

Ontario Tire Stewardship

2009 Steward Guidebook:

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October 7, 2009*

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**For more information:
www.ontarioTS.ca
info@ontarioTS.ca
1-888-OTS-2202**

www.ontarioTS.ca

Guidebook

This 2009 Steward Guidebook has been published by Ontario Tire Stewardship (OTS) to assist **Stewards** in complying with their obligations under *Ontario's Waste Diversion Act, 2002 (WDA)*. If your company is a Brand Owner or First Importer of tires into Ontario, you may be legally obligated as a Steward under the Program and must register with OTS and comply with the Program Rules contained in the Used Tires Program Plan, OR operate your own approved Industry Stewardship Plan (ISP) for all tires you supply into the Province. Please review this guidebook to understand if you are a Steward under the program, your obligations as a Steward, and how to register.

What's in this Guidebook?

1. Are you obligated as a Steward of Used Tires?

This guidebook provides program background and helps organizations determine their potential obligation under the approved Used Tires Plan. If your company is obligated as a Steward, you will be required to prepare and file a monthly Steward's Report and remit applicable Tire Stewardship Fees (TSFs).

2. How can I Register?

You will find detailed step-by-step instructions on how to register and submit your forms to OTS, as well as form-specific help.

3. How do I fulfill my obligations as of September 1, 2009?

This guidebook describes your responsibilities and obligations from September 1, 2009, from remitting Tire Stewardship Fees (TSFs) to reporting requirements.

4. What units of measurement are used in this guidebook?

Weights used in this document are in metric. For example, tonnes refer to metric tonnes, which is 1000kg.

Please Note: This Guidebook is in effect as of October 7, 2009. It provides guidance for Stewards but does not constitute a legal document. The complete rules and obligations for a Steward can be found in the Ontario Tire Stewardship Used Tire Program Plan found on the OTS website. OTS reserves the right to change this guidebook at any time; therefore, it is recommended that Stewards review the versions posted on the website from time to time.

For More Information

For more information, please visit our website at www.ontarioTS.ca.

For general questions, email us at info@ontarioTS.ca,

For Steward related inquiries, email us at steward@ontarioTS.ca, or call **1-888-OTS-2202**.

Ontario Tire Stewardship

Attention: Registration Centre

405 The West Mall, Suite 500

Toronto, Ontario,

M9C 5K7

Phone: 1-888-OTS-2202

Fax: 1-866-884-7372 (8-ONT-TIRES-2)

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About OTS and the Used Tires Program

In June 2002, the Ontario legislature passed the Waste Diversion Act (WDA) which promotes the reduction, reuse and recycling of waste. The Act established Waste Diversion Ontario (WDO) and tasks it with developing, implementing and operating diversion programs for designated wastes in accordance with the Act, and with monitoring the effectiveness and efficiency of those programs. Ontario Tire Stewardship (OTS) is an Industry Funding Organization (IFO) that has been set up to manage the Used Tires Program in Ontario

In March 2003, the Minister of the Environment filed Ontario Regulation 84/03, which designated "Used Tires" under the WDA.

On April 9, 2009, the Minister of the Environment approved the Used Tires Program Plan submitted by Waste Diversion Ontario, thus, giving OTS the go ahead to move forward to set up operations to manage the program. With this program, Ontario's 12 million tires will be recycled into high value end uses. The Used Tires Program Plan can be viewed at www.ontarioTS.ca.

The Used Tires Program Plan is reflective of extensive consultation with manufacturers, retailers, haulers, processors, environmental non-government organizations, municipalities and other stakeholders. It represents an innovative, results-based diversion program for scrap tires in Ontario in a manner that is both environmentally responsible and economically sound.

The Program includes the following core components:

- An aggressive scrap tire collection and recycling system that will divert 90% of used on-road tires over the first 5 years, through a program funded by tire Brand Owners and First Importers (collectively referred to as 'Stewards')
- An industry-leading initiative to collect and recycle almost 50% of the scrap off-road tires over the first 5 years, also funded by Stewards
- A comprehensive collection network for scrap tires that will make it easier for Ontario consumers and businesses to recycle their old tires
- A stockpile abatement and remediation strategy that will result in the complete elimination of scrap tire stockpiles in Ontario within 3 years
- Tracking systems that will help eliminate illegal dumping of scrap tires and ensure that tires are managed by service providers that have adopted best practices
- Processing incentives to promote sustainable development and new markets for recycled materials and innovative uses for recycled rubber products. In the first year of the Program this will represent a \$23 million investment in the Ontario tire recycling industry, stimulating economic growth and increasing capacity
- An inclusive administration model to help strategically guide the program and bring together industry stakeholders to ensure the effective and efficient delivery of the Used Tires Program

A key objective of this program is to place priority on the diversion of used tires into higher end uses whenever possible, based on the principles of the 3Rs (reduction, reuse and recycling). It will include all aspects associated with management of used tires, including the collection, storage (temporary or otherwise), transportation, reuse, processing, recycling and disposal of used tires. These tires will be diverted away from burning and landfilling to 3Rs processing that will see them reused and recycled into tire derived products (TDPs).

The Used Tires Program is funded by Brand Owners and First Importers of tires, called 'Stewards', who remit a Tire Stewardship Fee (TSF) to OTS for every tire supplied into the Ontario market. The TSF will fund Program activities including:

- Collection, transportation and processing of scrap tires
- Manufacturing of recycled rubber products
- Operation of the scrap tire tracking and manifest system
- Remediation of tire stockpiles in the Province
- Development of new end markets
- Programs related to promotion and education (P&E) and Research and development (R&D)
- Program administration including auditing
- On-going communications with stewards, service providers and stakeholders

By providing these investments, OTS is supporting the processing industry through incentives that provide Program registrants new capital opportunities related to leading edge technologies and value-added products.

