California Carpet Stewardship Plan

Submitted by:

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CARE California Carpet Stewardship Plan
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Executive Summary

The CARE California Carpet Stewardship Plan is submitted to fulfill part of the requirements of AB 2398. AB 2398 is ground-breaking legislation that was signed into law on September 30, 2010. It is unique legislation, and the first of its kind nationwide for carpet stewardship. The legislation was negotiated and ultimately supported by legislators, California entrepreneurs, local governments, non-governmental organizations and the carpet industry.

AB 2398 designated the Carpet America Recovery Effort (CARE) as the carpet stewardship organization for the carpet industry. The CARE California Carpet Stewardship Plan ('the Plan') is submitted, on behalf of the carpet manufacturers who are participating in the Plan, in compliance with AB 2398:

> *42972. (a) On or before September 30, 2011, a manufacturer of carpets sold in this state shall, individually or through a carpet stewardship organization, submit a carpet stewardship plan to the department*

As of December 1, 2011 there are seventy-nine participants in the Plan. Names of the participants can be found in Attachment II. CARE will provide any changes to the list to CalRecycle as needed. Note that the list of participants in the CARE plan is also posted on the CARE web site.

Note that all numbers presented in this plan are specific to sales in California or post-consumer carpet diverted and recycled from **California landfills**, unless specified as otherwise.

The time frame of the plan is for the years 2011-2016. This time frame is appropriate because AB 2398 designates CARE as the Carpet Stewardship Organization for the industry until April, 2015. AB 2398 stipulates that the carpet stewardship assessment will be $0.05/square yard until January 1, 2013. For purposes of this plan, the budget assumed the carpet stewardship assessment will remain at $0.05/square yard through 2016.

CARE will revise its stewardship plan as needed to meet the goals of AB 2398. Results and progress will be reviewed quarterly. If the plan is not progressing as expected, and not achieving the goals as identified in AB 2398, the plan will be reviewed to determine if and how changes to the plan should be made.

While the Plan details fiduciary, financial, and marketing strategies to accomplish the goals of AB 2398, it reflects decisions and choices among many potential strategies. As such, there are risks inherent in the plan such as whether it will be equally successful in achieving all goals within AB 2398 (i.e. increasing recyclability, incentivizing market growth of secondary products, increasing recycling and diversion). Those responsible for the Plan intend to closely and diligently monitor the results and progress achieved in the market, and make changes needed to ensure that the Plan is meeting the needs, intent and expectations of AB 2398.

The plan is designed to accept and manage all applicable post-consumer carpet sold or shipped into the state of California as of July 1, 2011, regardless of polymer type or primary materials of construction.

The plan specifies how the participants will meet the goals of AB 2398, including: to increase the recyclability of carpets, incentivize the market growth of secondary products made from postconsumer carpet, increase the recycling of postconsumer carpet, and increase the diversion of postconsumer carpets from landfills.

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In just 5 short years, the Plan will achieve the recycling rate (output) of 16%, which is ***228% higher than*** the carpet recycling rate of 7% in the state of California in the base year of 2010.

The proposed measures in this plan will enable the management of post-consumer carpet in a manner consistent with the state's solid waste hierarchy and with AB 2398 requirements. With regards to solid waste management hierarchy, the plan sets a priority on *carpet recycling*. Carpet recycling is emphasized over source reduction because the carpet manufacturers have the responsibility for the manufacturing of the products and have establishing their strategic objective and programs to reduce the use of natural resources. The individual manufacturers report annually on progress on source reduction in their Annual Sustainability Reports. See pg 16, Source Reduction, for more information.

The opportunities for reuse exist, primarily in carpet tile, and this is where we will focus our efforts. Reusing carpet tiles can be very effective, especially carpet tiles that have not been used in high-traffic areas. See Reuse section, page 9, for more information.

For wastes that cannot feasibly be recycled, the plan includes the use of environmentally safe management (CAAF or Cement kiln fuel/feedstock) of materials.

For purposes of this Plan, the emphasis is on carpet recycling into higher value materials (i.e. carpet fiber and backing to be used back into carpet and other consumer products) and lower value materials (i.e. carpet filler (primarily calcium carbonate) used as an ingredient in carpet and as a non-functional filler). By 2016, higher and lower value carpet recycled materials will be the majority (68%) of the output from post-consumer carpet diversion in the State of California.

The Plan is designed to grow the market-based solutions for carpet recycling in California, by incentivizing the processors who separate post-consumer carpet into materials that can be manufactured back into consumer products such as carpet, carpet cushion and plastic parts. The Plan relies on carpet recycling businesses and other entrepreneurs to collect, sort and process the post-consumer carpet. As of December 1, 2011, there are 18 California businesses, which employ approximately 150 Californians to perform these functions. There are also processors in other states who currently take carpet diverted from California landfills.

Based upon counties served and county populations, it is estimated by the carpet recycling companies currently operating in California that carpet recycling is accessible up to 98% of the California population in 2011. There is no reason why we will not maintain or increase this percentage, through the incentive program.

Note that the Plan is not designed to cover 100% of the cost of carpet recycling; the Plan is an incentive-based program to grow the amount of carpet recycling of carpet diverted from California landfills, per the requirements of AB 2398.

The Financing Mechanism within the Plan pays for output. The Plan pays a premium for higher value recycling materials versus lower value recycling materials. Some of the funds are used for wastes that cannot be feasibly recycled (i.e. CAAF and Cement kiln fuel/feedstock) and there is a 15% cap on the funds for this application. These applications are described in more detail in the Plan.

Note that CAAF is not a type of recycling but it is a type of diversion that enables higher levels of carpet recycling. See Environmental Impact section for more information on CAAF.

It is estimated that about $5 Million/year will be collected through assessments. By 2016, it is expected that 45% of the funds will be distributed to qualified recipients; 4% will be used for

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Administrative fees and the remainder will be in Unused Funds. Unused funds are what is left over after all funds are distributed to qualified recipients, and administrative fees are paid out, As the amount of output increases over time, the amount of unused funds will reduce. It is expected that unused funds will build up to 2015, after which time unused funds will decrease as the volume of recycling continues to grow.

By 2016, higher and lower value recycling materials will receive **90%** of the funds distributed to qualified recipients. CAAF and Cement kiln fuel/feedstock will receive only 10% of the funds distributed to qualified recipients, which is well below the 15% cap or limit on the category.

The Plan takes advantage of opportunities to educate the consumers, commercial building owners, carpet installation contractors and retailers, per AB 2398. Continuing education and outreach efforts are detailed in the plan and include updating of CARE web site, www.carpetrecovery.org, which currently has sections devoted to each of the major stakeholder groups; ongoing campaigns with the trade press that reaches building owners, carpet installation contractors and retailers; ongoing presentations and updates to stakeholder groups, both face to face and via webinars, emails and letters; continuously supplying signage, brochures and window clings to retailers; and aggressively seeking out opportunities to conduct Interviews with Consumer media- including web media, radio, and press.

As part of its implementation efforts, CARE employed the services of an outside Accounting Firm, Habif, Arogeti and Wynne, LLP (HA&W), an Atlanta-based firm, with Associates in California. HA&W will fulfill all of the requirements for Accounting and Auditing process, in accordance with Generally Accepted Accounting Practices (GAAP), and to provide a mechanism to securely, effectively and efficiently receive confidential information on a quarterly basis from CARE Stewardship Plan participants. All information on sales and assessments will be aggregated to protect the confidentiality of individual manufacturers. HA&W will conduct independent audits of the carpet manufacturers, and qualified recipients of the Carpet Assessment funding, on a regular schedule.

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CARE California Carpet Stewardship Plan

1. California Carpet Stewardship Legislation:

   California Assembly Bill No. 2398 Chapter 681 2010 (the 'Legislation') was signed into law on September 30, 2010. It provides, in part:

42972. (a) On or before September 30, 2011, a manufacturer of carpets sold in this state shall, individually or through a carpet stewardship organization, submit a carpet stewardship plan to the department that will do all of the following:

- *(1) Achieve the purposes of this chapter, as described in Section 42970, and meet the requirements of Section 42975.*
- *(2) Include goals that, to the extent feasible based on available technology and information, increase the recycling of postconsumer carpet, increase the diversion of postconsumer carpets from landfills, increase the recyclability of carpets, and incentivize the market growth of secondary products made from postconsumer carpet. The goals established in the plan shall, at a minimum, be equal to the goals established in the CARE MOU, if it has been adopted at the time the plan is submitted to the department.*
- *(3) Describe proposed measures that will enable the management of postconsumer carpet in a manner consistent with the state's solid waste management hierarchy, including, but not limited to, source reduction, source separation and processing to segregate and recover recyclable materials, and environmentally safe management of materials that cannot feasibly be recycled.*
- *(4) Include a funding mechanism, consistent with subdivision (c), that provides sufficient funding to carry out the plan, including the administrative, operational, and capital costs of the plan, payment of fees pursuant to Section 42977, and incentive payments that will advance the purposes of this chapter.*
- *(5) Include education and outreach efforts to consumers, commercial building owners, carpet installation contractors, and retailers to promote their participation in achieving the purposes of the carpet stewardship plan as described in paragraph (1). These education and outreach materials may include, but are not limited to, any of the following:*
  - *(A) Signage that is prominently displayed and easily visible to the consumer.*
  - *(B) Written materials and templates of materials for reproduction by retailers to be provided to carpet installation contractors and consumers at the time of purchase or delivery or both.*
  - *(C) Promotional materials or activities, or both, that explains the purpose of carpet stewardship and the means by which it is being carried out.*
- *(6) Include a process by which the financial activities of the organization or individual manufacturer that are related to implementation of the plan will be subject to an independent audit, which may be reviewed by the department.*

(b) The plan prepared pursuant to this section shall be designed to accept and manage all suitable postconsumer carpet, regardless of polymer type or primary materials of construction.

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2. Contact information of the corporate officer responsible for the CARE California Carpet Stewardship Plan

(A) Contact Name: Georgina W Sikorski

(B) Title: Executive Director, Carpet America Recovery Effort

(C) Name of Company or Stewardship Organization: Carpet America Recovery Effort (CARE)

(D) Mailing address and physical address: 730 College Drive, Dalton, GA 30720

(E) Phone number: 706 428 2128

(F) E-mail address: gsikorski@carpetrecovery.org

(G) Web address: www.carpetrecovery.org

(H) Location and custodian of records: See (C) and (D) above

3. Carpet Stewardship Organization and Participants in the CARE California Carpet Stewardship Plan

AB 2398 stipulates:

> *The bill would require, until April 1, 2015, the Carpet America Recovery Effort (CARE), a 3rd-party nonprofit carpet stewardship organization, to serve as the carpet stewardship organization and would allow, on and after April 1, 2015, a carpet stewardship organization appointed by one or more manufacturers, to submit a plan.*

CARE is a 501 (c) 3 organization, which began in 2002 as a result of a Memorandum of Understanding (MOU) for Carpet Stewardship signed by stakeholders including members of the carpet industry, government representatives and entrepreneurs. For more information on CARE, please go to www.carpetrecovery.org.

CARE is the facilitator and networker for the market-based post-consumer carpet recycling system in place across the United States. CARE supports its membership (entrepreneurs, carpet industry, government entities and non-governmental organizations) to achieve its mission. The mission of CARE is to facilitate the carpet industry-led initiative to find market-driven solutions to the diversion of post-consumer carpet from landfills to meet time sensitive goals.

The CARE Board of Directors (BOD) includes 17 members. The CARE BOD members are un-paid and are a multi-stakeholder group consisting of members of the carpet industry, entrepreneurs, members of the plastics industry, and suppliers to the carpet industry. See Attachment I for a list of the CARE Board of Directors.

CARE California Carpet Stewardship Plan Participants: As of December 1, 2011, 79 carpet manufacturers are participating in the CARE Stewardship Plan. See Attachment II for participants in the CARE Stewardship Plan. The list of registered participants is posted on the CARE web site, www.carpetrecovery.org. The location and custodian of records for the manufacturers can be found using the company address. CARE has submitted detailed contact information to CalRecycle, and can also supply this detail as needed.

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4. Scope of the CARE California Carpet Stewardship Plan

The program described in the CARE California Carpet Stewardship Plan is:

(A) Designed to accept and manage all applicable post-consumer carpet, regardless of polymer type or primary materials of construction.

(B) The stewardship plan submitted follows the standard outline (see §18942 Stewardship Submittal Instructions).

For purposes of the CARE Stewardship Plan, definitions included are in AB 2398, and in the Product Stewardship for Carpet Regulations (November, 2011), with some revisions. See Attachment III for definitions.

Background on Carpet Recycling

In order to put the plan in perspective for the reader who may not be familiar with carpet recycling, here are some important points about carpet recycling and the challenges and opportunities it presents to those in the business of carpet recycling:

- Carpet is made up of several components. The highest value component of carpet is the carpet fiber. Carpet fiber is made from several different synthetic polymers (i.e. Nylon 6, Nylon 6,6, Polypropylene, PET), Wool and combinations of polymers.
- Carpet recycling businesses separate the fiber from the carpet backing, process the fiber, and sell the processed fiber to a manufacturer who incorporates the processed material into consumer products.
- There are differences in the value of the polymers used to make the carpet fiber, i.e. Nylon 6 and Nylon 6,6 have higher value today, compared to other polymer types. The demand and supply dynamics can and have changed over time and are closely monitored by carpet recycling businesses.
- Carpet fiber is about 30-35% of the total composition of the carpet.
- Residential carpets tend to have higher face weights (35-40%) of fiber than commercial carpets (25-30%). Thus, carpet recyclers prefer residential carpet, because they can harvest more fiber by weight from residential carpet than from commercial carpet.
- The remaining 65-70% of the carpet has very low or no value in the marketplace. Note that carpet filler (primarily calcium carbonate) can be separated and sold in the market; however its value in the market is limited by the cost/price of virgin filler material.
- Thus, the total opportunity for carpet recycling is a function of the components of the carpet, their ability to be processed and their value in the market.
- Today, it is estimated that up to 30-40% of carpet, by weight, can be cost-effectively recycled. The remaining material has little or no value in the market.

