then have to be covered by PLT or MT stewards, it is contrary to WDTA section 33 (5) (2).
How will it be guaranteed that processors will actually accept collected tires, obligated under the wind-up when incentives are terminated and within the new program framework?	Processors will determine what they wish to receive. However, under the Tires Regulation that will apply as of January 1, 2019, processors are expected to need tires to help producers, who will be responsible for collecting and managing a certain percentage of tires that they supply into the marketplace, meet their regulatory requirements. The Ministry is proposing an 85% collection target based on the average of the previous three years of tires supplied. Of the tires collected, 85% must be managed through reuse, retreading or recycling. Producers will require tires to meet these obligations.
How does the fee holiday actually provide any benefit to consumers or stewards?	A fee elimination on PLT tires will reduce costs for PLT stewards who may, in turn, pass on these savings to consumers.
The fee Holiday will be disruptive to the current level of service; will cause	A fee elimination on PLT tires will reduce costs for PLT stewards who may, in turn, pass on these savings to consumers. Elimination of the Tire

Question/Comment	Answer
<p>unnneeded consumer confusion; will cause unaffordable costs to retailers with devaluation of inventory.</p>	<p>Stewardship Fee on PLT tires should not affect the level of collection, hauling or processing services as funds are set aside to cover these costs. Any reduction in the amount paid is typically appreciated by consumers. The arrangements between producers and stocking retailers is a private B2B transaction.</p>
<p>Why are stewards being asked to pay twice for the recycling of potentially the same tire with December 31st incentive stipulations/deadlines?</p>	<p>Fees paid to OTS pay for the costs incurred by OTS. OTS is paying the Collection Incentive on tires collected by December 31, 2018, the Transportation Incentive on tires hauled by December 31 2018 and the Processing Incentive for tires received by processors by December 31, 2018. Services provided in 2019, including hauling of tires collected in 2019, will not be paid by OTS and these costs are not part of the steward fees paid to OTS. There is no double payment for the same activities (e.g. hauling and processing) for a tire by OTS and by producers under the RRCEA.</p>
<p>Incentives should be paid on all tires regardless of where they are in the system as of December 31st, 2018.</p>	<p>The approach proposed by OTS for payment of incentives is consistent with the terms of contracts with service providers and with the direction from the Minister to cease the operation of the Used Tires Program as of December 31, 2018.</p>
<p>How soon will Treadmarks be made available to PROs? How soon will the collected aggregated data be made available to PROs?</p>	<p>OTS is proposing to make TreadMarks available in May 2018.</p>
<p>Treadmarks should be made available to all stakeholders</p>	<p>Thank you for your comment.</p>
<p>What will be the reporting changes during wind-up and following wind-up?</p>	<p>There are no changes to reporting up to December 31, 2018. The adjustment period for producers' December reports is reduced to 60 days. Reporting and claims deadlines for service providers following December 31, 2018 are set out in the Wind Up Plan and will be communicated by OTS to service providers.</p>
<p>Clarity is required about who is responsible for tires received by tire collectors before December 31, 2018 but</p>	<p>Thank you for your comments. Tires that were collected by collectors before December 31, 2018 but not picked up by haulers by December 31, 2018 are</p>

Question/Comment	Answer
not collected by tire haulers until early January 2019. Communication of important information from OTS, RPRA and the MOECC should be better developed moving forward.	eligible for the collection incentive if picked up by a hauler prior to January 25, 2019.
Consultation plan undertaken by OTS was not sufficient for allowing stakeholders adequate time for meaningful engagement.	Thank you for your comment. OTS began consultation in June 2017 and continued consultation through to late October 2017. RPRA began consultation in December 2017 and continued through to early March 2018.
With program funding being cut for things like R&D? Who will be in charge of innovation to the market?	Under the Tires Regulation that will apply as of January 1, 2019, producers will be responsible for collecting and managing a certain percentage of tires that they supply into the marketplace. The Ministry is proposing an 85% collection target based on the average of the previous three years of tires supplied. Of the tires collected, 85% must be managed through reuse, retreading or recycling. Innovation and associated R&D, if required for producers to meet their collection and management targets, will be the responsibility of the producers.
The OTS operational wind up plan should address the potential for reduced program performance (e.g. tire dumping, tire burning, and landfill use) and have strategies in place for mitigation of these scenarios.	RPRA and OTS are monitoring the collection and management of tires under the OTS Used Tires Program to mitigate reduced program performance.
Extend the date for claims (incentives) to be submitted to March 31, 2019 instead of January 31, 2019.	Thank you for your comment. OTS is to wind up the OTS corporation as soon as possible following December 31, 2018. Administrative activities such as processing of claims must occur in an expeditious manner.
OTS Wind Up plan is missing key benchmarks and timelines to evaluate progress and determine completion of wind up tasks. As well, no staff have been named to these tasks, therefore there is no accountability to actually complete them.	Thank you for your comment. RPRA is responsible for oversight of OTS' implementation of the Plan and will ensure accountability by the OTS Administrator.

Question/Comment	Answer
How will the power balance between collectors, haulers, and processors be replaced or protected to limit disruption to the system during wind up? Currently processors dictate which haulers provide service and which tires are acceptable.	RPRA and OTS will monitor the collection, hauling and processing of tires during the period between approval of the OTS Wind Up Plan and December 31, 2018, the date on which the OTS Program ceases operation.
There will be issues regarding an expected backlog of tires and non-feasible timelines required for dealing with the logistics of this backlog given that it is difficult to assign ownership of tires following December 31, 2018.	OTS will be auditing the inventory of tires on site with collectors, haulers and processors as of December 31, 2018 as OTS will pay incentives for these tires. Any tires that are collected after January 1, 2019, hauled after January 1, 2019 and received by processors after January 1, 2019 will be the responsibility of producers obligated under the RRCEA Tires Regulation.
How will the security to the existence and fair compensation to the hauler community be provided during wind-up and following termination?	OTS will be auditing the inventory of tires on site with haulers as of December 31, 2018 and OTS will pay Transportation Incentives for these tires. Tires that are collected after January 1, 2019, hauled after January 1, 2019 and received by processors after January 1, 2019 will be the responsibility of producers obligated under the RRCEA Tires Regulation.
Processors are being sent garbage and other oversized refuse that cannot be recycled. How will RPRA ensure that this will not continue or that processors be compensated?	OTS' standards for collectors, haulers and processors apply through to December 31, 2018, including tires that are in inventory as of that date.
What will the new incentive program look like for small northern communities?	Under the Tires Regulation that will apply as of January 1, 2019, producers will be responsible for collecting and managing a certain percentage of tires that they supply into the marketplace. The Ministry is proposing an 85% collection target based on the average of the previous three years of tires supplied. Of the tires collected, 85% must be managed through reuse, retreading or recycling. Financial arrangements between producers and their service providers, including service providers located in or servicing northern communities, are subject to discussions between the parties.
How does RPRA currently have the authority to accept the Wind Up Plan	RPRA assesses the OTS Wind Up Plan against the WDTA, the relevant regulations and the Minister's direction.

Question/Comment	Answer
given that the current plan goes against the Minister's direction?	
How will the Authority ensure there are no barriers created by OTS as a result of the wind-up which could affect competition when the program is transitioned to IPR?	RPRA assesses the OTS Wind Up Plan against the Interim Wind Up Guide which includes guiding principles such as Fair and Equitable, and Independence and Professionalism. The Guide includes standards for conflict of interest to mitigate decisions being made that could favour any party or sector during the development and implementation of the wind up plan.