Stewards will be obligated to remit a Tire Stewardship Fee of \$5.84 per tire on new passenger, motorcycle or light truck tires, and \$14.65 per tire on new commercial truck tires. In addition, other tires such as industrial, farm and off-the-road tires will have proportionately higher fees as the cost to collect and recycle these tires are higher. The TSF will not be applied to retreaded tires.

OTS will review the fees on an annual basis to ensure that fees are set to collect only the revenue required to meet Program requirements.

The Used Tires Program is scheduled to commence on September 1, 2009. Organizations defined under the Program as Stewards will then be required to fulfill their responsibilities and obligations.

More information on the Used Tires Program is available on the OTS website at **www.ontarioTS.ca**.

Is Your Company or Organization a Steward?

Under the Used Tires Program, Stewards are Original Equipment Manufacturers, Brand Owners or First Importers of tires to Ontario as per the following definitions:

1. Original Equipment Manufacturer (OEM) means a manufacturer or first importer of new vehicles for Supply in Ontario

- a) An OEM is designated as the Steward with respect to all New Tires on vehicles Supplied by the OEM.

2. Brand Owner means, with respect to Branded Tires, during any time in the Data Period:

- a) a Person Resident in Ontario who is the registered owner of the Brand, or
- b) a Person Resident in Ontario who is a licensee of the registered owner of the Brand, or
- c) a Person Resident in Ontario, who owns the intellectual property rights to the Brand, or
- d) a Person Resident in Ontario, who is a licensee, in respect of the intellectual property rights to the Brand;

“Branded” means that a Brand is attached to or otherwise associated with Tires.

3. First Importer means a Person Resident in Ontario who imports New Tires into Ontario but is not a Brand Owner of such New Tires, and includes a Person Resident in Ontario who is the first to take title to or delivery or possession of such Tires, upon or after arrival in Ontario from elsewhere during the Data Period. A Person who takes delivery/possession of New Tires only for the purpose of transporting them to another Person in Ontario is not the First Importer of the Tires.

Please Note: The above definitions should not be construed as direction or guidance on your organization’s status as a Steward. The **Rules for Stewards** (see Appendix 2 or section 8.1 of the Used Tires Program Plan) provide a more detailed definition of a steward.

OTS Application / Registration Process and Help

This guidebook provides Stewards with an overview of key components of the registration process. The following instructions will help you understand your role and obligations, register for the Program, and stay up-to-date on key dates and events before and after September 1, 2009.

Note: *The full Registration Package, including Guidebooks, Registration Forms, and Frequently Asked Questions (FAQs) can be found on the OTS website at www.ontarioTS.ca. If you are unable to access this information online, please phone the OTS Registration Centre at 1-888-OTS-2202 to request a printed copy of the Registration Package.*

Step 1: Review the Registrant Identification Guide

The Registrant Identification Guide can be found on the OTS website under “Roles and Registration”. This guide will help you determine what role(s) you may play under the Program, and whether you are a Steward. In addition, you may need to apply under more than one role within the Program (i.e. some Stewards also need to apply as Collectors). If so, you will need to apply separately for each role and complete all of the relevant forms. You can register under additional roles by downloading the **Operational Registrant’s Guidebook** from the OTS website at www.ontarioTS.ca.

Step 2: Understand your Role and Obligations

Here is a summary of your legal obligations as a Steward under the Program:

- 1) You need to report on the type and quantity of On-Road and Off-Road tires you supply into the Ontario marketplace and remit Tire Stewardship Fees (TSFs) to OTS. These fees will be used to operate the Program.
- 2) Stewards must register by **September 1, 2009** and begin submitting Tire Stewardship Fees (TSFs) on a monthly basis as of September 1, 2009.

By registering with OTS and complying with the rules for Stewards, you are effectively fulfilling your legal obligations under the Waste Diversion Act. Refer to the **Rules for Stewards** in Appendix 2 of this guidebook for more information.

Step 3: Register for the Used Tires Program

Registration for the Used Tires Program begins on **July 6, 2009**.

You will need the following information with you before filling out the registration forms:

1. Ontario Business number (if applicable)
2. Business start date
3. Goods and Services Tax (GST) number

Step 4: Complete your Application Form and Submit to OTS

Note:

- You need to complete a separate application form for each role (e.g. Steward, Collector, Hauler, Processor, or Recycled Product Manufacturer).
- Be sure to provide your email address on the registration form(s) in order to receive important communication on upcoming informational sessions.

You can submit an application form one of three ways:

1. **Online:** Fastest option taking 10 Business Days to Process

Note that to use this option, you must have a valid email address.

- a. Go to the OTS website at www.ontarioTS.ca. Click the “Sign Up” button in the middle of the page to register as a new user. Once you sign-up, a notification letter with your username will be sent to your email address.
- b. Once you have your new username, go back to the OTS website at **www.ontarioTS.ca** and logon (top right of page).
- c. Select your role.
- d. Complete the registration steps One to Four (see Registration Form Help on next page for explanations on the fields that need to be completed on the form). Note that to complete the registration application, you need to have or been granted the authority to register your organization with Ontario Tire Stewardship.
- e. Click “Finish” to submit your application.
- f. You will receive a message on your screen that your registration has been submitted.
- g. You will be sent your Registration Number along with a Welcome Letter once the application has been processed

2. **Fax:** Takes 15 Business Days to Process from the time the application is received by OTS

- a. Download and print your form(s) by visiting the OTS website at **www.ontarioTS.ca**. If you are unable to download the forms online, please contact OTS and hard copies will be provided to you.
- b. Manually complete the form (see Registration Form Help on next page for explanations on the fields that need to be completed on the form).
- c. Once you have completed the form(s), you can fax them to OTS at 1-866-884-7372.
- d. You will be sent your Registration Number along with a Welcome Letter once the application has been processed

3. **Mail:** Takes 15 Business Days to Process from the time the application is received by OTS

- a. Download and print your form(s) by visiting the OTS website at **www.ontarioTS.ca**. If you are unable to download the forms online, please contact OTS and hard copies will be provided to you.
- b. Manually complete the form (see Registration Form Help on next page for explanations on the fields that need to be completed on the form).