5. Performance Goals and Activities

AB 2398 provides:

> *Include goals that, to the extent feasible based on available technology and information, increase the recycling of postconsumer carpet, increase the diversion of postconsumer carpets from landfills, increase the recyclability of carpets, and incentivize the market growth of secondary products made from postconsumer carpet. The goals established in the plan shall, at a minimum, be equal to the goals established in the CARE MOU,*

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if it has been adopted at the time the plan is submitted to the department.

1. Increase the recyclability of carpets

Performance Goals: Improving Recyclability of carpets includes the ease by which carpets can be recycled (accessibility to recycling and processing facilities), and the ease by which carpets can be separated into component parts to be recycled (processing technology). Rather than setting a quantitative goal, the CARE goal will be to identify, qualify and report on all technologies that significantly improve the ability for carpet to be recycled. For example, CARE worked extensively with the carpet recycling industry suppliers to develop fiber identification technology, using infrared (IR) technology. This new technology allows for carpet to be readily separated by polymer type, thus significantly reducing the time needed for identification. Further, the IR-based fiber identification technology greatly improved the reliability of fiber identification. CARE will also update its estimate on the percent of carpet that is recyclable. For example, as technologies develop to capture and purify the fiber that remains in the carpet carcass, CARE will track and report this improvement. .

Description of how these goals will be achieved:

- CARE will aid in development of technology to recycle more of the carpet components, such as the work that was previously accomplished with fiber identification technology.
- CARE will publish best practices for the recycling of carpet in the CARE Annual Report. Each year, carpet manufacturers report their progress and results for increasing sustainable practices to CARE. CARE publishes these results in the Carpet Industry Initiatives section of the CARE Annual Report. The CARE Annual Report will include a separate report for California results, as required by AB 2398. As such, it is expected that the two documents will inform and enhance each other.
- CARE will continue researching recycling innovations from other industries and how to apply to carpet recycling. CARE offers speaking opportunities for academia to present their research results on carpet recycling at the CARE Annual Conference.
- CARE will endeavor to do a search on publicly available carpet recycling research studies over the previous year, and can track the trend lines.
- CARE will report annually on the number of collection, sorting and processing facilities available for post-consumer carpet discarded in the state of California. Track and report on the changes (increases) in this data.

2. Incentivize the market growth of secondary products made from post-consumer carpets.

Performance Goals: Increase the volume of secondary products made from post-consumer carpet by at least a percentage equal to or greater than the growth in carpet recycling. (See Table I)

Description of how these goals will be achieved:

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- CARE will annually survey all manufacturers of secondary products to quantify volumes of new products.
- CARE will promote secondary products made with post-consumer carpet on its web site and its outreach efforts.
- CARE will publish a list of secondary products on its web site. This list is updated regularly and includes contact information for the purposes of marketing these innovations.
- Continue to feature secondary products at tradeshows and meetings such as the CARE Annual Conference and Entrepreneur Conferences.
- Note that CARE has included in its sustainability funding guidelines that a portion of the Fund available for payment may be allocated specifically as a "Discretionary Incentive Fund" to be paid to incentivize those activities deemed to be innovative and breakthrough technologies or **product development,** and/or have demonstrated exceptional performance toward achieving the goals of AB2398. The portion or percentage of the Fund for this purpose will be re-evaluated over time.

3. Increase the reuse of post-consumer carpet.

Performance Goals: In 2010, respondents to the CARE Annual Survey reported that approximately 100,000 lbs of post-consumer carpet had been diverted and reused. The goals for 2011-2016 will be to increase the reuse of post-consumer equal to or greater than the percentage increase in recycling post-consumer carpet (See Table I).

The opportunities for reuse exist, primarily in carpet tile, and this is where we will focus our efforts. Reusing carpet tiles can be very effective, especially carpet tiles that have not been used in high-traffic areas.
The reuse of broadloom carpet is challenging, because it is customized (cut to size) and when ripped out, this carpet is often very dirty. Refurbishing and cleaning dirty broadloom carpet presents significant health and safety issues. For these reasons, cleaning and refurbishing broadloom carpet can be challenging, and the opportunity to reuse post-consumer broadloom carpet is limited.
Note that when consumers reuse carpet, we may not be able to track that activity.

Description of how these goals will be achieved:

- CARE will annually survey all recyclers and quantify amount of carpet that is reused.
- CARE will reach out to charitable organizations, such as Resource Centers, Habitat for Humanity, and others to increase reuse of carpet in these outlets.
- California also has information on where to take carpet for reuse, i.e. http://www.calrecycle.ca.gov/ConDemo/Recyclers/RecyclerList.aspx?MaterialTypeIDList=30&CountyIDList=&FacilityName=&FormsAccepted=&MinimumQuantityAccepted=&QuantityAcceptedUnitsID=

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- CARE will promote the value of reusing carpet on its web site and its outreach efforts, such as in the CRI online blog, articles and within presentations. CARE tracks all articles and reports on the coverage quarterly. For those who are interested in signing up for the CRI blog, please click on this link: http://www.carpet-and-rug-institute-blog.com/

4. **Increase the diversion and recycling (output) of post-consumer carpet.**

   AB 2398 provides that:

   > *The goals established in the plan are at a minimum equal to the goals established in the CARE MOU, while recognizing the current recycling infrastructure and capacity in California is higher than the nation, and estimating changes in market conditions, and anticipating recycling infrastructure and capacity in California.*

   Performance Goals: See Table II for a forecast of the diversion and recycling (output) goals.

Note: In August, 2011, the MOU Joint Committee 2012 agreed to suspend negotiations for a new MOU. In the report issued by the MOU Joint Committee, the MOU Joint Committee established a goal of 12% post-consumer carpet recycling (output) by 2016. The goals for California are higher than the US goals. See bullet point 4 below.

- The timeframe of the stewardship plan is 2010-2016. The Year 2010 is used as a baseline year for means of comparison, because the law did not put the assessment into effect until July 1, 2011. Further:
  - AB 2398 stipulates that CARE will be the Carpet Stewardship Organization for the carpet industry until April 1, 2015.
- AB 2398 stipulates that the Carpet assessment will be $0.05/square yard until January 1, 2013. For purposes of this Plan, we assumed that the assessment will remain at $0.05/square yard through 2016.
- Based on the forecast, the plan will achieve a recycling rate (output) of 16% in 2016, compared to a recycling rate of 7% in 2010. This is ***228% higher*** in carpet recycling in the state of California by the year 2016, compared to the base year of 2010.
- The goals of the plan exceed the national goals outlined in the MOU 2012 Joint Committee Report, which is 12% recycling (output). It is expected that this plan will achieve a 16% carpet recycling (output) by 2016 for California. This level of recycling will represent a 33% increase over the proposed recycling rate in the 2012 MOU Joint Committee Report. See Table II.

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Table 1

Performance Goals: Carpet Diversion and Recycling, 2010-2016

State of California, AB 2398

Pounds

	Pounds						
	Actual	Forecast					
	2010	2011	2012	2013	2014	2015	2016
Performance Goal (millions lbs)	427	431	436	440	444	449	453
Diverted	47	68	73	77	89	96	106
Reuse	0.1	0.11	0.12	0.13	0.15	0.16	0.18
Higher Value Recycling (output)	29	42	45	47	51	55	62
Lower Value Recycling (output)	1	5	5	7	8	10	12
Total Recycling (Output)	**30**	**47**	**50**	**54**	**59**	**65**	**74**
CAAF	0.1	5	5	5	10	10	10
Cement Kiln fuel/feedstock	1.7	1	3	3	5	6	7
WTE	15	15	15	15	15	15	15
TOTAL Diverted	**47**	**68**	**73**	**77**	**89**	**96**	**106**
Landfilled	380	363	363	363	355	353	347
TOTAL Diverted+ Landfilled	**427**	**431**	**436**	**440**	**444**	**449**	**453**

Discards are estimates and will be recalculated each year.

% of Total Discards

	Percent of Total Discards						
	Actual	Forecast					
	2010	2011	2012	2013	2014	2015	2016
Performance Goal (millions lbs)	-	-	-				
Diverted	11.0%	15.8%	16.8%	17.5%	20.0%	21.4%	23.4%
Reuse	0.02%	0.03%	0.03%	0.03%	0.03%	0.04%	0.04%
Higher Value Recycling (output)	6.8%	9.7%	10.3%	10.7%	11.4%	12.3%	13.7%
Lower Value Recycling (output)	0.2%	1.2%	1.2%	1.6%	1.9%	2.3%	2.8%
Total Recycling (Output)	**7%**	**11%**	**12%**	**12%**	**13%**	**15%**	**16%**
CAAF	0.0%	1.2%	1.2%	1.2%	2.3%	2.3%	2.3%
Cement Kiln fuel/feedstock	0.4%	0.2%	0.7%	0.7%	1.2%	1.4%	1.6%
WTE	3.5%	3.5%	3.4%	3.4%	3.4%	3.3%	3.3%
TOTAL Diverted	**11.0%**	**15.8%**	**16.8%**	**17.5%**	**20.0%**	**21.4%**	**23.4%**
Landfilled	89%	84%	83%	82%	80%	79%	77%
TOTAL Diverted+ Landfilled	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

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Comparison of Forecasts to Proposed MOU 2012 Goals[1]

AB 2398 Section 42972 provides:

> *The goals established in the plan*
> *shall, at a minimum, be equal to the goals established in the CARE MOU,*
> *if it has been adopted at the time the plan is submitted to the department.*[1]

The goals of the plan exceed the goals outlined in the MOU 2012 Joint Committee Report[1], which is 12% recycling (output). It is expected that this plan will achieve a 16% carpet recycling (output) by 2016. This level of recycling will represent a 33% increase over the proposed recycling rate in the 2012 MOU Joint Committee Report.

Table II

Performance Goals for AB 2398 versus MOU 2012 Joint Committee (JC) Report

California Estimates	2016			
	Pounds		Percent (%)	
	MOU JC Report	Forecast	MOU JC Report	Forecast
Total Discards (millions lbs)	449	453	100%	100%
Performance Goal (millions lbs) Recycling (output)	54	74	12%	16%
MOU JC Report informed the estimates for California. Estimates were calculated using the JC Report for the US and multiplying by the percent of population in California, or 12.5%				

Note: The total discards are calculated using the US estimated discards multiplied by the percent of the US population in California, or 12.5%.

Description of how these goals will be achieved:

a. As the resource for the carpet recycling industry, CARE educates its member and interested parties on carpet recycling (see Education section for more information on communications and educations outreach), as well as provides resources to those entrepreneurs who are considering carpet recycling in the state of California.

[1] Note: The MOU 2012 Joint Committee suspended negotiations in August, 2011. A written report was unanimously agreed to by the MOU Joint Committee, and was issued in September, 2011. Copies of the report may be found on the CARE web site, www.carpetrecovery.org. Elements of the written report such as definitions and goals for 2012-2016 informed the CARE California Carpet Stewardship Plan.

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b. Incentives from the Stewardship Plan will be used to support the market-based solutions to growing and expanding carpet recycling in California. See funding mechanism for more information on incentive payments and financial management.

c. CARE will track both diversion and recycling (output) from recycling facilities and will report on changes annually in the CARE Annual Report.

d. The industry will report on diversion and recycling activities.

e. The industry will work in collaboration with carpet recyclers to expand opportunities to collect and process post-consumer carpet that is diverted from California landfills, including expanding outlets for consuming output, as a result of AB 2398.

f. Increases in **diversion** will likely arise from:

   i. Expanded opportunities for discarded carpet to be diverted, specifically for recycling, through access to convenient diversion and education.

   ii. The plan includes environmentally safe management of materials, such as CAAF or WTE that cannot feasibly be recycled. (See Waste Management Hierarchy and Financing Sections). A higher portion of post-consumer carpet diverted will be recycled instead of used for CAAF or WTE as other end uses increase.

   iii. Post-consumer carpet materials such as separated fiber are more valuable if there are increases in oil prices. Thus, diversion and recycling activities are expected to increase if oil prices significantly increase over $100/barrel.

   iv. Higher solid waste disposal tipping fees will drive new recycling activity.

   v. Increases in new program activities, e.g., increases in demand for products with recycling content, increases in demand for lower cost raw materials such as nylon, other plastics, etc., development of new recycling facilities, entrepreneurial activities and improvement in technologies efficiencies will help drive more input at recycling facilities.

Increases in **recycling output** will likely arise from:

a. Today, it is estimated that up to 30-40% of carpet, by weight, can be cost-effectively recycled. The remaining material has little or no value in the market. Cleaner carpet feedstock to recycling facilities and better technology for utilizing the carpet going into recycling facilities will happen overtime, in other words the current 30-40% efficiency should increase over time for the oil-based components.
b. Improved recycling equipment technologies
c. New recycling technologies and products
d. AB 2398 will drive increases in recycling output.

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Methodology Used for Estimating the amount of carpet available for diversion in California for the year 2011 and beyond

For the first year of reporting (2011), CARE will estimate the sales of carpet going into the state of California, using the US sales of carpet, and multiplying by 12.5%, which is the estimated population of California.

Starting July 1, 2011, carpet manufacturers will begin documenting the exact sales in square yards sold or shipped into the state of California. Thus, for the year 2012, we will have a full year's worth of data on sales into California, and will use data as the 'S' value in the formula below.

The methodology used to calculate the amount of carpet available for discards in California is based on the methodology in the MOU 2012 Joint Committee Report[1].

The purpose of the methodology is to be able to update the discards on an annual basis, using actual sales, upgraded by factors that influence the calculation. Those factors include changes in imports/exports, percent of the market that is replacement, average weight, and demolition.

Here is an overview of the methodology:

Carpet Available for Diversion in California (Discards)

The factors used to calculate the amount of carpet available for diversion include:

S= Carpet Sales into California for the reporting period

i. Sales Data for 2011 comes from the independent accounting firm who is collecting the sales data from the carpet manufacturers plus sales by manufacturers who are registered directly with CalRecycle. This data drives the future forecasts for 2012-2016, presented in the current Plan.

ii. Sales data for 2012 and beyond will come directly from the manufacturers reporting to CARE on all carpet sold or shipped to the state of California. Future forecasts will be updated with the actual sales data after 2012. The updated forecasts will be supplied to CalRecycle as part of the Annual Report.

