- CALRECYCLE PUBLIC MEETING - SEPTEMBER 20, 2016 -

Consideration of the

CARPET AMERICA RECOVERY PROGRAM (CARE) 2015 ANNUAL REPORT

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California Carpet Stewardship Program
Background

- **AB 2398:** First mandatory carpet stewardship program in U.S.
  - Requires **"continuous meaningful improvement"** in recycling & landfill diversion
- **CARE designs, implements Program**
  - CARE's approved Plan requires **16% recycled output rate by 2016**
  - **Funded by assessment** on new carpet sold in CA
- CalRecycle reviews Plan, provides oversight & enforcement

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2015 Annual Report

- CARE's 4th Annual Report, submitted June 30, 2016
  - Covers program performance in calendar year 2015
  - Includes independent financial audit

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2015 Independent Audit

- CalRecycle auditors reviewed independent financial audit
  - New & previous findings, & CARE's responses in 2015
- **Several findings unresolved** from prior years
  - CalRecycle may review further for compliance

2015 Annual Report - CalRecycle Findings

Finding 1: Recycled output and other goals are not showing continuous meaningful improvement

- Recycled output fell to 10% of discards
- No change in source reduction (4.2 lbs/sq yd)
- Recyclability declined: Processors sending more residuals to landfill
- Diversion decreased to 23% of discards
  - Reuse & PET carpet recycling increased, but offset by declines in nylon output

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2015 Annual Report - CalRecycle Findings

Finding 2: Consumers purchasing carpet do not have reasonable access to recycling services in all counties.

- 22 of 58 counties served by CARE-funded collection sites
- Many large population centers lack convenient access

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2015 Annual Report - CalRecycle Findings

Finding 3: CARE's Marketing, Education and Outreach (ME&O) has not resulted in increased carpet recycling or diversion.

- CARE expanded retailer visits, held workshops, established grants, hired new staff member, among other efforts
- Key target audiences remain unaware of Program
- Unclear metrics for evaluating effectiveness of ME&O

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Finding 4: CARE is not responding to market changes in a timely manner

- In 2015, CARE shifted to monthly payouts, raised assessment to 10¢/yd, increased PET incentives, started advisory council, funded economic study
- But efforts occurred late in year – did not increase 2015 recycling or diversion rates

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2015 Annual Report - CalRecycle Findings

Key Performance Metrics			
Metric	**2014**	**2015**	**Change**
Gross Collection (tons)	61,500	51,500	**-16%**
Recycled Output (tons)	21,500	17,500	**-19%**
Recycling Rate	**12%**	**10%**	**-17%**
Net Diversion (tons)	51,500	40,500	**-21%**
Reuse (tons)	87	301	**246%**
Disposal to LF (tons)	127,500	132,500	**4%**

2015 Annual Report - CalRecycle Findings

Options for Director:

1. Direct Waste Evaluation and Enforcement Branch (WEEB) to verify noncompliance findings and other potential violations [and] consider action(s) including but not limited to imposition of civil penalties, a compliance schedule, or other options to achieve compliance.
2. As above, but suspend referral to WEEB pending evaluation of data through the end of 2016.

Staff Recommendation: Option 1

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Promoting A More Sustainable California

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www.calrecycle.ca.gov/carpet