- c. Once you have completed the form(s), you can mail them to the address below:

Ontario Tire Stewardship
Attention: Registration Centre
405 The West Mall, Suite 500
Toronto, Ontario,
M9C 5K7

- d. You will be sent your Registration Number along with a Welcome Letter once the application has been processed

Steward Registration Form Help

Here are instructions to complete the paper-based Ontario Tire Stewardship registration form. The numbered boxes provide some details to help you complete the form. Note that all fields need to be completed. For further details about terms and conditions of registration, please refer to the Agreement section. To complete this form online, go to: www.ontarioTS.ca

1. Complete the **Business Location Address** section. (Canadian location preferred).

Please note: The Legal Business Name is the legal name of the business that is responsible for remitting the tire stewardship fee.

The Business Operating Name is the name that the company commonly operates under and may be different from the legal name of the business.

The Franchise Name is the name of the Franchise which the company operates in affiliation with or with the permission of.

Ontario Tire Stewardship		Steward Registration Form	
Complete all the fields on this form if you are applying to be a Steward under the program. For more information, refer to www.ontarioTS.ca .			
1			
Please PRINT in black ink.			
Business Location Address			
Legal Business Name			
Business Operating Name (if different from legal business name)		Franchise Name (if applicable)	
Location Address			
City			
Province/State		Postal Code/Zip/Other	Country
Phone Number ()	Fax Number ()	E-mail Address	
Primary Contact Information (This is the primary contact information that should be used for communication)			
Name			
Position			
Contact Address	<input type="checkbox"/> Same as Business Location Address above, or complete details below		
City			
Province/State		Postal Code/Zip/Other	Country
Phone Number ()	Fax Number ()	E-mail Address	
Preferred Contact Method			
<input type="checkbox"/> E-mail		<input type="checkbox"/> Fax (Note 1)	<input type="checkbox"/> Mail
Note 1: Fax number must not be on Canada's National Do Not Call List.			
<i>For OTS office use only</i>			
Date received	Activation Date	Confirmation Mailed	
(MM/DD/YYYY)	(MM/DD/YYYY)	(MM/DD/YYYY)	
Registration Number			
2			

2. Complete the **Primary Contact Information** section. The Primary Contact is the key person who will be the primary contact for communication with OTS.

Please note: The Fax numbers should not be on Canada's National Do Not Call List.

Steward Registration Form Help - Page 2

3. Enter the **Start Date** when the business became operational.

6. What types of tires does your business handle? Please select **ALL** that apply.

Please note: The dimensions for the Off-the-Road (OTR) tires are as follows:

- **Small OTR Tires**= 1300R24 to 23.5R25 Rim Size
- **Medium OTR Tires**= Above 23.5R25 to 33 inch Rim Size
- **Large OTR Tires**= Above 33 inch to and including 39 inch Rim Size
- **Giant OTR Tires**= Over 39 inch Rim Size

Steward Details				
Business Start Date (MM DD, YYYY) 3	Ontario Business Number (please provide if applicable) 4			
Steward Type Please check the one box which best describes your primary activity. 5				
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> Tire Manufacturer Vehicle Manufacturer <input type="checkbox"/> Car / Light Truck <input type="checkbox"/> Commercial Truck <input type="checkbox"/> Trailer <input type="checkbox"/> Recreational Vehicle <input type="checkbox"/> Agricultural Vehicle <input type="checkbox"/> Motorcycle or Moped <input type="checkbox"/> Industrial Vehicle <input type="checkbox"/> Off-the-Road Equipment </td> <td style="width: 33%; vertical-align: top;"> Vehicle Dealer <input type="checkbox"/> Car / Light Truck <input type="checkbox"/> Commercial Truck <input type="checkbox"/> Trailer <input type="checkbox"/> Recreational Vehicle <input type="checkbox"/> Agricultural Vehicle <input type="checkbox"/> Motorcycle or Moped <input type="checkbox"/> Industrial Vehicle <input type="checkbox"/> Off-the-Road Equipment </td> <td style="width: 33%; vertical-align: top;"> Other <input type="checkbox"/> Mass Merchant (Retail) <input type="checkbox"/> Tire Dealer (Retail) <input type="checkbox"/> Tire Dealer (Wholesale) <input type="checkbox"/> Online Retailer <input type="checkbox"/> Other Tire Importer <input type="checkbox"/> Other - Please specify: _____ </td> </tr> </table>		<input type="checkbox"/> Tire Manufacturer Vehicle Manufacturer <input type="checkbox"/> Car / Light Truck <input type="checkbox"/> Commercial Truck <input type="checkbox"/> Trailer <input type="checkbox"/> Recreational Vehicle <input type="checkbox"/> Agricultural Vehicle <input type="checkbox"/> Motorcycle or Moped <input type="checkbox"/> Industrial Vehicle <input type="checkbox"/> Off-the-Road Equipment	Vehicle Dealer <input type="checkbox"/> Car / Light Truck <input type="checkbox"/> Commercial Truck <input type="checkbox"/> Trailer <input type="checkbox"/> Recreational Vehicle <input type="checkbox"/> Agricultural Vehicle <input type="checkbox"/> Motorcycle or Moped <input type="checkbox"/> Industrial Vehicle <input type="checkbox"/> Off-the-Road Equipment	Other <input type="checkbox"/> Mass Merchant (Retail) <input type="checkbox"/> Tire Dealer (Retail) <input type="checkbox"/> Tire Dealer (Wholesale) <input type="checkbox"/> Online Retailer <input type="checkbox"/> Other Tire Importer <input type="checkbox"/> Other - Please specify: _____
<input type="checkbox"/> Tire Manufacturer Vehicle Manufacturer <input type="checkbox"/> Car / Light Truck <input type="checkbox"/> Commercial Truck <input type="checkbox"/> Trailer <input type="checkbox"/> Recreational Vehicle <input type="checkbox"/> Agricultural Vehicle <input type="checkbox"/> Motorcycle or Moped <input type="checkbox"/> Industrial Vehicle <input type="checkbox"/> Off-the-Road Equipment	Vehicle Dealer <input type="checkbox"/> Car / Light Truck <input type="checkbox"/> Commercial Truck <input type="checkbox"/> Trailer <input type="checkbox"/> Recreational Vehicle <input type="checkbox"/> Agricultural Vehicle <input type="checkbox"/> Motorcycle or Moped <input type="checkbox"/> Industrial Vehicle <input type="checkbox"/> Off-the-Road Equipment	Other <input type="checkbox"/> Mass Merchant (Retail) <input type="checkbox"/> Tire Dealer (Retail) <input type="checkbox"/> Tire Dealer (Wholesale) <input type="checkbox"/> Online Retailer <input type="checkbox"/> Other Tire Importer <input type="checkbox"/> Other - Please specify: _____		
Types of Tires Handled Check all boxes that apply. Definition of tire types available at www.ontarioTS.ca 6				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Passenger & Light Truck Tires <input type="checkbox"/> Medium Truck Tires <input type="checkbox"/> Agricultural Drive and Logger Skidder Tires <input type="checkbox"/> Small and Large Industrial Tires </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Small OTR Tires <input type="checkbox"/> Medium OTR Tires <input type="checkbox"/> Large OTR Tires <input type="checkbox"/> Giant OTR Tires </td> </tr> </table>		<input type="checkbox"/> Passenger & Light Truck Tires <input type="checkbox"/> Medium Truck Tires <input type="checkbox"/> Agricultural Drive and Logger Skidder Tires <input type="checkbox"/> Small and Large Industrial Tires	<input type="checkbox"/> Small OTR Tires <input type="checkbox"/> Medium OTR Tires <input type="checkbox"/> Large OTR Tires <input type="checkbox"/> Giant OTR Tires	
<input type="checkbox"/> Passenger & Light Truck Tires <input type="checkbox"/> Medium Truck Tires <input type="checkbox"/> Agricultural Drive and Logger Skidder Tires <input type="checkbox"/> Small and Large Industrial Tires	<input type="checkbox"/> Small OTR Tires <input type="checkbox"/> Medium OTR Tires <input type="checkbox"/> Large OTR Tires <input type="checkbox"/> Giant OTR Tires			
Are you planning to, or already registered for, another role in the program? Check all boxes that apply. 7				
<input type="checkbox"/> Collector <input type="checkbox"/> Hauler <input type="checkbox"/> Recycled Product Manufacturer <input type="checkbox"/> Other				
GST Registration Number 8				