R= Percent of carpet that is replacement, or carpet replacing existing carpet. Replacement carpet is the carpet destined for the landfill. (This data will be supplied by outside market research firm)

P= Average weight of carpet per square yard. In 2010, the average weight was 4.2 lbs/square yard. (This data will be supplied by the industry)

D= Pounds of carpet from demolition projects not replaced (this data will be supplied by outside market research firm) (In 2010, the demolition rate was estimated at 1.3%). D is converted to lbs by multiplying the percentage by total discards.

NOTE: The market share of soft floor covering (carpet) will remain steady (~55%) versus hard floor covering (~45%). The plan assumes that there will be no major shifts in the market share of soft versus hard floor covering for the years included in the scope of this plan (2012-2016). If there is a change in market share, the calculations for discards will be adjusted accordingly.

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Formula Used for Calculating the Carpet Available for Diversion in California (Discards)

$$\text{Discards} = (((\text{Sales} * R) * P) + D)$$

6. Solid Waste Management Hierarchy

AB 2398 requires:

> *(3) Describe proposed measures that will enable the management of postconsumer carpet in a manner consistent with the state's solid waste management hierarchy, including, but not limited to, source reduction, source separation and processing to segregate and recover recyclable materials, and environmentally safe management of materials that cannot feasibly be recycled.*

The proposed measures in this plan enables the management of post-consumer carpet in a manner consistent with the state's solid waste hierarchy and with AB 2398 requirements. With regards to solid waste management hierarchy, the plan sets a priority on *carpet recycling*. For wastes that cannot feasibly be recycled, the plan includes the use of environmentally safe management (CAAF or Cement Kiln fuel/feedstock) of materials that cannot be feasibly recycled. Note that CAAF is only 2.3% of the total carpet diverted from the landfill.

Source Reduction

For purposes of the Plan, source reduction is defined as: the result of using less product or material in manufacturing and use of carpet, and/or reducing the amount of discarded carpet generated.

Carpet manufacturers are continuously working on programs to reduce the amount of natural resources used in making carpet. They regularly report on the life-cycle impacts of carpet manufacturing through their individual Sustainability reports. For example, over the years, the average weight of carpet has decreased, and in the 2011, it is estimated that the average weight is 4.2 lbs, a decline of 0.3 lbs (-7%). Therefore, incentivizing the strategies and programs for reduction is not within the scope of the CARE Carpet Stewardship Plan, but rather is a strategic objective, and managed by, the individual carpet manufacturers.

Because the manufacturers are investing into programs for reduction, the funds generated from the assessments will be directed towards carpet recycling to maximize the impact in achieving the goals of AB 2398.

To meet the requirements for reporting on source reduction, CARE will report on the average weight of the products which will be included in the above formula. CARE will track and report the trend line on average weight of carpet annually. Note that the average weight of carpet in 2010 was 4.2 lbs/square yard. CARE will also report on the amount of carpet discarded in California annually.

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Durability

Note that carpets have been designed and engineered to be highly durable. There are many examples of carpet that have been installed and still in operation for decades, such as in schools, and other applications. It is said within the industry that carpets often 'ugly' out before they 'wear' out, meaning that consumers will change out their carpet due to style or taste, rather than because the carpet is actually worn out. The high durability of carpet also makes recycling more of a challenge.

Recycling

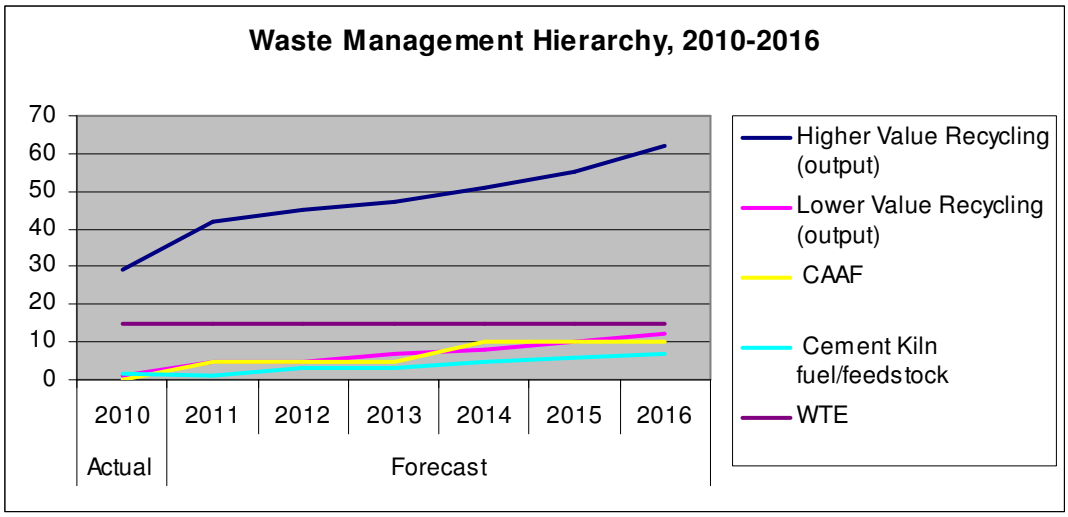
The plan is designed to promote the recycling of post-consumer back into new products as the top priority. This will be accomplished by applying the Financing Mechanism to select for recycling. See Financing Mechanism section for more information.

Figure 1 shows estimates of **recycling results from 2010-2016** based on the Waste Management Hierarchy. See prior table (Table II) for more information. Waste to Energy (WTE) is also shown, for comparison purposes.

Figure I shows the growth of higher value and lower value recycling over the time period 2010-2016, by pound. Figure II shows a comparison of the Waste Management Hierarchy profile in 2016.

Figure 1

Growth of Recycling versus WTE, 2010-2016, in millions of lbs



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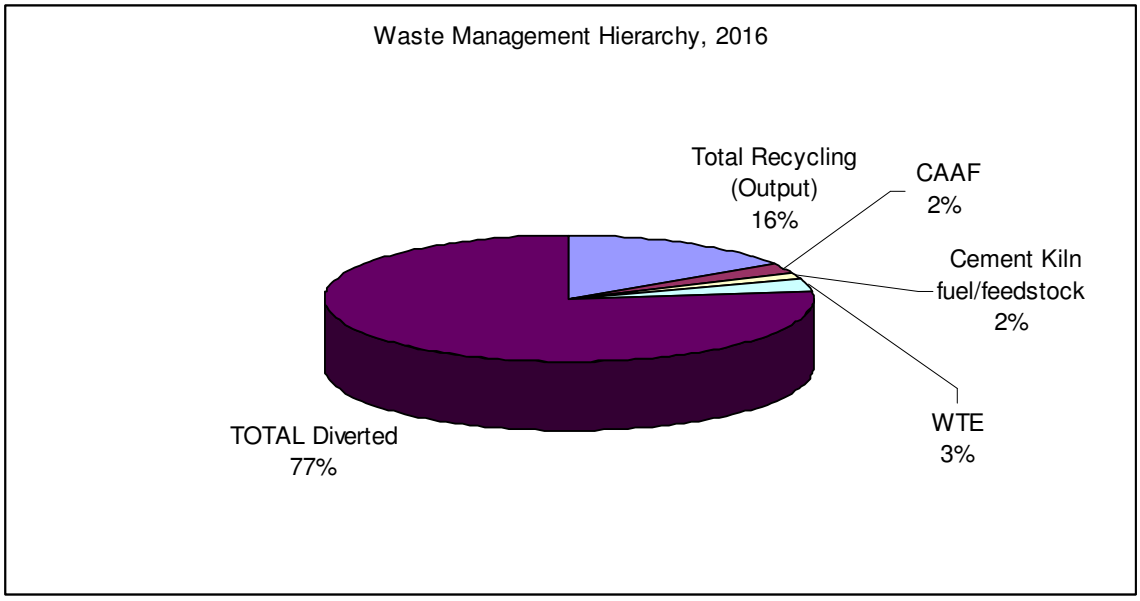
In California in 2010, approximately 7% of material was recycled. By 2016, recycling (higher value and lower value) will be 16% of the output from post-consumer carpet diversion in the State of California. This is 228% higher than the amount recycled in 2010. By 2016, CAAF will be only 2% of the total.

Waste Management Hierarchy by Percent, 2016 Forecast



6. Collection Systems

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The Plan is designed to grow the market-based solutions for carpet recycling in California, by incentivizing the processors who separate post-consumer carpet into materials that can be manufactured back into consumer products such as carpet, carpet cushion and plastic parts. The Plan relies on carpet recycling entrepreneurs and others to collect, sort and process the post-consumer carpet. As of December 1, 2011, there are 18 California businesses, which employ approximately 150 Californians to perform these functions. There are also processors in other states who currently take carpet diverted from California landfills.

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Figure 3

Map of CARE Carpet Reclamation Partners in the State of California

December, 2011

Reference: www.carpetrecovery.org

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Table IV

CARE Carpet Reclamation Partners in the State of California

as of December, 2011

California

Company	Location	Contact/Phone	Website
A+	San Diego, CA	Ahston 619-941-8201	
Bentley Prince Street	West Sacramento, CA	Sean Higbee	Visit Website
Bentley Prince Street	City of Industry, CA	Sean Higbee 888-733-6873	Visit Website
Carpet Collectors	San Jose, CA	Robert Cole 408-856-7264	Visit Website
Carpet Collectors	Rocklin, CA	Robert Cole 916-826-2960	Visit Website
Don Farraese Charities	Victorville, CA	Daniel Tate 760-964-4976	
Los Angeles Fibers Company	Los Angeles, CA	Ron Greitzer 323-589-5637	Visit Website
Mission Recycling	Pomona, CA	Gabe Chavez 909-620-4688	
Napa Recycling Service	Napa, CA	Kevin Miller 707-257-9200	
Oceanaire International, Inc.	Diamond Bar, CA	Allan Lo 1-626-675-9898	Visit Website
Padworks	Santa Ana, CA	Adam Habib 888-322-4427	
Planet Recycling	San Diego, CA	James Davis 619-424-7574	
SoEx Group	Fresno, CA	Armond Arakelian 559-233-1765	

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The Carpet Recyclers	Oakland, CA	Wes Nelson 866-847-7286	Visit Website
The Carpet Recyclers - Southern California	La Mirada, CA	Carey Merrill 877-714-9490	Visit Website
Waste Management	Los Angeles, CA	Stacy Katz 877-933-4837	
Waste Management	Lodi, CA	Stacy Katz 209-369-8274	Visit Website
Waste Management	Gardena, CA	Stacy Katz 310-327-6362	

Reference: www.carpetrecovery.org

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Types of Services Provided by CARE Carpet Reclamation Partners:

- Diversion/Reclamation from Commercial Sites
- Collection from Residential Sites
- Sorting of Carpet by Polymer Type. Devices used are Infrared (IR) Technology Detectors which identify the polymer used to make the fiber. The various polymers are:
    - Nylon 6
    - Nylon 6,6
    - Polypropylene
    - PET
    - Wool
    - Other
- Baling, and Labeling by Fiber Type
- Shipping to First-Line Processors
- Processing
    - Shredding
    - Shearing
    - Hammer milling
- Production Yields from the above processes
        - Fiber
        - Shredded Carpet Tile
        - Depolymerized Chemical Components
        - Carpet Filler (primarily calcium carbonate)
        - CAAF
        - Material for Waste-to-Energy
    - Landfilling Unusable Materials
- Baling processed materials and labeling
- Shipping to Manufacturer for End Products
- Providing Certification Certificates to Customers
    - Used for LEED certification projects
- Educating End Users and Consumers
    - Presentations
    - Articles
    - Interviews

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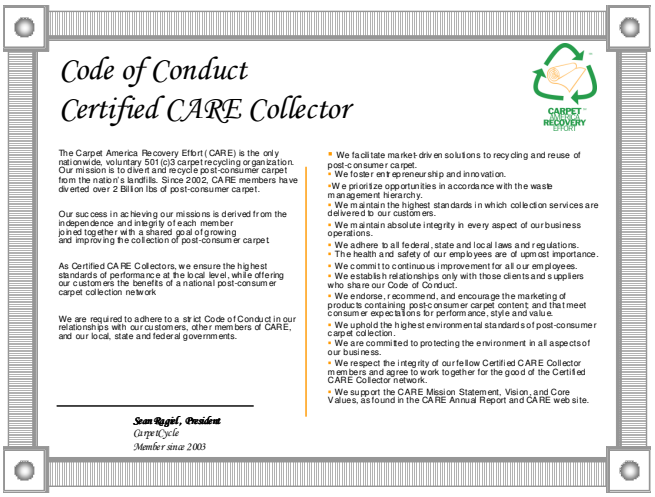
Description of Best Management Practices

CARE is in the process of finalizing the CARE Certified Collectors Program. The program will be introduced in January, 2012. Certified CARE Collectors will sign a Code of Conduct. For a copy of the Code of Conduct, please go to the CARE web site, www.carpetrecovery.org



Code of Conduct
Certified CARE Collector

The Carpet America Recovery Effort (CARE) is the only nationwide, voluntary 501(c)3 carpet recycling organization. Our mission is to divert and recycle post-consumer carpet from the nation's landfills. Since 2002, CARE members have diverted over 2 Billion lbs of post-consumer carpet.

Our success in achieving our missions is derived from the independence and integrity of each member joined together with a shared goal of growing and improving the collection of post-consumer carpet

As Certified CARE Collectors, we ensure the highest standards of performance at the local level, while offering our customers the benefits of a national post-consumer carpet collection network

We are required to adhere to a strict Code of Conduct in our relationships with our customers, other members of CARE, and our local, state and federal governments.

- We facilitate market-driven solutions to recycling and reuse of post-consumer carpet.
- We foster entrepreneurship and innovation.
- We prioritize opportunities in accordance with the waste management hierarchy.
- We maintain the highest standards in which collection services are delivered to our customers.
- We maintain absolute integrity in every aspect of our business operations.
- We adhere to all federal, state and local laws and regulations.
- The health and safety of our employees are of upmost importance.
- We commit to continuous improvement for all our employees.
- We establish relationships only with those clients and suppliers who share our Code of Conduct.
- We endorse, recommend, and encourage the marketing of products containing post-consumer carpet content; and that meet consumer expectations for performance, style and value.
- We uphold the highest environmental standards of post-consumer carpet collection.
- We are committed to protecting the environment in all aspects of our business.
- We respect the integrity of our fellow Certified CARE Collector members and agree to work together for the good of the Certified CARE Collector network.
- We support the CARE Mission Statement, Vision, and Core Values, as found in the CARE Annual Report and CARE web site.