4. The **Ontario Business Number** is assigned when registering the Business name with ServiceOntario. For more information, please visit the ServiceOntario Gateway for Business website.

5. Select **ONE** **Steward Type** that best describes your primary activity.

7. If you think you qualify for **another role in the program**, please indicate the role(s) here.

8. Enter the **GST Registration Number** here. (This is a 9 digit number that ends in RT001 e.g. 123456789 RT001). For more information, contact Canadian Revenue Agency (CRA).

Acknowledgment of Rules for Stewards		
The applicant hereby acknowledges reading and understanding the Rules for Stewards and agrees to be bound by them.		
Authorized signature 9	Print name 10	Date 11
	Position	(MM DD, YYYY)
Name (form completed by) 12	Phone (form completed by) 13	
	()	

10. Print **Name** and **Position** of signing authority.

11. Enter today's **Date**.

9. **Signature** of company representative who has signing authority.

12. Print **Name** of person who completed this form.

13. Enter **Phone** number of person who completed this form.

Step 6: Receive Your Registration Number, Welcome Letter and Operational Informational Sessions

Once OTS processes your application, you will be sent a Welcome Letter that will include your unique Registration Number. This will be the number that identifies your organization as a Steward and will be used as your identification number moving forward. The Program will also be hosting operational informational sessions in August. Details of these sessions dealing with Stewards' responsibilities and obligations will be posted and updated on the OTS website, and communicated via email.

Step 7: Fulfill Your Obligations as of September 1, 2009

Stewards will need to file reports and submit monthly Tire Stewardship Fees (TSF) on the last day of the month following the reporting period. Please see the next section for details as to Steward's responsibilities and obligations as of September 1, 2009.

Steward Responsibilities and Obligations

A Steward's Report and Tire Stewardship Fees (TSF) fees need to be submitted monthly to Ontario Tire Stewardship starting September 1, 2009. Reports can be submitted via mail or fax.

(a) Steward's Report

- 1) Every Steward shall file its first Steward's Report with OTS on or before the later of:
 - a) the last day of the first calendar month after the end of the first Data Period after the Commencement Date; and
 - b) 90 days after such Steward is notified of the existence of the Rules and how to obtain a copy of them.
- 2) Stewards may amend a Steward's Report with the consent of OTS to correct information in the Steward's Report that is in error or to replace data previously reported.
- 3) Once a Steward has filed its first Steward's Report, a Steward shall file a Steward's Report in accordance with the schedule as set out in Appendix C.
- 4) Notwithstanding the above, OTS may require a Steward to file a Steward's Report by sending a written request to the Steward.

(b) TSF Amounts

TSF amounts are due with the Steward report on the last day of the first calendar month after the end of each Data Period (approximately 30 days after data period end). For example, the Program's first Data Period is September 1 to September 30, 2009, and the TSF for this period is due on **October 31, 2009**. Exact period end dates and reporting deadlines will be posted on the OTS website in July 2009.

Note: This page is an excerpt of the Rules and is provided here for reference purposes only. Refer to Appendix 2 for the full rules and obligations. The Table below explains the TSF amounts per Tire for Year 1 of the Program:

Tire Types	PTEs per Tire	TSF Rate Per Tire
Passenger & Light Truck Tires	1	\$ 5.84
Medium Truck Tires	5	\$14.65
Agricultural Drive and Logger Skidder Tires	11	\$15.29
Small and Large Industrial tires	9	\$12.51
Small OTR Tires	16	\$22.24
Medium OTR Tires	70	\$97.30
Large OTR Tires	75	\$104.25
Giant OTR Tires	180	\$250.20

(c) Payment Options

You are able to remit your TSF amounts by:

1. Cheque
2. Electronic Funds Transfer (EFT)

To arrange for EFT, contact OTS for more details. Information on payment options will also be provided in the informational sessions for Stewards in late July / August. Check the OTS website for more details.

Appendix 1: Glossary of Terms

Certificate of Approval (C of A)

Certificate of Approval is a control document issued by the Ontario Ministry of the Environment (MoE) that sets out operating conditions for a waste management system or a waste disposal site. C of As are required under the authority of s. 27 of the *Environmental Protection Act*. For further description of the Director's C of A authority refer to s. 39 of the *Environmental Protection Act*.

Collection Allowance

A payment made by Ontario Tire Stewardship (OTS) to registered Collectors to cover the costs of handling and storing used tires once they have been removed from the vehicle.

Collection Targets

The projected quantities of scrap tires to be collected on an annual basis under the Program.

Collector(s)

A for-profit, not-for-profit, or municipal corporation that has entered into an agreement with OTS for the collection of designated used tires.

Consolidation Facility

A location used to receive scrap tires from collection agents for subsequent transport to a primary processor or other eligible end uses.

Contingency Funds

Funds approved by the OTS Board of Directors on an annual basis to offset potential shortfalls in Program financing due to such factors as higher than the projected annual Program costs used for the purposes of Steward fee-setting; the potential for Steward non-payments resulting from non-compliance or bankruptcies; potential legal liabilities; and additional Program activities that may be required to meet established Program targets.

Crumb Rubber

Crumb rubber is a term usually applied to recycled rubber from vehicle scrap tires. During the recycling process steel and fluff is removed leaving tire rubber with a granular consistency. Continued processing with a granulator and/or cracker mill, possibly with the aid of mechanical or cryogenic grinding, reduces the size of the particles further. The particles are sized and classified based on various criteria including color (black only or black and white). The granulate is sized by passing through a screen, the size based on a dimension (1/4") or mesh (holes per inch: 10, 20, etc.).

Diversion

The management of used tires through reuse, retreading or recycling, instead of disposal into landfills, incinerators or tire derived fuel applications.

Events

Refers to one-day collection events offered by municipalities, retailers, stewards or other stakeholders at which consumers can drop off used tires for management. Events may range in frequency from one to several events per season, often in different locations within a county or region.

Fabricated Products

This material, often referred to as “cut” product, refers to using parts of the tire for other purposes. For example, using the sidewalls to create the base for traffic cones, or using the tread area to build blasting mats.

Fee Setting Methodology

The calculations used to set Stewards Fees by tire product groupings as set out in the Used Tires Program Plan.

Generator

A for-profit, not-for-profit, or municipal corporation that handles only used tires produced through its own operations.

Passenger Tire Equivalent (PTE)

PTE is a notional term using a standard passenger tire weight of 10kg to represent the average weight of larger tires. For example, a Medium Truck tire, which weighs approximately 50 kg, is considered equivalent to 5 PTE in weight.

Processing Incentive Payments

Weight based payments made by OTS to approved Processors to process Used Tires under the Program.

Recycling

The processing of scrap tires by manual or mechanical means for the purpose of capturing the resources for remanufacturing.

Reduction

In the context of this Plan, this term means reducing the number of tires that enter the waste stream through public education to promote extending tire life and/or encouraging retreading.

Retread (Retreading)

To refit a used tire with a new tread. The process of applying a new tread to a used tire whereby the old tread is buffed off and a new tread is applied to the tire casing, then vulcanized to be reused as a tire.

Retreader

A company that refits a used tire with a new tread.

Reuse

In the context of this Plan, reuse means using a tire again for its originally intended purpose without mechanical processing.

Shred

Nominally 25 mm to 300 mm tire pieces resulting from processing. Shred is typically used as a tire derived aggregate or as feedstock material for further processing.

Scrap Tire Generation

The sum of the designated scrap tires discarded by final end users on an annual basis under the Program.

Scrap Tire Processor

A business that processes scrap tires into streams that can be further processed in order to recover specific components within the same organization or sent to downstream processors for use as a raw material in another process, or, where 3Rs options are not available or technically feasible, for use in an energy recovery process or managed through disposal.

Tip Fee

The fee Haulers are charged by Processors to accept a scrap tire when there is a negative value associated with the scrap tire.

Tire Derived Aggregate (TDA)

Tire Derived Aggregate is an engineered product made by cutting scrap tires into nominally 25 mm to 300 mm pieces.

Tire Derived Products (TDP)

This is a generic term to describe marketable products made from scrap tires.

Tire Stewardship Fee (TSF)

Fees assessed by OTS on Stewards under the approved Used Tires Program Plan as set out in the approved Program Rules.

Transportation Incentive Payments

Weight and kilometer driven based payments offered by OTS to registered Haulers to pick up and transport Used Tires under the Program.

Used Tire Hauler

A business that transports scrap tires to a Scrap Tire Processor.

Appendix 2: Rules

Please Note: The rules contained within this guide are for reference purposes only. Please refer to section 8 of the Used Tires Program Plan for the full Rules. Should any discrepancy exist between the Rules found in the Program Plan and those provided in this guidebook, the Rules in the Program Plan will prevail.