Sean Bagiel, President
CarpetCycle
Member since 2003

Code of Conduct Certified CARE Collector (text from graphic above)
The Carpet America Recovery Effort (CARE) is the only nationwide, voluntary 501(c) 3 carpet recycling organization. Our mission is to divert and recycle post-consumer carpet from the nation's landfills. Since 2002, CARE members have diverted over 2 Billion lbs of post-consumer carpet. Our success in achieving our missions is derived from the independence and integrity of each member joined together with a shared goal of growing and improving the diversion of post-consumer carpet. As Certified CARE Collectors, we ensure the highest standards of performance at the local level, while offering our customers the benefits of a national post-consumer carpet diversion network. We are essential to the continued success of CARE and the carpet recycling industry.
We are required to adhere to a strict Code of Conduct in our relationships with our customers, other members of CARE, and our local, state and federal governments.

- *We facilitate market-driven solutions to recycling and reuse of post-consumer carpet.*
- *We foster entrepreneurship and innovation.*
- *We prioritize opportunities in accordance with the waste management hierarchy.*
- *We maintain the highest standards in which collection services are delivered to our customers.*
- *We maintain absolute integrity in every aspect of our business operations.*
- *We adhere to all federal, state and local laws and regulations.*
- *We are dedicated to the safety and health of our employees.*
- *We endorse, recommend, and encourage the marketing of products containing post-consumer carpet content; and that meet consumer expectations for performance, style and value.*

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December 1, 2011
Version 1.3

- *We agree to uphold and maintain compliance with the Certified Collector criteria.*
- *We are committed to protecting the environment in all aspects of our business.*
- *We respect the integrity of our fellow Certified CARE Collector members and agree to work together for the good of the Certified CARE Collector network.*
- *We support the CARE Mission Statement, Vision, and Core Values, as found in the CARE Annual Report and CARE web site.*
- *"Dumpster diving" or "scavenging" carpet is an unsafe practice that we do not condone or support.*

CARE Certified Collectors Criteria

Certified CARE Collectors must adhere to criteria, as follows:

Certified CARE Collectors must stay up to date with in order to be listed on the website. All initial applicants will be reviewed by a membership committee. Existing members will be reviewed initially and annually thereafter.

It is the intention of the program to educate and communicate with consumers, manufacturers, and other customers the importance of using only certified Collectors. The program will include education outreach to educate the target audiences of the CARE certified Collectors membership. CARE Certified

Collectors must agree to:

a. Completing the annual survey each year.
b. Members meet their local and state requirements for insurance, taxing and hiring.
    i. Required Permits
    ii. Copies kept on file in case of audit by CARE
c. Members carry general liability insurance and the minimum state requirements for unemployment and workers comp (if applicable)
d. Member in good standing with CARE (dues are current)
e. Representative at the annual and/or entrepreneur conference in the first two years, then every year there after.
f. Certified CARE Collectors will hold CARE harmless. Hold Harmless, means a provision in an agreement under which one or both parties agree not to hold the other party responsible for any loss, damage, or legal liability. In effect, this clause indemnifies the parties on a unilateral or reciprocal basis (as the case may be).
g. Signed Code of Conduct
    i. Quality standards
    ii. No landfill policy
        1. Member has internal landfill reduction policy
    iii. Self-reporting- sign and date the survey indicating that the information reported is, to the best of the respondent's knowledge, accurate and truthful

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The Proposed Product Stewardship for Carpet Regulations requires:

> *Description of how each consumer that pays a carpet stewardship assessment, including but not limited to those in rural areas, will be provided reasonably convenient opportunity(ies) in each county to manage their post-consumer carpet.*

It is estimated that the current carpet recyclers in California reach most of the major retail stores in California. The recyclers have a network of collection points where they drop empty trailers and swap out when full (usually at large carpet retailers or installers) or independent collectors collect/sort carpet and deliver to facilities.

Based upon counties served and county populations, it is estimated by the carpet recycling companies currently operating in California that carpet recycling is accessible up to 98% of the California population in 2011. There is no reason why we will not maintain or increase this percentage, through the incentive program.

In order to significantly increase the diversion of carpet across the state, recyclers are focused on establishing partnerships with more retailers, installers, transfer stations and MRFs. It is very important that transfer stations provide carpet that is source separated, and not co-mingled with trash.

In an effort to reach more of the rural communities, CARE is undertaking a pilot project with Regional Council of Rural Counties' (RCRC) Environmental Services Joint Powers Authority (ESJPA), CalRecycle, local governments and carpet recyclers in the state of California. The goal of the pilot project is to determine business model(s) for consumers to have reasonably convenient opportunities in each county to manage their post-consumer carpet.

The pilots will be fully operational from January-July, 2012. Results from the pilots will be reported to CalRecycle and will be included in the CARE Annual Report to CalRecycle to the extent possible.

8. Market Development

Incentives or methods to increase recycling of carpet into secondary products made with post-consumer carpet recycled content:

- Promote secondary products on CARE web site (www.carpetrecovery.org)
- Promote secondary products at CARE Annual Conference and Entrepreneur meeting. In 2012, the Annual Conference will be held in San Diego, CA, in part in order to educate and communicate progress made on AB 2398.
- Promote secondary products on states' web sites (i.e. Washington State, California, etc).
- Provide marketing support to entrepreneurs, to assist them in raising awareness of new secondary products (i.e. GeoHay, Reliance Carpet Cushion). For example, CARE has assisted entrepreneurs in developing their web sites, created advertising, included

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information about new products in presentations and articles, Examples of the marketing support can be found on the CARE web site.

- CARE has worked closely in the past with NSF to include points for recycled content in NSF 140. CARE members are actively engaged on NSF committees to ensure that emphasis on recycled content and recycling is awarded points in NSF 140.
- CARE has a web page on its web site on Great Ideas, which highlights products made with post-consumer carpet recycled content. Click on this link for more information: http://carpetrecovery.org/ideas.php
- CARE highlights new carpet products with post-consumer carpet recycled content in CARE Annual Report and at its Annual Conference.

9. Financing Mechanism

The Product Stewardship for Carpet Regulations requires:

> *Include a financing mechanism that provides sufficient financing to recover, but not exceed, the cost of the carpet stewardship program, including the administrative, operational, and capital costs of the plan.*

CARE will revise its stewardship plan as needed to meet the goals of AB 2398. Results and progress will be reviewed quarterly. If the plan is not progressing as expected, and not achieving the goals as identified in AB 2398, the plan will be reviewed to determine if and how changes to the plan should be made.

Following are the Guiding Principles used to develop the Financing Mechanism:

1. Maintain a carpet flooring industry that is both sustainable and viable
2. Comply with Requirements of AB 2398
    a. Goals established in the plan shall, at a minimum, be equal to the goals established in the CARE MOU if approved by the time of submittal of the plan[1].
3. Meet Goals of AB 2398 to Incentivize
    a. Market growth of secondary products made from postconsumer carpet
    b. Recyclability of carpets
    c. Growth of recycling of postconsumer carpet
    d. Growth of diversion of postconsumer carpets from landfills
4. Achieve Economic Sustainability
    a. Funds should Maximize increased long-term use of post-consumer recycled carpet content in new and existing products.
    b. Funds utilized for use, not investment. The fund pays for actual output, i.e. performance, not for potential opportunities...
    c. Fund output, not input (see Attachment III for definitions of ‘input’ and ‘output’)
    d. Collectors’ market prices should provide economic basis for supporting goal
    e. Incentive funds are paid out each quarter
    f. Analyze Financing Scenarios and Recommend Most Cost-Effective Options to meet the Goals of AB 2398
    g. Minimize Administrative Costs
    h. The Fund should be economically healthy by maintaining a modest but needed unused funds category. The Fund cannot borrow even from anticipate future assessments.

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5. Stewardship Fund Management Hierarchy
    a. Priority is on funding Higher Value Recycling and Lower Value Recycling Materials
        i. CAAF will be used only to enable recycling
    b. Define maximum amount to single hierarchy entity to create broad user base
    c. Alternative fuel use should be used to enable the achievement of recycling goals while developing more economic end uses.
    d. Diminish financing for alternative fuel over time.
6. Adjust funding mechanism as needed, based on market conditions and progress made to meet or exceed the Plan goals for AB 2398.

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Ensuring that the AB 2398 Assessment is Clear on Invoices

AB 2398 requires

> *The bill would require, as of July 1, 2011, until January 1, 2013, a manufacturer of carpet to add an assessment of $0.05 per square yard upon the purchase price of all carpet sold in the state by that manufacturer.*

AB 2398 further requires:

> *The assessment shall be added by a manufacturer to the purchase price of all carpet sold by manufacturers to a California retailer or wholesaler or otherwise sold for use in the state. The assessment shall be clearly visible on invoices or functionally equivalent billing documents as a separate line item and shall be accompanied by a brief description of the assessment or a label approved by the department*

Those who contacted CARE about AB 2398, such as manufacturers who participate in the CARE plan, retailers, dealers and others who prepare invoices, were given instructions on how to include the assessment on their invoices, as a separate after-tax line item. The examples show how to include the assessment so that the assessment is clearly visible. These instructions are also posted on the CARE web site. http://carpetrecovery.org/AB2398-Retailer.php. The instructions are attached as Appendix VII.

Record Retention

The Proposed Product Stewardship For Carpet Regulations requires that records be retained for three fiscal years. Those who contacted CARE about AB 2398, such as manufacturers who participate in the CARE plan, retailers, dealers and others who sell or ship carpet into California, were given instructions on record retention. The instructions may be found on the CARE web site, http://carpetrecovery.org/AB2398-Retailer.php

Following are the instructions given by CARE to participants:

Retain the following records for sales of carpet into California, for a period of three fiscal years:
1. Manufacturer of the Carpet
2. Date(s) the Retailer Ordered or Purchased the carpet from the Manufacturer
3. Date(s) the Retailer Sold or Offered the carpet for promotional purposes
4. Retailer Invoice(s) or functionally equivalent billing documents showing California Carpet Stewardship Assessment
5. Certification Letter(s) from the department if provided by a manufacturer to demonstrate that carpet from the manufacturer is or was subject to a department-approved stewardship plan

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Table V

Financing Management Hierarchy

Stewardship Funding Management Hierarchy	Higher Value Recycling Options (Highest and Best Value)	Lower Value Recycling Options	CAAF
Included Applications Examples	Post-Consumer Carpet Fiber Post-Consumer Carpet Backing Engineered Resins Carpet Cushion	Carpet Filler Non-functional Filler	Alternative Fuel Cement Kiln fuel/feedstock
Sustainable Funding Value Options	1.0	0.5	0.5
Definitions	See attachment		
Timing Options	Unlimited	Unlimited	
Limits	None	None	CAAF is no more than 30% of total diversion /year; CAAF qualifies for no more than 15% of total funding /year

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Definition of Fund Recipients for California AB 2398 Funds:
The recipients of funds generated from the AB 2398 Carpet Stewardship Assessments are carpet processors who have processed carpet diverted from landfills in the state of California. Carpet processors are companies or facilities that take used carpeting (whether handled by a sorting facility or brought directly by a collector) and process it for use as a feedstock in a manufacturing facility.

Table VI is an overview of Processing technologies that would be included or excluded from qualifying for incentive funding.

Table VI
AB 2398 Processing Technologies

Processing Technologies for AB2398

Included	Excluded
Shredding	Collecting
Shearing	Sorting
Chemical Processing	Cutting to Flats
Thermo-forming	Repelletizing
100% wool products (face fiber)used for weed control/erosion	Conduxing
Wet Separation Methodologies	Repurposing
Fuel Preparation (size reduction)	Reuse
Sifting (calcium carbonate)	Materials processed for WTE (or whole carpet)

Note that reuse is not a recipient of funding, because of the limited amount of post-consumer carpet available for reuse, due to safety, hygiene and other issues.. See Reuse section for more information.

The financing mechanism shall not create an unfair advantage in the marketplace. Note that CARE will be working with both its auditors and CalRecycle to eliminate any reporting issues, or misreporting.

If an applicant does not qualify for funding, the applicant may appeal to CARE for re-consideration in writing. The applicant must state in the documentation why the request for funding should be re-considered. CARE will respond to all requests for re-consideration within 30 days.

Processors shall qualify to receive financing as follows:

1. Qualified recipients must meet all regulations to operate a business in their state.
2. Recipients must verify that the carpet processed was diverted from California landfills. Records must include:
   a. Bills of lading
   b. Weight tickets or other functional documents verifying the amount of carpet diverted in pounds from the state of California landfills
   c. Copy of Invoice
3. Recipients must submit a signed Request for Payment to CARE, within 60 days of the last day of the quarterly reporting period. The first reporting period for AB 2398 will be July 1, 2011-September 30, 2011.
   a. Recipients must complete and sign the Quarterly Request for Payment.

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   b. The Statement must be signed by a principal of the business requesting financing.
4. Funds will be allocated to support the solid waste management hierarchy (see above).
5. CARE and the manufacturers shall allocate revenues and expenditures applicable to this program in accordance with Generally Accepted Accounting Practices
   a. CARE has secured the services of an outside accounting firm, HA&W to manage the accounting and auditing requirements of the law
   b. All assessments will be submitted by carpet manufacturers to HA&W on a quarterly basis, using confidential and secure links. See auditing section for more information.
   c. All financial transactions and reports are kept separate from the CARE operating budget. The Operating Results will be posted publicly each quarter on the CARE web site. See auditing section for more information.
6. Applicants are members of CARE, in good standing.
7. Applicants are processing post-consumer carpet material from California
8. Applicants are submitting requests for payment for processing carpet that increases the diversion, recycling and market development results that support the goals of AB 2398.
9. All statements made on the request for payment are true.
10. Falsified statements may be prosecuted.
11. Applicant will allow officials and agents of the Carpet Stewardship Organization (CSO), (i.e. CARE), such as Accounting firm representative, to visit facilities, access relevant documents/data and verify statements made by the applicant.
    a. Accounting/auditing Firm will sign non-disclosure as needed
12. Applicants acknowledge that current level of funding is not a guarantee of the same/similar payments in the future for recycling results.
13. Applicants for Sustainable Funding must submit a confidential forecast, which must include their current level of Post Consumer Carpet pounds recycled for the most recent 12 month period. Additionally, this submittal must include the projected pounds planned to be recycled during the next 12 month period in total and in each upcoming quarterly period.
    a. This information will be used by CARE for the purpose of planning potential fund payment requirements in future periods.
    b. Further, this information could be used to assess potential for Growth Funding options.
    c. This information would allow for the projection of Fund balances or shortfalls.
14. A portion of the Fund available for payment will be allocated specifically for payment for CAAF activities. The portion or percentage of the Fund for this purpose will be re-evaluated over time.
15. A portion of the Fund available for payment will be allocated specifically as a "Discretionary Incentive Fund" to be paid to incentivize those activities deemed to be innovative and breakthrough technologies or product development, and/or have demonstrated exceptional performance toward achieving the goals of AB2398. The portion or percentage of the Fund for this purpose will be re-evaluated over time.