OTS, as the IFO for Used Tires is required to develop Rules for the Used Tire Program. Section 30 and 31 of the WDA outlines what the rules cover:

Section 30: Rules relating to Stewards

30. (1) If an industry funding organization is designated by the regulations as the industry funding organization for a waste diversion program, the organization may make rules,

- (a) designating persons or classes of persons as Stewards in respect of the designated waste to which the waste diversion program applies;
- (b) setting the amount of the fees to be paid by Stewards under subsection 31 (1) or prescribing methods for determining the amount of the fees;
- (c) prescribing the times when fees are payable under subsection 31 (1);
- (d) requiring the payment of interest or penalties on fees that are not paid in accordance with subsection 31 (1);

Rules for Stewards

ONTARIO TIRE STEWARDSHIP

RULES FOR STEWARDS WITH RESPECT TO PAYMENT OF TIRE STEWARDSHIP FEES

1. Interpretation

In these Rules, the following terms shall have the following meanings. A reference to a statute or act of any legislature shall, unless otherwise expressly provided, be deemed to refer to such statute or act as it existed at the date of these Rules and as it may be amended or replaced from time to time. The headings used throughout these Rules are solely for convenience and are not to be used as an aid in the interpretation of these Rules. The singular or masculine or neuter, as used in these Rules, shall be construed to mean the plural or feminine or body corporate where the context of these Rules may so require. Capitalized terms which are not otherwise defined will have the meaning given to them in the Waste Diversion Act, 2002:

Affiliate means an affiliated body corporate within the meaning of subsection 1(4) of the Business Corporations Act (Ontario).

Base Interest Rate means the interest rate established from time to time under the Rules of Civil Procedure of the Courts of Justice Act, as amended from time to time, for prejudgment interest;

Brand means a trademark within the meaning of the Trade-marks Act (Canada), whether or not registered pursuant thereto;

Brand Owner means, with respect to Branded Tires, during any time in the Data Period:

- (a) a Person Resident in Ontario who is the registered owner of the Brand, or
- (b) a Person Resident in Ontario who is a licensee of the registered owner of the Brand, or
- (c) a Person Resident in Ontario, who owns the intellectual property rights to the Brand, or
- (d) a Person Resident in Ontario, who is a licensee, in respect of the intellectual property rights to the Brand;

Branded means that a Brand is attached to or otherwise associated with Tires;

Commencement Date means the first day of the first calendar month which begins at least 120 days after the date of publication of the Regulation on the e-Laws Website designating OTS as the industry funding organization for Used Tires; provided that, if 120 days from such date of publication will fall in the months of October, November or December, then Commencement Date means January 1 of the next succeeding calendar year;

Commercial Connection, for the purposes of these Rules, means that a Person derives a direct economic benefit when the particular New Tires are Supplied in Ontario;

Commercial Tires means medium truck Tires as defined in Appendix A: OTS Definition of Program Tires;

Data Period means each one month period ending the last day of each calendar month starting on the Commencement Date;

e-Laws Website means the website of the Government of Ontario for statutes, regulations and related materials that is available on the Internet at www.e-laws.gov.on.ca or at another website address specified by a regulation made under subsection 1(3) of the Legislation Act, 2006;

Filed means electronically submitted or mailed to OTS at an address identified to the Stewards by mail or electronically, with confirmation of transmission in the case of sending by electronic means;

First Importer means a Person Resident in Ontario who imports New Tires into Ontario but is not a Brand Owner of such New Tires, and includes a Person Resident in Ontario who is the first to take title to or delivery or possession of such Tires, upon or after arrival in Ontario from elsewhere during the Data Period. A Person who takes delivery/possession of New Tires only

for the purpose of transporting them to another Person in Ontario is not the First Importer of the Tires;

Light Truck Tires means Tires designed for light trucks as defined in Appendix A: OTS Definition of Program Tires;

New Tires means all Tires Supplied with a new vehicle, or new replacement Tires or new additional Tires Supplied separately or with used vehicles, but does not include Used Tires or Retreaded Tires;

OEM means a manufacturer or first importer of new vehicles for Supply in Ontario;

OTS means Ontario Tire Stewardship;

Passenger Tires means Tires designed for passenger vehicles as defined in Appendix A: OTS Definition of Program Tires;

Person includes an individual, partnership, joint venture, sole proprietorship, company or corporation, government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, body, department, board or agency of any of them), trust, trustee, executor, administrator or any other kind of legal personal representative, unincorporated organization, association, institution, entity, however designated;

Published Address means an address in Ontario appearing in a current telephone directory or a recognized current published business directory;

Resident in Ontario means either of the following: (i) having a published address in Ontario; or (ii) having a permanent establishment in Ontario for the purposes of the *Corporations Tax Act (Ontario)*;

Retreaded Tires means Used Tires which have been reconditioned for the purpose of extending the useful life of the Tires, including replacement of the tread rubber only or replacement of tread and sidewall rubbers;

Rules means these rules, and includes additional rules or amendments to these Rules from time to time, as published by OTS on its website;

Steward means a Person designated as such under Rule 2; and "Stewards" means more than one Steward;

Steward's Report means a report prepared by a Steward and filed with OTS describing the aggregate amount of New Tires Supplied in the Data Period by the Steward and its Affiliates, containing the information required by Appendix B;

Supplied means:

- (i) sold or otherwise transferred (whether by transfer of possession or title);
- (ii) leased;

- (iii) donated;
- (iv) disposed of; or
- (v) otherwise made available or distributed

for use in the Province of Ontario, and includes an import of New Tires for a purpose set out in Rule 2(3)(b); **Supply** and **Supplies** have similar meanings;

Tire Stewardship Fees means the fees payable to OTS pursuant to Rule 4;

Tires means products comprised primarily of rubber for mounting on passenger vehicles, motorcycles, trucks, buses, mobile homes, trailers, aircraft, earthmoving, road building, mining, logging, agricultural, industrial and other vehicles to provide mobility, but does not include tires on or for toys, bicycles, personal mobility devices and commercial aircraft;

Unbranded means a Brand is not attached to or otherwise associated with Tires;

Used Tires means all Tires, including any part of a tire, that, for any reason, are not suitable for their originally intended purpose, but does not include Retreaded Tires.

2. Designation of Stewards

For the purposes of determining which Person shall be designated as a Steward for New Tires, the following provisions shall apply, in the order in which they are set out, If two or more Persons are designated as a Steward pursuant to the following, the earlier provision shall prevail.