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Forecasted Budget for AB 2398 Distribution of Funds, Administrative Fees and Unused funds, 2011-2016

The forecast presented includes the following assumptions.
Note: This is a rolling forecast, which will be updated at least annually.

Assumptions for Funding Distribution to Processors:

1. Carpet Sales will increase by 1%/yr through 2016
2. AB 2398 stipulates that the Carpet assessment will be $0.05/square yard until January 1, 2013. For purposes of this budget, we assumed that the assessment will remain at $0.05/square yard through 2016.
3. Forecast for 2011 includes ½ of the year, from July 1-December 31, 2011.
4. Discards of carpet in California are calculated as 12.5% of total estimated US discards.
5. **Payout Assumptions: (2011 is Year 1.)**
    a. **Higher Value Recycling (output)**: $0.06/lb for Year 1. For Year 2 and beyond, the payout will be $0.06/lb for Base and $.08/lb for growth over Base. Prior year will be the base.
    b. **Lower Value Recycling (i.e. Carpet Filler) (output)**:.$0.03/lb for Year 1. For Year 2 and beyond, the payout will be $0.03/lb for Base and $.04/lb for growth over Base. Prior year will be the base.
    c. **CAAF or Cement kiln fuel/feedstock (output)**: $0.03/lb for Year 1. For Year 2, the payout will be $0.03/lb for Base. There is no growth incentive for CAAF or Cement kiln fuel/feedstock. Prior year will be the base.
        i. CAAF and /or Cement kiln fuel/feedstock will be capped at 30% of the volume and 15% of the total funding distributed.
6. Assumes CARE expenses at $225,000.
7. Assumes payment to CalRecycle that may not exceed 5 percent of the aggregate assessment collected for the preceding calendar year.
8. Assumes Administrative expenses will not increase by more than 3% per year.
9. Unused funds will build up to 2015, after which time Unused funds will decrease as the volume of recycling continues to grow.
10. Percent of funds distributed to processors, versus Unused funds, will increase beginning in 2016.
11. Note that all funding for AB 2398 are kept in a separate ledger from CARE Operations. AB 2398 funds are used only for AB 2398 distribution and administrative costs; AB 2398 funds are not used for CARE operations.

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Table VII
AB 2398 Financing Mechanism Budget, 2011-2016

	Year						
Distribution of Funds ($000)	2010	2011	2012	2013	2014	2015	2016
	Actual	Forecast					
Carpet Sales, (in Million yd^2)	101	51	103	104	105	106	107
Stewardship Assessment ($/yd2)		$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05
Stewardship Assessment ($000's))		$ 2,550	$ 5,151	$ 5,202	$ 5,255	$ 5,307	$ 5,360
Unused Funds ($000's)		$ -	$ 539	$ 2,129	$ 3,547	$ 4,543	$ 5,216
Total Funds Available for Growth Funding ($000's)		$ 2,550	$ 5,690	$ 7,331	$ 8,802	$ 9,850	$ 10,576
Total Lbs Available for Discard (Millions lbs)	427	431	436	440	444	449	453
Total lbs Diverted (Million lbs)	47	68	73	77	89	96	106
Diversion Rate from Total lbs Available	11%	16%	17%	18%	20%	21%	23%
Total lbs Recycled (Millions lbs)	30	26	50	54	59	65	74
Recycling Rate from Total lbs Available	7%	6%	11%	12%	13%	14%	16%
Total Funds Available		**$ 2,550**	**$ 5,691**	**$ 7,332**	**$ 8,802**	**$ 9,851**	**$ 10,577**
Total Funds Distributed to Processors		$ 1,611	$ 3,150	$ 3,360	$ 3,822	$ 4,184	$ 4,750
% of total funds		63%	55%	46%	43%	42%	45%
Administration Fees ($000's)		$ 400	$ 412	$ 424	$ 437	$ 450	$ 464
% of total funds		16%	7%	6%	5%	5%	4%
Total Distributed ($000's)		$ 2,011	$ 3,562	$ 3,784	$ 4,259	$ 4,635	$ 5,214
% of total funds		79%	63%	52%	48%	47%	49%
Unused Funds ($000's)		$ 539	$ 2,129	$ 3,547	$ 4,543	$ 5,216	$ 5,363
% in Unused Funds		21%	37%	48%	52%	53%	51%

Note*: 2011 only includes ½ year of funding, July 1-December 31, 2011*

The budget for 2011 includes only assessments collected for ½ year, July 1-December 31, 2011. However, expenses were incurred for start-up of AB 2398. Therefore, administrative expenses for 2011 were proportionally higher, on a percentage basis in 2011 than in subsequent years.

Unused funds

It is not the intent of the plan to build unused funds. It is the intent to have a fiduciary and financial approach to incentivize recycling to the maximum possible, without decreasing the ability to provide incentives in the future, or on an as needed basis. It is the intent of CARE to monitor results and adjust appropriately. Without Unused funds CARE would not be able to accomplish this.

For example, assume the total assessment collected in 2011 is $2.55 Million. Assume that processors qualify for $1.6 Million in payout. Assume that administrative fees are $0.4 Million. The unused funds are the net remaining after all of the payouts and fees are paid for 2011.

Assessment Collected	$2.55 Million
Total Funds Distributed to Processors	$1.611 Million

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December 1, 2011
Version 1.3

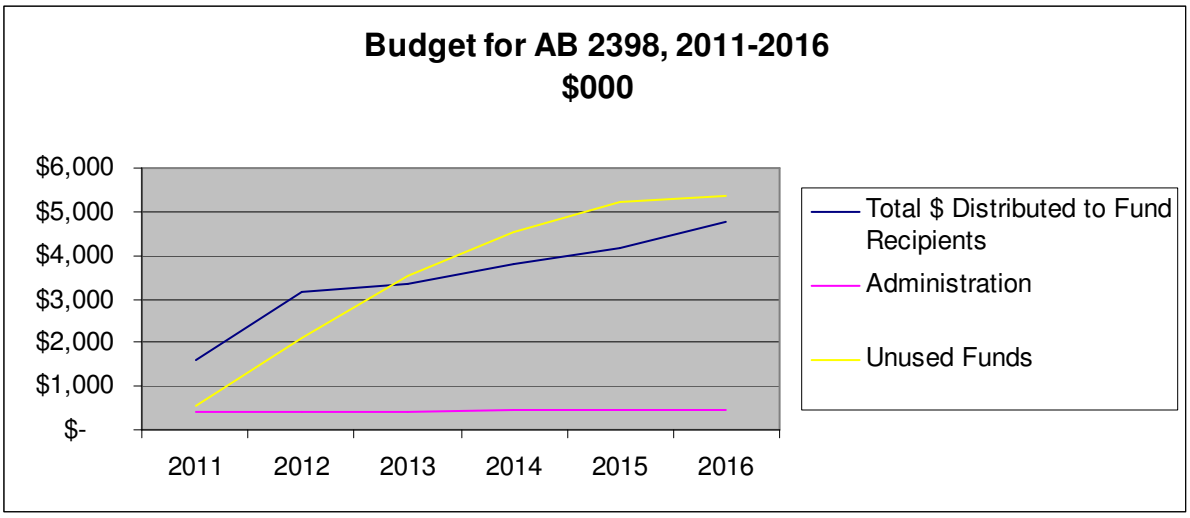
Total Administrative Fees	$0.4 Million
Unused Funds	**$0.539 Million**

The Unused funds of $0.539 Million will be carried over to the next year (2012) and will be used to payout for qualified fund recipients in 2012 and future years.

Figure IV

Total Budget for Distribution to Fund Recipients, Administration Fees and Unused funds, 2011-2016 (in $000s and in %)

$000s



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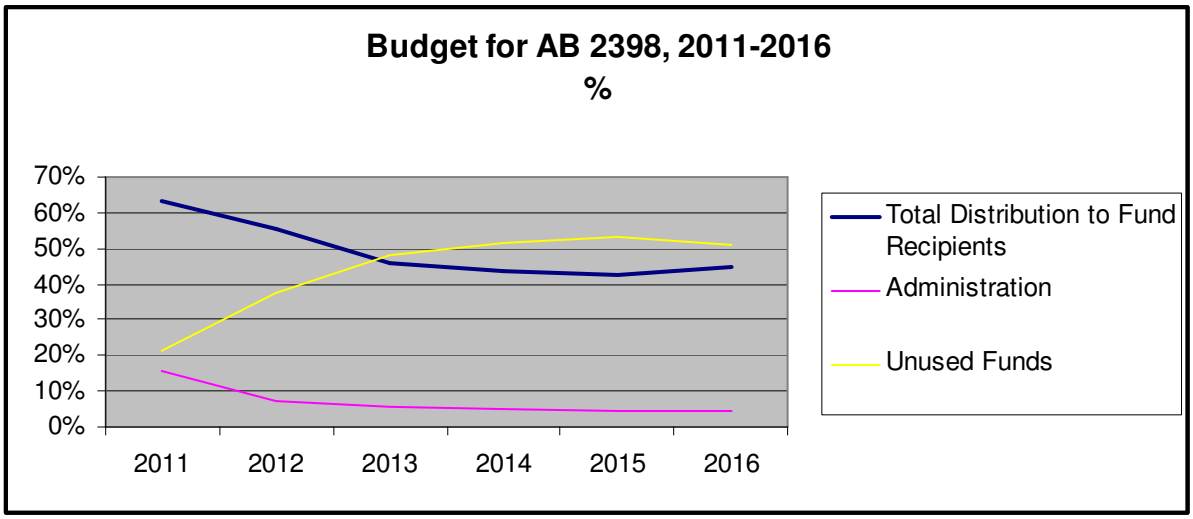
%



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Financing Mechanism by Waste Management Hierarchy

In the Figure V and Table VIII, expected results are shown by waste management hierarchy. It is expected that by 2016, higher value recycled plus lower value recycled will receive about 90% of the total funds distributed to fund recipients. CAAF and Cement Kiln fuel/feedstock will receive only 10% of the total funds. This result is consistent with the overall Guiding Principle to limit funds distributed to CAAF and Cement kiln fuel/feedstock to less than 15% of the total funds available.

Figure V

Funds Distributed to Recipients, by Waste Management Hierarchy (%)

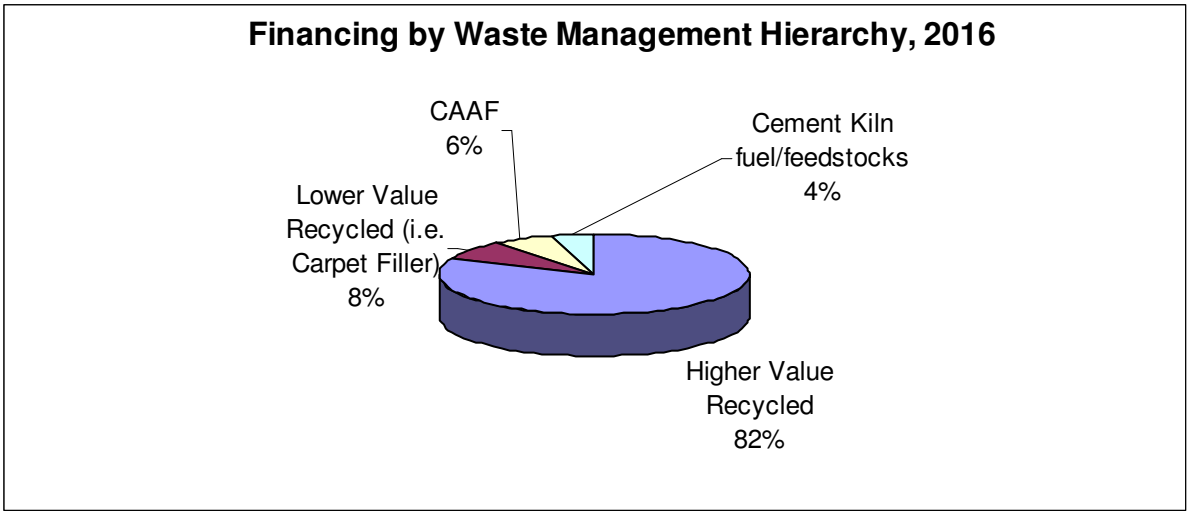

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Table VIII

Financing Mechanism by Waste Management Hierarchy, 2011-2016 ($000s and %)

$000s

Funding Distribution ($000)	Year					
	2011	2012	2013	2014	2015	2016
	Forecast					
Higher Value Recycled	$ 1,260	$ 2,760	$ 2,860	$ 3,122	$ 3,384	$ 3,860
Lower Value Recycled (i.e. Carpet Filler)	$ 150	$ 150	$ 230	$ 250	$ 320	$ 380
CAAF	$ 150	$ 150	$ 150	$ 300	$ 300	$ 300
Cement Kiln fuel/feedstocks	$ 51	$ 90	$ 120	$ 150	$ 180	$ 210
Total $ Distributed to Fund Recipients	**$ 1,611**	**$ 3,150**	**$ 3,360**	**$ 3,822**	**$ 4,184**	**$ 4,750**
Administration	$ 400	$ 412	$ 424	$ 437	$ 450	$ 464
Unused Funds	$ 539	$ 2,129	$ 3,547	$ 4,543	$ 5,216	$ 5,363
TOTAL	$ 2,550	$ 5,691	$ 7,332	$ 8,802	$ 9,851	$ 10,577

%

Funding Distribution (%)	Year					
	2011	2012	2013	2014	2015	2016
	Forecast					
Higher Value Recycled	49%	48%	39%	35%	34%	36%
Lower Value Recycled (i.e. Carpet Filler)	6%	3%	3%	3%	3%	4%
CAAF	6%	3%	2%	3%	3%	3%
Cement Kiln fuel/feedstocks	2%	2%	2%	2%	2%	2%
Total Distribution to Fund Recipients	**63%**	**55%**	**46%**	**43%**	**42%**	**45%**
Administration	16%	7%	6%	5%	5%	4%
Unused Funds	21%	37%	48%	52%	53%	51%
TOTAL	100%	100%	100%	100%	100%	100%

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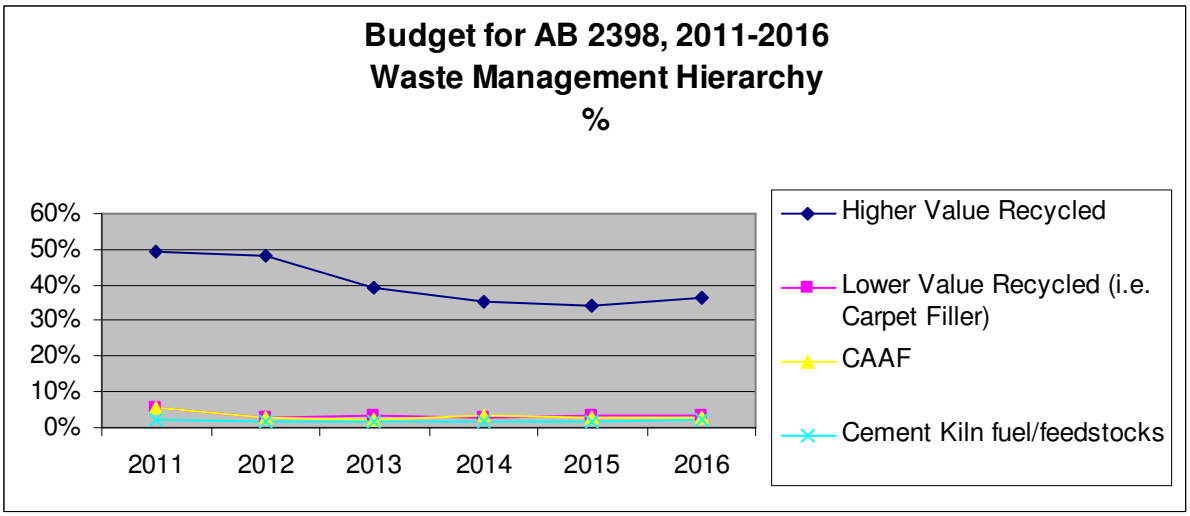
The following chart shows how funds are distributed according to the Waste Management Hierarchy, over time. This chart and the previous tables show that higher value recycled and lower value recycled receives the majority of the funds distributed for 2011-2016.

Figure VI

Budget for AB 2398, 2011-2016

Waste Management Hierarchy Trend Line



10. Education and Outreach (As of September, 2011)

AB 2398 Chapter 20, Section 42972 requires:

> *Include education and outreach efforts to consumers, commercial building owners, carpet installation contractors, and retailers to promote their participation in achieving the purposes of the carpet stewardship plan as described in paragraph (1). These education and outreach materials may include, but are not limited to, any of the following:*
> *(A) Signage that is prominently displayed and easily visible to the consumer.*
> *(B) Written materials and templates of materials for reproduction by retailers to be provided to carpet installation contractors and consumers at the time of purchase or delivery or both.*
> *(C) Promotional materials or activities, or both, that explain the purpose of carpet stewardship and the means by which it is being carried out.*

Beginning in January, 2011, CARE and the carpet industry undertook a massive program to reach out to the audiences identified in the Education and Outreach section of AB 2398. CARE

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Plan participants engaged in extensive education, outreach, and stakeholder consultation in the preparation of the Plan, in order to achieve a smooth implementation of the Carpet Stewardship Assessment on July 1, 2011. To date, participants in the CARE plan reported very few issues; this outstanding result could not have been achieved without the significant investment made by Plan participants.

It is the intention of the Plan to continue to build on the efforts that were undertaken to insure a smooth implementation of the assessment on July 1, 2011. The Plan will take advantage of opportunities to educate the consumers, commercial building owners, carpet installation contractors and retailers, per AB 2398. As part of the Annual Report, CARE will report on the results achieved (i.e., web traffic number of articles, presentations, interviews, etc) that it has initiated for the reporting period.

Continuing education and outreach efforts include:

- Updating of CARE web site, www.carpetrecovery.org, which currently has sections devoted to each of the major stakeholder groups.
- Ongoing campaigns with the trade press that reaches building owners, carpet installation contractors and retailers.
- Ongoing Presentations and updates to stakeholder groups, both face to face and via webinars, emails and letters
- Continuously supplying signage, brochures and window clings to retailers
- Aggressively seek out opportunities to conduct Interviews with Consumer media- including web media, radio, and press

As a result of the education and outreach programs required by AB 2398, the Plan has achieved the following results:

- Seventy-nine (79) **Manufacturers** have registered for the CARE Stewardship Plan.
    a. Software Vendors- Software vendors were included in the education and outreach to manufacturers, to help facilitate the implementation of the law for smaller carpet manufacturers.

- **Retailers, Dealers and Installers** in California received and will continue to receive education such as:
    - Webinar, postcard and letter campaign to educate the audience
    - Education kits/packets to 3,849 retailer and dealer businesses. The first round of packets arrived prior to the July 1, 2011 assessment date, and we will continue to replenish these to existing and new retailers. The education materials are designed to meet the requirements of AB 2398 Chapter 20, Section 42972. Materials included:
        i. Signage/placards and window clings that can be easily displayed in the retailer showrooms
        ii. Brochures that can be handed out by the retailers, dealers and installers to consumers at the point-of-purchase as well as at the point of installation. These materials explain the purpose of carpet stewardship and the means by which it is being carried out. Additional brochures are available to replenish the retailers' stock, and we are actively engaged in sending out additional brochures and packets at the retailers' request. Requests are managed by a fulfillment system available on the CARE web site. For a copy of the education packet, please see Attachment IV.
    - Outreach efforts include webinars, trade press articles and radio interviews targeting Retailers, Dealers, Commercial Building Owners and Carpet Installers,

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as well as influencers such as Architects and Designers. For detailed information on these Outreach efforts, see Attachment IV.

- A **consumer**-press specific press release provides ongoing opportunities with target local media such as local newspapers, web sites, etc. Results from the consumer-targeted campaign can also be seen in Attachment IV.
- **Other Interested Parties/Stakeholders**
    - Education and Outreach efforts also include other interested parties and stakeholders, such as:
        i. Rural Communities/Counties
        ii. Waste haulers
        iii. Non-governmental organizations
        iv. Architects and Designers
        v. Local Governments

See Attachment IV for detailed information on outreach.
See Attachment V for a copy of the educational materials that were distributed to the retailers and dealers.

11. Program Performance Measurement

AB 2398 provides:

> *42976. On or before July 1, 2013, and each year thereafter, a manufacturer of carpet sold in the state shall, individually or through a carpet stewardship organization, submit to the department a report describing its activities to achieve the purposes of this chapter, as described in Section 42970, and to comply with Section 42975. At a minimum, the report shall include all of the following:*
> *(a) The amount of carpet sold by square yards and weight, in the state during the reporting period. A carpet stewardship organization with more than one manufacturer may use average weight.*
> *(b) The amount of postconsumer carpet recycled, by weight, during the reporting period.*
> *(c) The amount of postconsumer carpet recovered but not recycled, by weight, and its ultimate disposition.*
> *(d) The total cost of implementing the carpet stewardship plan.*
> *(e) An evaluation of the effectiveness of the carpet stewardship plan, and anticipated steps, if needed, to improve performance.*
> *(f) Examples of educational materials that were provided to consumers during the reporting period*

Results ***from the previous year*** will be reported to CalRecycle at least annually, as required by AB 2398. Reported results will include:

- Specific Information on measurement methodology:
    - Description of Processor Survey/Reporting
    - Description of How Discards were measured, using reported sales from Stewardship Plan participants and revising according to the Discard formula, described in the Performance Goals section of this Plan. Data sources will be identified (i.e. Market Research firm used for collecting data that is used in calculating discards)

- Assumptions from the Funding Mechanism Section of the Plan will be updated and reported
- Number of Employees in the State of California employed in the carpet recycling Industry
    - Changes in the employment versus year ago
- Sales of carpet into California, in square yards
- Estimates of post-consumer carpet discards in California
- Stewardship Assessment Collected for previous year
- Pounds of California Post-Consumer Carpet Diverted from California landfills
- Pounds of California Post-Consumer Carpet Available for Processing/Recycling for the Reporting Period
- Of the pounds of California Post-Consumer Carpet processed, the **output** pounds that were:
    - Fiber
    - De-polymerized or chemical component
    - Shredded Carpet Tile Used for Carpet Backing
    - Carpet Filler (primarily calcium carbonate)
    - Sent to CAAF Facility
    - Sent to Cement Kiln
- Administrative fees paid ($ and %)
- Unused funds ($ and %)
- Examples of Education and Outreach Efforts in previous year
- An analysis of the effectiveness of the program in reaching AB 2398 Goals.

12. Stakeholder Consultation

This proposed regulations require:

> *A carpet manufacturer or stewardship organization that submits a plan shall include a process of consultation with affected stakeholders and consider the existing infrastructure in the development of the plan. This may include service providers, state and local governments, haulers, recyclers, retailers and wholesalers, and installers.*

The CARE Stewardship Plan incorporates input from the following stakeholder groups:

- Carpet Manufacturers
    - CARE consulted with most of the 79 participants of the CARE Stewardship Plan in the development and implementation of this plan.
    - In addition to numerous webinars conducted for all manufacturers, CARE conducted a specific webinar and Q&A session for the Wool Carpet manufacturers.
- CalRecycle
    - CARE and other stakeholders have had regular calls and meetings with CalRecycle to review program status, to seek guidance and direction on the plan development, and resolve questions and issues as they arise.
- Importers
    - A letter from the President of the Carpet and Rug Institute was sent out to 47 International Manufacturers in order to engage this audience in the process.
- Retailers and Dealers
    - CARE consulted with numerous retailers and dealers, during its extensive number of webinars and Q&A sessions following the webinars.

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Presentations were made at retailer/ dealer tradeshows where additional input was received. In addition, large retailer/dealer co-operatives who are members of CARE (i.e. CCA Global, World Floor Covering Association (WFCA), Starnet and Resource Commercial Flooring, Home Depot, Lowe's) were consulted.

- MOU 2012 Joint Committee
    - CARE conducted a special webinar on the Stewardship Plan Funding Mechanism to stakeholders of the MOU 2012. These stakeholders included members of the carpet industry, entrepreneurs, government representatives, and non-governmental organizations.
- Rural Communities
    - CARE has had numerous phone calls and meetings with this stakeholder group to address issues of accessibility and availability of carpet recycling. As a result, pilot projects will be established in at least 6 rural counties in California.
- Non-governmental Organizations
    - Among the non-governmental organizations that have been consulted and/or participated in the webinars and outreach are: California Product Stewardship Council, Californians against Waste, and California Resource Recovery Association.
- Others
    - We have also sought and received input from California Waste Haulers, the Coatings Association, Paint Care, other local government representatives, and the Office of the Speaker of the Assembly.

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13. Audits

AB 2398 Section 42972 provides:

> *(6) Include a process by which the financial activities of the organization or individual manufacturer that are related to implementation of the plan will be subject to an independent audit, which may be reviewed by the department.*

Note that CalRecycle may conduct further reviews of audits, and if CalRecycle deems it to be necessary, CalRecycle may conduct its own audit.

For purposes of the Stewardship Plan, CARE has employed the services of an independent certified public accounting firm, Habif, Arogeti and Wynne, LLP (HA&W), an Atlanta-based firm, with affiliations in California. HA&W's role and responsibilities include:

- Provide a mechanism to securely, effectively and efficiently receive confidential information on a quarterly basis from CARE Stewardship Plan participants. All information on sales and assessments will be aggregated to protect the confidentiality of individual manufacturers. NO confidential information from a manufacturer will be provided.
- HAW will perform certain agreed upon procedures ("AUP") on the carpet manufacturers, and recipients of the Carpet Assessment funding to ensure compliance with the guidelines in AB 2398. These procedures will be completed on a routine basis and will include all participating companies. The procedures to be performed will be approved by CARE along with the frequency of the AUP for the manufacturers and the fund recipients. HA&W will perform random and investigative reviews on an as needed basis.
- HA&W will report the results of the AUP's on a timely basis to CARE. The AUP reports will be prepared in accordance with generally accepting accounting principles ("GAAP").
- HA&W will provide an Industry Wide quarterly/annual report to CARE. The quarterly/annual report will be posted on the CARE web site. CARE will also send the reports to CalRecycle for review. The reports will include:
    - Square yardage carpet shipped into California for the reporting period (in aggregate)
    - Assessments collected (in aggregate)
    - List of non-compliant manufacturers who are registrants with the CARE California Carpet Stewardship Plan
    - List of non-compliant retailers, as reported to CARE by manufacturers who are registrants with the CARE California Carpet Stewardship Plan
    - Results of the AUP conducted on the manufactures and fund recipients during the period.