- (1) An OEM is designated as the Steward with respect to all New Tires on vehicles Supplied by the OEM;
- (2) A Brand Owner is designated as a Steward with respect to all New Tires:
 - (a) Supplied in the Data Period in respect of which it is the Brand Owner; and
 - (b) to which it has a Commercial Connection;
- (3) A First Importer is designated as a Steward with respect to all New Tires:
 - (a) Supplied in the Data Period of which it is the First Importer; or
 - (b) of which it is the First Importer in the Data Period for use by it or its Affiliate in the Province of Ontario, other than New Tires purchased by an individual for personal use;
- (4) If there are Unbranded Tires Supplied in the Data Period, and if the manufacturer is Resident in Ontario, the manufacturer of such Tires shall be designated as the Steward for such Tires; otherwise the First Importer shall be designated as the Steward for such Tires;

- (5) If there are two or more Brand Owners for the same Tires Supplied in the same Data Period, the Brand Owner most directly connected to the manufacture of the Tires shall be designated as the Steward;
- (6) Where there is no Steward for a particular Supply of New Tires in Ontario, any Person who elects to become a Steward for such New Tires shall, upon obtaining the consent of OTS and executing an agreement to be bound by these Rules, be designated a Steward for such Supply.

3. Steward's Report

- (1) Every Steward shall file its first Steward's Report with OTS on or before the later of:
 - (a) the last day of the first calendar month after the end of the first Data Period after the Commencement Date; and
 - (b) 90 days after such Steward is notified of the existence of these Rules and how to obtain a copy of them.
- (2) Stewards may amend a Steward's Report with the consent of OTS to correct information in the Steward's Report that is in error or to replace data previously reported.
- (3) Once it has filed its first Steward's Report, a Steward shall file a Steward's Report in accordance with the schedule as set out in Appendix C.
- (4) Notwithstanding the above OTS may require a Steward to file a Steward's Report by sending a written request to the Steward.

4. Fees Payable

- (1) Stewards shall pay Tire Stewardship Fees to OTS on New Tires Supplied in the relevant Data Period in accordance with Appendix C. The amount of Tire Stewardship Fees shall be calculated in accordance with Appendix D by multiplying the number of units of each type of New Tires included in the Steward's Report by the Fee Rate set out opposite such type.
- (2) Notwithstanding that a Steward has not received the notice in Rule 3(1), it is responsible for payment of Tire Stewardship Fees for all New Tires for which it is a Steward from and after the Commencement Date to the date on which it receives such notice.
- (3) OTS may provide a credit for Tire Stewardship Fees which are overpaid, or which are for the same New Tires for which another Person has paid Tire Stewardship Fees.
- (4) A Person described in any provision of Rule 2 who receives a Supply of New Tires from a Person who may be a Brand Owner, First Importer or OEM (the "provider") must ensure that the provider is a Steward with an OTS identification number. The OTS identification number will be posted on the OTS website.
- (5) A Steward shall remit GST applicable to the Tire Stewardship Fee to OTS with each monthly remittance of the Tire Stewardship Fee.

5. Penalties, Interest and Back Fees

- (1) Stewards who fail to pay Steward's Fees by the dates specified in Appendix D will be subject to a penalty calculated at 10% of Tire Stewardship Fees due and payable.
- (2) If the amounts reported in a Steward's Report are inaccurate, any deficiency in Tire Stewardship Fees resulting from such inaccuracies shall be immediately due and payable from the date of the filing of the correcting Steward's Report or the date the Steward first knew of such inaccuracy, whichever is earlier, and, if not paid within 30 days, will be subject to a penalty equal to 10% of such Tire Stewardship Fee deficiency.
- (3) Interest on the amounts payable under Rules 5(1) and 5(2) shall accrue from their respective due dates at the Base Interest Rate plus 3% per annum. In addition, a Steward shall pay all collection costs, including all proper and reasonable legal fees, incurred by OTS, whether or not an action or any other legal remedy has been commenced.
- (4) OTS may waive all or part of any penalty, interest or charges otherwise payable under this Rule 5.

6. Record Provision and Retention

- (1) Upon request from OTS, Stewards shall promptly provide data used in the preparation of the Steward's Report, including calculation methodology, product data, internal audit reports, list of Brands reported and list of Brands excluded from report and such other information or data in the Steward's possession or control as may be reasonably requested by OTS to substantiate the accuracy of the Steward's Report.
- (2) A Steward shall retain records or, on receipt of written request, provide records at an address in the Province of Ontario to substantiate and verify the amount set out in its Steward's Report for a period of not less than five years from the date of the Steward's Report to which they relate. A Steward shall grant access to OTS upon its request to examine its books and records to enable OTS to audit and inspect such records respecting a Steward's Report up to five years after the date of receipt of such Steward's Report by OTS.

7. Dispute Resolution

If any dispute arises between a Steward and OTS as to the amount of New Tires that is required to be included in a Steward's Report:

- (1) The parties shall attempt to resolve the dispute through designated representatives from each of OTS and the Steward within 30 days after written notice of the dispute was first given, or as otherwise agreed upon.
- (2) If the parties are unable to resolve the dispute within the above period, the Steward and OTS shall, within 30 days thereafter, jointly select an arbitrator to arbitrate the dispute. If the Steward does not nominate an arbitrator within the 30 day period, OTS shall

nominate the arbitrator. The arbitration shall be conducted in accordance with the Arbitration Act, 1991.

- (3) The arbitrator shall render a written decision on the dispute within 14 days after the arbitration hearing or submission. The decision of the arbitrator shall be final and binding on the parties and shall be subject to appeal only on questions of law and not on questions of fact, in accordance with Section 45 of the Arbitration Act, 1991, and shall be enforceable against OTS and the Steward, as the case may be, immediately on the issue of such decision to the parties to the dispute.

8. Interpretive Memoranda

OTS may publish on its website non-binding interpretive memoranda on these Rules and how it proposes to administer them.