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Attachment I

Members of CARE Board of Directors, 2011

Voting Members

First Name	Last Name	Company/Organization
Larry	Cook	Beaulieu Group
Russ	DeLozier	Shaw Industries
Sheri	Gorman	RD Weis Companies
Ronald	Greitzer	Los Angeles Fiber
Thomas	Holland	Corporate Floors
Glen	Hussmann	Tandus
Richard	Kruse	Kruse Carpet Recycling
Jim	Lindsey	Aquafil USA
Brendan	McSheehy	Universal Fiber Systems, CARE Treasurer
Eric	Nelson	Interface
Glenn	Odom	Wellman Plastics Recycling
Tom	Pendley	J & J/Invision
Sean	Ragiel	CarpetCycle
Steve	Williams	Milliken
Fred	Williamson	Starnet Worldwide
Joe	Yarbrough	Mohawk Industries

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Attachment II (page 1 of 4)
Participants in the CARE California Carpet Stewardship Plan for AB 2398
As of December 1, 2011

Note: This list may change. See CARE website for most current list
http://carpetrecovery.org/AB2398-Manufacturer.cfm

Parent Company	Brands
Alexandria Carpet	,
ALLIANCE TEXTILES, INC.	METRO CARPET,
Atlas Carpet Mills, Inc.	,
Beaulieu Canada Company	,
Beaulieu Group LLC	Aqua, Armstrong FashionSmart, Armstrong FashionSmart B, Beaulieu, Beaulieu Commercial, Beaulieu Engineered Fabrics & Fibers, Beaulieu of America, Bliss Aligned Dealer Program, Bliss by Beaulieu, Bliss Flooring Solutions, BOA Distributor Div., BolYu, Cambridge, Citation, Compass, Coronet Carpets, Coronet SFC, Hollytex, Interloom, Laura Ashley, Property Management Solutions, Pure, Royalist, Surfaces,
Bellbridge Inc	,
Bentley Prince Street	,
Berkshire Flooring	,
Bloomsburg Carpet Ind., Inc.	,
Blueridge Industries	Blueridge Commercial Carpets, Blueridge Home Carpet, Blueridge Modular Carpet, Flagship Carpets, Lowe's Carpet, Porter Carpets, Richmond Carpet,
Brintons	,
BURTCO ENTERPRISES, INC.	B CARPET,
CAP Carpet Inc	Aircraft Interior Products, White Oak Carpet Mills,
Carpet Crafts, Inc.	,
CATALINA CARPET MILLS, INC	CATALINA HOMES,
Cavalier Carpet Ind.	,
Couristan, Inc.	,
DALTONIAN FLOORING INC	,
Design Materials, Inc.	,
DESSO BV	DESSO USA, Inc.,
Dobbs Mills, LLC	Looptex Mills, Phenix,
Dream Weaver Carpet Ind., Inc.	,
Earth Weave Carpet Mills Inc.	,
ECMH,LLC	Cadence, Clayton Miller, Nood Fashion,

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Attachment II (page 2 of 4)
Participants in the CARE California Carpet Stewardship Plan for AB 2398
As of December 1, 2011

Parent Company	Brands
Emerald Carpet, Inc.	,
Fibreworks Corporation	,
Forbo Flooring Systems	Flotex Carpet,
Fortune Contract, Inc.	,
Foss Manufacturing Co LLC	,
Global Textile Services	,
Godfrey Hirst USA, Inc.	,
Gulistan Carpet	,
Hibernia Woolen Mills	,
iCarpetiles.com., Inc.	,
Indian Summer Carpet Mills, Inc	Cherokee Carpet, Northstar Flooring Design, Southwind Carpet,
Interface Americas	,
J Mish LLC	,
J&J Industries, Inc.	Templeton,
Joy Carpets & Co.	,
Kane Carpet	Weavemasters,
Kinsley Carpet Mills	,
Kraus	Barrett Carpet,
Lancer Enterprises, inc.	,
Langhorne Carpet Co Inc.	,
Len-Dal Carpets, Inc	,
Lexmark Carpet Mills,Inc	,
LONESOME OAK TRADING CO., INC.	,
Mannington Mills, Inc.	Mannington Commercial,
Marquis Industries, inc	Artisans Carpet, Artisans Hospitality, Astro Carpet Mills, Best Buy Flooring Source, Best Buy Hard Surfaces, Cornerstone Hospitality, Dalton Carpet Depot, Omega Pattern Works,
Mathews & Parlo Carpet Wholesalers, In	,
Merida Meridian Inc	,
Millennium Carpet Mills Inc.	Atlas Ind., Creative Carpet, Orion Carpet,
Milliken & Company	Milliken Services LLC., Sylvan Chemical Co.,
Moda LLC	,

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Attachment II (page 3 of 4)
Participants in the CARE California Carpet Stewardship Plan for AB 2398
As of December 1, 2011

Parent Company	Brands
Mohawk Industries, Inc.	Aladdin, Aladdin Manufacturing Corporation, Bigelow, Color Center, CustomWeave, Durkan, Floorscapes, Floorz, Galaxy, Helios, Horizon, Horizon Europe, Karastan, Lees, Mohawk, Mohawk Carpet, Mohawk Carpet Distribution, Mohawk Carpet Foundation, Mohawk Carpet Transportation of Georgia, Mohawk Commercial, Mohawk ESV, Mohawk Factoring, Mohawk Industries, Mohawk Resources, Mohawk Servicing, Nautilus, Portico, Portico Estate, Properties by Mohawk, Regency Grand, Wayn-Tex LLC, World, Wunda Weve,
Nature"s Carpet	,
Northwest Carpet, Inc.	,
Nourison Industries Inc.	Div of Nourison, AeroSea, Nourison Home, Nourtex,
Oriental Weavers USA, Inc.	OW Hospitality,
Prestige Mills	Concepts International, Weavetuft Carpet,
R.C. Willey Home Furnishings, Inc.	,
RADICI USA, INC	,
ROBERTEX ASSOCIATES INC.	,
Royalty Carpet Mills, Inc.	Camelot Carpet Mills, Pacificrest Mills,
Savnik & Company, Inc.	,
SHAHEEN CARPET MILLS	CARPETS BY SIERRA, SIERRA CARPET MILLS,

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Attachment II (page 4of 4)
Participants in the CARE California Carpet Stewardship Plan for AB 2398
As of December 1, 2011

Parent Company	Brands
Shaw Industries, Inc.	American Home Fashions of California, Cabin Crafts, Couture Elegant Floors by Shaw, HGTV Home - Flooring by Shaw, Kathy Ireland Home Solutions, Patcraft, Philadelphia Commercial, Philadelphia Residential , Queen, Queen Commercial, Shaw, Shaw Contract Group, Shaw Home Foundations Flooring, Shaw Hospitality, ShawMark Home, Sutton Carpets, Tuftex,
SHELTON CARPET ETERPRISES, INC	,
Signature Hospitality Carpet LLC.	Signature Crypton,
Stanton Carpet Corporation	Antrim Carpets, Rosecore, Royal Dutch Carpets,
Stark Carpet Corp	,
TaiPing Carpets Americas Inc	Edward Field,
Tandus Flooring Inc	Tandus Flooring US LLC,
The Dixie Group	Dixie Home, Fabrica International, Masland Carpets and Rugs, Masland Contract, Whitespace, Candlewick Yarns
The Miller Davis Group	Davis & Davis Rugs, Glen Eden Wool Carpets, Luzern LTD,
Ulster Carpet Mills (North America) Inc	,
Unique Carpets Ltd.	,
WOOLSHIRE CARPET MILLS INC	,

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Attachment III
Definitions Used in the Plan

For purposes of the CARE Stewardship Plan, definitions included are in AB 2398 statute, and in the Product Stewardship for Carpet Regulations (November, 2011), with some revisions.

Carpet: A manufactured article that is used in commercial or residential flooring applications as a decorative or functional feature and that is primarily constructed of a top visible surface of synthetic or natural face fibers or yarns or tufts attached to a backing system derived from synthetic or natural materials.
(2) "Carpet" includes, but is not limited to, a commercial or a residential broadloom carpet or modular carpet tiles.
(3) "Carpet" does not include a rug, pad, cushion, or underlayment used in conjunction with, or separately from, a carpet.

Carpet as Alternative Fuel (CAAF): Fuel that has been produced from source-separated, and sorted post-consumer carpet and processed, including (1) extraction of components for recycling if at all possible; and (2) size reduction, shredding, and/or blending with coal fines, etc. CAAF is not a type of recycling, but it is a type of diversion for purposes of this Article. CAAF replaces other and is an alternative fuel source to other fuel sources such as coal, natural gas and fuel oil.

Carpet America Recovery Effort (CARE): A nationwide, 501(c)(3) non-profit organization whose focus is on post-consumer carpet stewardship.

Carpet Industry: The universe of participants involved in the production of carpet, including carpet manufacturers, fiber manufacturers, material suppliers, etc. It includes, but is not limited to, members of the Carpet and Rug Institute (CRI).

Cement Kiln: Cement production facility that may use CAAF as a source of energy and/or as an additive for cement production.

Collection: Any method of consolidating and temporarily storing recovered commercial and/or residential carpet.

Disposal Diversion: Carpet removed from the waste stream that was destined for the landfill or incineration, for the purpose of reuse, recycling, CAAF or waste-to-energy.

Disposal Facility: Facilities that are licensed and permitted to provide final disposal for the specific wastes they accept, including waste-to-energy, incineration, and landfilling.

Entrepreneur: Individual or privately-held company which is not a carpet manufacturer, who actively, collects, sorts, processes or manufactures products made from post-consumer carpet.

Filler: Materials such as calcium carbonate, etc. used in the production of carpet backing.

Higher Value Recycling Material- output of the materials with the most benefits to manufacturers of finished products. Examples of higher value recycling materials include post-consumer carpet fiber, post-consumer carpet backing, engineered resins and material for carpet cushion.

Incineration: Complete burning of material to ashes, with no energy recovery to reduce waste volume.

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Input- The post-consumer carpet that is collected, sorted and readied for processing.

Landfilling: Landfilling includes the placement of post-consumer carpet and/or the residuals from a post-consumer carpet management method into a landfill disposal facility.[2]

Lower Value Recycling Material- output of the materials with benefit to manufacturers of finished products, but a lower value than higher value recycling materials. Examples of lower value recycling materials include carpet filler and non-functional filler.

Memorandum of Understanding (MOU) for Carpet Stewardship: An agreement entered into by multi-stakeholders, including carpet industry, entrepreneurs, government entities and non-governmental organizations.

Output- the material that results from the processing (shredding, shearing hammer milling) of post-consumer carpet from the processor. Examples of output are: fiber, shredded carpet tile, depolymerized chemical components, and carpet filler.

Recycled Content: Also known as recovered material content, is the percentage of material, by weight, a product is made from that has been recovered from consumers in the municipal solid waste stream (post-consumer content) plus any industrial materials salvaged for reuse (pre-consumer/post industrial content).

- **Post-Consumer Recycled Carpet Content:** The amount or percent of carpet, by weight, that is no longer used for or has served its manufactured purpose, that is incorporated into the manufacturing process of the same or a different product.
- **Post-Industrial/Pre-Consumer Recycled Carpet Content:** The amount or percent of carpet material, by weight, generated by manufacturers or product converters, such as trimming, overruns, and products returned to the mills, that is incorporated back into the manufacturing process of the same or a different product.

Post-Consumer Carpet Materials: Carpet that has completed its life cycle as a consumer item or is no longer used for its manufactured purpose.

Post-Industrial/Pre-Consumer Carpet Material: Carpet materials generated in manufacturing and conversion processes, including, but not limited to manufacturing scrap and trimmings/cuttings.

Processing*:* Preparing carpet material for reuse, recycling, CAAF, WTE, or disposal.

Recycling: Transforming or remanufacturing discarded carpet materials into usable or marketable materials, rather than for landfill disposal, incineration, WTE, CAAF, or reuse.

Reuse: Refurbishing and donating/selling recovered carpet back into the market for its original intended use. The reuse of recovered carpet retains the original purpose and performance characteristics of the carpet.

Rug: A loose laid (not installed or attached at wall base soft floor covering manufactured from natural or synthetic fiber, including carpet cut into room or area dimensions that is not intended to cover the entire floor.

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[2] Resource Conservation and Recovery Act, 42 S.S. C. Section 6901 *et. seq.*, as amended, the major U.S. federal legislation first adopted in 1976 that governs the management of Solid Waste and Hazardous Waste in the U.S.

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Sorting: The method used for segregating collected carpet into the various backing types (PVC, SBR Latex, etc.) and/or fiber types (e.g., Nylon 6, Nylon 6.6, Polypropylene and Polyester).

Source Reduction: The result of using less product or material in manufacturing and use of carpet, and/or reducing the amount of discarded carpet generated.

Source Separation: The process by which carpet is separated/segregated from all other materials at the end of its useful life (or when discarded).

Waste-to-Energy: Process of recovering thermal energy from solid waste through combustion.

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Attachment IV
Environmental Information

Environmental Information

Background

As part of the Stewardship Plan, we are providing information and data on any significant environmental impacts expected from the implementation of the CARE Stewardship Plan, especially in the areas of Transportation, Green House Gas Emissions, and Air Quality. This information is being supplied in order to assist CalRecycle in addressing CEQA requirements and any reasonable, foreseeable environmental impacts in the Plan.

Overview

The CARE Stewardship Plan assumes that the amount of carpet that is diverted from California landfills will increase from 47 Million lbs in 2010 to 106 Million lbs in 2016. Of the carpet diverted, the amount of carpet that is recycled is expected to grow from 29 Million lbs in 2010 to 74 Million lbs in 2016.

The Plan assumes the increase in volume diverted and recycled can and will be managed using existing processing capabilities within California and outside of the state of California. The Plan assumes the existing processing infrastructure has the capacity to handle this increase.

The following data will inform the CARE Stewardship Plan environmental impact statement:

- It is estimated that carpet processors in California processed 30 million lbs of the 47 million lbs of diverted carpet from California landfills, or 65% of the total diverted carpet, in 2010. The remaining carpet was processed primarily in the Southeast[3]. The approximate distance is 2000 miles from Los Angeles to the Southeast processing facilities.
- It is assumed that the current carpet processing facilities in California meet all local, state and federal air quality regulations, including the CEQA regulations and requirements. A list of the collection and processing facilities in California may be found on the CARE web site, www.carpetrecovery.org, and are reprinted in the CARE Stewardship Plan.
- It is expected that the percent of carpet processed in California will be higher in 2011 compared to 2010 for the following reasons:
    - Additional processing capacity was added with new facilities at The Carpet Recyclers and at The Carpet Collectors beginning in 2011
    - New California Collectors servicing California processors, were added in 2011, due to the enactment of AB 2398
- Of the volume of carpet that is expected to be diverted in the years 2012-2016, the breakout on the volumes diverted by waste management hierarchy, are shown in Table 1 of the Plan.
    - Recycling is by far the greatest percentage of the volume processed in 2012-2016. By 2016, recycled volume will be 74 million lbs, or 69% of the total diverted volume.
    - Carpet as an Alternative Fuel (CAAF) is expected to be only 10 Million lbs (10%) of the total volume diverted by the year 2016.
    - Cement Kiln fuel/feedstock are expected to be 7 Million lbs (6.6%) by 2016.
    - It is estimated that approximately 15 Million lbs of diverted and/or processed carpet was sent to Waste to Energy in 2010. It is expected that this volume will

[3] CARE Annual Report, 2010

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remain steady through 2016, and will account for 15% of the total volume diverted in 2016.