9. Publishing of Names

- (1) OTS will provide all Stewards with an identification number.
- (2) The names and identification numbers of Stewards filing Steward's Reports will be posted on the OTS website.
- (3) OTS may post a list on its website of all Brands reported in Steward's Reports from time to time, and all OEM's, Brand Owners, First Importers and other Stewards associated with such Brands.

10. Notice

Any notice, request or other communication from OTS to a Steward which is required or may be given under these Rules may be delivered or transmitted by means of electronic communication, personal service or by prepaid first class postage to the Steward at a Published Address in Ontario and shall be deemed to have been received on the third day after posting and on the first day after the date of electronic transmission, in each case which is not a Saturday, Sunday or public holiday in Ontario.

11. Amendments to Rules

These Rules may be amended by OTS from time to time. On receipt of any necessary approvals and the publication of the amended Rules on OTS' website, such amendments will come into effect and apply to all Stewards from and after the effective date.

Appendix A: Tires Definitions

	Product Category	Definition
1)	On-Road Tires	<p>Passenger Tires, Small RV Tires, ST Trailer tires and Light Truck Tires and Temporary Spares</p> <p>Passenger tires are designed for use on passenger cars, light trucks, small RVs and multipurpose passenger vehicles (MPVs), including sport utility vehicles (SUVs) and crossover utility vehicles (CUVs), and to comply with Canadian Motor Vehicle Safety Standard (CMVSS No. 109). The light truck tire category is tires designed for use on consumer or commercial light trucks, under 10,000 lbs. Gross Vehicle Weight, and comply with Canadian Motor Vehicle Safety Standard (CMVSS No. 119). Codes found on the sidewall of light passenger and light truck tires are P (Passenger) and LT (Light Truck). Temporary spare tires are marked T (Temporary).</p> <p>Motorcycle, Golf Cart and All Terrain Vehicle Tires</p> <p>Includes all tires specifically designed for on/off highway motorcycles, motorcycle sidecars, motor bikes, mopeds, mini-cycles, golf carts and all terrain vehicles.</p> <p>Forklift, Small Utility, Bobcat/Skid Steer Tires</p> <p>Includes pneumatic forklift tires, Bobcat/Skid Steer tires measuring 16" rim size and under</p> <p>Free Rolling Farm Tires</p> <p>Includes free rolling farm and implement tires up to 16" rim size used on farm equipment.</p> <p>Medium Truck Tires</p> <p>Also commonly known as Commercial Truck Tires – Truck and Bus tires including Wide Base or Heavy Truck tires designed for truck/bus applications and Larger RV tires not marked "P or LT". All of which comply with Canadian Motor Vehicle Safety Standard (CMVSS No. 119).</p>

2)	Off-Road Tires	<p>Agricultural Drive and Logger Skidder Tires Includes drive wheel tires used on tractors and combines and tree harvesting equipment. These tires are normally identified with a sidewall marking with suffix letters (R), or (HF) or (LS) and are 16.5" and up rim size. These tires are listed in The Tire and Rim Association Inc. annual yearbook Section 5 Agricultural.</p> <p>Forklift, Bobcat/Skid Steer Tires Includes pneumatic forklift tires, Bobcat/Skid Steer Tires measuring 16.5" and over.</p> <p>Small Off The Road Tires Sizes 1300R24 to 23.5R25 Rim Size</p> <p>Medium Off The Road Tires Above 23.5R25 to 33 inch Rim Size</p> <p>Large Off The Road Tires Above 33 inch to and including 39 inch Rim Size</p> <p>Giant Off The Road Tires Over 39 inch Rim Size</p> <p>Industrial (Solid) Tires Solid Industrial Tires e.g. for Forklift Trucks etc.</p>
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Appendix C: Payment and Reporting Schedule

TSF amounts are due monthly with the Steward's Report with the reporting deadline for a period being the last day of the month following the reporting period.

For reporting purposes, the GST number for OTS is **874044803**.

Reporting Data Period	Payment & Reporting Deadline
September 1 to September 30, 2009	October 31, 2009
October 1 to October 31, 2009	November 30, 2009
November 1 to November 30, 2009	December 31, 2009
December 1 to December 31, 2009	January 31, 2010
January 1 to January 31, 2010	February 28, 2010
February 1 to February 28, 2010	March 31, 2009
March 1 to March 31, 2010	April 30, 2010
April 1 to April 30, 2010	May 31, 2010
May 1 to May 31, 2010	June 30, 2010
June 1 to June 30, 2010	July 31, 2010
July 1 to July 31, 2010	August 31, 2010
August 1 to August 31, 2010	September 30, 2010
September 1 to September 30, 2010	October 31, 2010
October 1 to October 31, 2010	November 30, 2010
November 1 to November 30, 2010	December 31, 2010
December 1 to December 31, 2010	January 31, 2011

All obligated Stewards are required to file individual Steward's Reports from the commencement date of these Rules. Obligated Stewards are required to file a Steward's Report for all outstanding Steward's Reports by the date outlined in Rule 4 of these Rules and then the regular schedule of filings and payments shall apply.

Stewards who fail to pay Tire Stewardship Fees as set out in the instalment schedule above shall pay in addition:

- A penalty of 10% of the Tire Stewardship Fees due and payable.
- Interest at the Base Interest Rate plus 3% on any outstanding balance due.

**Appendix D: Table of Fees – 16 months post-Commencement
(September 1, 2009 – December 31, 2010)**

Tire Types	PTEs per Tire	TSF Rate Per Tire
Passenger & Light Truck Tires	1	\$ 5.84
Medium Truck Tires	5	\$14.65
Agricultural Drive and Logger Skidder Tires	11	\$15.29
Small and Large Industrial tires	9	\$12.51
Small OTR Tires	16	\$22.24
Medium OTR Tires	70	\$97.30
Large OTR Tires	75	\$104.25
Giant OTR Tires	180	\$250.20