The Environmental Impact of transporting carpet for recycling is reported to be insignificant in recent studies

The environmental impact of transporting carpet for processing was studied by Dr Jeffrey Morris in a paper published in 2010[4]. Dr Morris reported that 'the release of less than 300 pounds eCO2 per ton of carpet shipped 2,500 miles indicates the relative unimportance of transportation distances in the total climate change impact of carpet recycling. To make the point in another way, each ton of used carpet recovered for recycling could be shipped more than 12,000 miles by truck before recycling would lose its position as the best management option for used carpet'.

In a recent paper by Dr Matthew Realff[5], he concluded "As in the Morris study the conclusion is that transportation is not a major factor in the overall impact of carpet recovery and recycling. Similarly changes in the transportation in order to use carpet as an alternative fuel or, to connect the material to final end markets should be of minimal concern to the overall recycling assessment from a GHG emissions or any energy based perspective."

The environmental impact of carpet recycling on Green House Gas Emissions and Air Quality (WARM Model)

The EPA had included data for carpet recycling as part of its Waste Reduction Model (WARM) Model. The data used for the original WARM model was generated in 2001, and concluded that carpet recycling had significant GHG emission benefits, second only to recycling aluminum cans.

Most recently, EPA is aware that the data pertaining to recycling carpet are incorrect and generate inaccurate estimates of GHG and energy benefits from carpet recycling. Until EPA scientists are able to revise the inputs to WARM for carpet recycling, EPA is recommending that others do not use any results concerning carpet recycling. This recommendation only pertains to carpet recycling and is related to underlying data rather than to WARM. Only carpet recycling calculations are affected[6].

Dr Matthew Realff, from the Georgia Institute of Technology, has been working with the EPA to update the WARM model. Based on the updated data[7], it appears that recycling carpet will fall in the rankings of 40 different materials, from number two to at least number 16 or possibly as low as number 23. EPA is working to update the web site information, and it is expected that the updated information should be posted in the first quarter of 2012.

The environmental impact of Carpet as an Alternative Fuel (CAAF)

According to Realff, recovered carpet as an alternative fuel is intermediate between coal and natural gas[3]. It has a heat content that is similar to that of coal but has somewhat lower CO2 emissions because its carbon content is typically less on a percentage basis than that of coal. It may contain a significant amount of inorganic filler, calcium carbonate, that increases its CO2 emissions and reduces its heat value and its heat value can be further diluted by soiling during

[4] Dr. Jeffrey Morris, "Environmental Impacts from Carpet Discards Management Methods: Preliminary Results (Corrected)", *Sound Resource Management* (April 26, 2010), pg. 1.
[5] Dr. Matthew Realff, "The role of using carpet as a fuel in carpet recovery system development (2010).
[6] http://www.epa.gov/climatechange/wycd/waste/calculators/Warm_home.html
[7] Dr. Matthew Realff, "The WARM Model- Analysis and Suggested Action" (2011).

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use. From an emissions perspective this would be of limited concern if the carpet were used in a cement kiln or similar environment where the calcium carbonate in the carpet is replacing raw material. Greenhouse gases emissions and other environmental emissions such as mercury are not significant and, overall, carpet represents a very clean combusting fuel whose fibrous nature leads to good behavior in combustion environments. If anything, characteristic of carpet combustion is that it is too good a fuel and tends to lead to high combustion temperatures, if not properly controlled.

In an addendum to Realff's original paper[8], Realff examined the CO_2 emissions of carpet versus fuel oil and concluded that carpet and fuel oil were within +/- 15% of each other, and are equivalent in terms of CO_2 profiles; in other words carpet was not presenting an environmental impact significantly different from fuel oil.

Background information on Carpet as Alternative Fuel (CAAF)

In order for the carpet recovery system to be sustainable, there must be market outlets for ALL of the collected fractions of the carpet. Without having outlets for all of the collected fractions of the carpet, the system can not be economically viable, and it will eventually collapse.
Consistent with the waste management hierarchy, the goal is to find the highest and best use for post-consumer carpet. Today, most recycled carpet is turned back into new carpet and carpet underlayment (carpet cushion/pad), or into engineered resins.

However, carpet recycling is not always economically viable, and not all of the carpet that is diverted from the landfill is recyclable. This could be due to the carpet being wet/dirty, the recycling limitations of different fiber or component types, or there may be material left over after the most valuable portion of the carpet (i.e. the face fiber) is separated.

When post-consumer cannot be recycled economically, use of carpet as an alternative fuel (CAAF) can make sense, from an economical, business and environmental point of view.
Carpet as Alternative Fuel (CAAF) has been source-separated and processed into fuel; and/or the processed carpet is mixed with other single source fuels as an additive; and/or combined with other fuel sources (i.e. coal or coal fines, wood waste, etc) to create an engineered fuel pellet.
In order to derive the highest performance and most environmental benefit, CAAF cannot be mixed with Municipal Solid Waste (MSW).

The BTU properties of carpet make it an excellent material as a fuel alternative for coal in industrial boilers[3]. Used carpet has an estimated heating value comparable to coal.
Combustion of carpet in an industrial boiler results in similar to somewhat lower amounts of CO2 compared to coal. Carpet has no sulfur compounds or mercury in its construction that could be released in the burning process.

CAAF is not incineration, or waste-to-energy (WTE). The main purpose of incineration is to reduce municipal solid waste (MSW) volume. Although some energy can be created by incineration, incineration is not as efficient or clean in energy production, compared to CAAF.

The environmental impact of Waste to Energy (WTE) versus landfilling

Although this is the least preferred option for diverted carpet, WTE is one option that is being employed for carpet diverted from California, instead of landfilling carpet. On the basis of the

[8] Dr. Matthew Realff, "Addendum to Carpet as an Alternative Fuel: Comparison of Carpet to Residual Fuel Oils- CO_2 Emissions, (2010).

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assumptions in a paper written by Kaplan et al[9], WTE appears to be a better option than landfill-gas-to-energy (LFGTE). The greenhouse gas emissions for WTE ranges from 0.4 to 1.5 $MTCO_2e/MWh$, whereas the most aggressive LFGTE scenario results in 2.3 $MTCO_2e/MWh$. WTE also produces lower NO_x emissions than LFGTE, whereas SO_x emissions depend on the specific configurations of WTE and LFGTE. According to the authors of this paper, if the goal is greenhouse gas reduction, then WTE should be considered as an option under U.S. renewable energy policies. In addition, all LFTGE scenarios tested had on the average higher NO_x, SO_x, and PM emissions than WTE.

Conclusion

Based on the current technical and scientific information available regarding the environmental impact of carpet recycling and diversion technologies; and the assumptions made in Plan for carpet recycling for carpet diverted from California landfills, we do not foresee or anticipate any significant negative environmental impacts from the implementation of the CARE Carpet Stewardship Plan, as submitted to CalRecycle, relative to transportation, greenhouse gas emissions or air quality.

[9] P. Ozge Kaplan et al. "Is it Better to Burn or Bury Waste for Clean Electricity Generation", *Environmental Science & Technology,* (Vol. 43, No 6, 2009), pg 1711-1717.

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Attachment V

Education and Outreach (As of September, 2011)

Carpet Manufacturers

1. **Manufacturers' Sales Staff Training**
   a. Webinars and training implemented for salespeople and support staff at many of the major manufacturers, such as Beaulieu, Interface, Mohawk, Shaw and Tandus.
2. **CARE Stewardship Plan Registration**
   a. Stewardship Plan registration process posted on CARE website
   b. All participants receive confirmation of registration and links to documentation required to be in compliance with AB 2398
   c. List of all manufacturers who are registered with CARE Stewardship Plan (79 participants to date)

3. **FAQ Prepared and Published on CARE Website**
   a. Currently has 79 FAQs covering many of the typically asked questions for all stakeholder groups, including manufacturers

4. **Webinars**
   a. April 21, 2011 (73 attendees)
   b. May 11, 2011
   c. May 12, 2011

5. **Letters**
   a. Letter sent to all CRI members on Jan. 15, 2011 (115 members)
   b. Confirmation letter sent to Stewardship Plan participants on March 11, 2011
   c. Email reminders sent to manufacturers on March 14, 2011
   d. Letters sent to international manufacturers on April 6, 2011(47 letters sent)

6. **Presentations**
   a. Surfaces, Jan. 28, 2011
   b. National Association of Manufacturers, May 19, 2011
   c. Wools of New Zealand Manufacturers April 13, 2011 (31attendees)

7. **Radio Interviews**
   a. Floor Daily Interviews on Jan. 12, 2011, April, 2011, and July 22, 2011
   b. Floor Radio Interviews on March 7, 2011 and May 16, 2011.

8. **Trade Press Articles**
   a. National Floor Trends Magazine, Feb.18, April 22, June 7, June 22, July 1, 2011.
   b. Flooring Insider, October 1, 2010
   c. Facility Management Magazine, April 6, 2011

- **CRI Blogs**
  a. CRI blogs on Jan. 19, Feb. 11, March 1, and August 1, 2011

- **Advertising-**
  a. Ads placed in Floor Focus, Feb, March, April and May, 2011(16,000 monthly subscribers).

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- **Trade Shows**
    a. AB 2398 placards provided for manufacturers who participated in the following trade shows:
        i. Abbey Floors
        ii. CCA Global
        iii. Starnet
        iv. Floors to Go
        v. NFA
        vi. Carpet Plus

- **CARE website**
    a. Website includes general information for manufacturers, including a list of all manufacturers registered for CARE Stewardship Plan
    b. Member-only section of the website includes specific information that manufacturers need to know in order to be in compliance with the law, including:
        i. Manufacturers' Quarterly Reporting Requirements and Upload Table
        ii. Quarterly Remittance Statement
        iii. Invoice Examples
        iv. Non-Compliance Letter Template
        v. Exemption Forms
        vi. Blanket Exemption Forms

<u>Residential Retailers and Commercial Dealers</u>

1. **Letters**
    a. CARE sent guidelines to retailers for invoicing, exemptions, and records retentions on March 15, 2011.
    b. 2,935 letters were sent out to all California retailers on May 5, 2011.
2. **Consumer Education Packets**
    a. Educations materials packets sent on June 1, 2011 (3,849 packets sent to date)
    b. Education materials developed and distributed to retailers and dealers in order to communicate and educate at point-of-purchase and at installation. Target audiences included:
        i. Consumers
        ii. Commercial building owners,
        iii. Carpet installation contractors
3. **Webinars-**
    a. Customized AB 2398 Webinar for retailers on March 22, 2011(101 attendees)
    b. Retailer-specific Webinar on May 11, 2011
    c. CCA Global Webinar on June 14, 2011
4. **Presentations**
    a. CCA Global Presentation on Jan. 11, 2011.
    b. Mill sales rep training presentation on Feb. 8, 2011.
    c. Starnet Presentation on April 17, 2011
5. **Radio Interviews**
    a. NFT interview on Feb. 14, 2011
    b. TalkFloor Interview on March 4, 2011
6. **Trade Press Articles**

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a. Floor Covering News in March, 2011

7. **CARE Website**
   a. general information for retailers, including invoice examples, remittance form, exemption form, and record retention requirements, were posted on the CARE website
   b. Non-compliance letter for retailers and dealers posted on May 1, 2011.
   c. Marketing educational materials order link posted
   d. Direct link to third party accounting firm, HA &W, posted

Consumers

1. **Consumer Press Release**
   a. CARE released a consumer press release on June 6, 2011
2. **Consumer Articles**
   a. LA Times, July, 2011
   b. Mother Nature Network (July and August, 2011)
   c. Napa Valley Register, August 17, 2011
   d. San Francisco Chronicle, August 18, 2011

Commercial Building Owners, Architects and Designers, and Carpet Installation Contractors

Professional Articles

a. United States Green Building Council newsletter, March 1, 2011.

Rural Communities and Waste Haulers

1. Waste Management Presentation March 17, 2011
2. Rural Communities Webinar March 24, 2011
3. Numerous conference calls with rural communities
4. Planning session for pilot projects, August 2, 2011

Other Outreach Efforts

1. Funding Mechanism Presentation to MOU 2012 Joint Committee May 5, 2011
2. California Resource Recovery Association Panel Presentation, August 2, 2011
3. Colorado Recycling Association, July, 2011
4. Georgia Recycling Coalition, August, 2011
5. Southern California Waste Management Forum (SCWMF) November, 2011

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Attachment VI
Consumer Education Materials

Placard/Sign

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Attachment VI
Consumer Education materials

Brochure

More than 400 million pounds of carpet are discarded in California landfills every year—carpet that could be recycled into useful new products.

That's why the carpet industry and recyclers in California have been working for more than 10 years to divert millions of pounds of carpet from landfills. These efforts have already preserved limited landfill space and saved precious natural resources.

CARPET STEWARDSHIP RECOVERY EFFORT

www.carpetrecovery.org

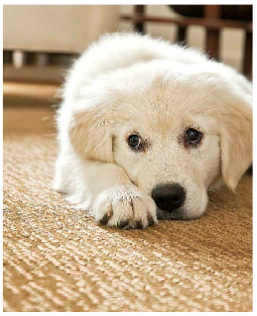
To reorder, please visit www.carpetrecovery.org

CALIFORNIA
CARPET STEWARDSHIP LAW

Helping keep carpet out of landfills in California

AB 2398, the California Carpet Stewardship law, will support the recycling of even more carpet into valuable new products and materials. In the process, the law will help:

- Preserve valuable landfill space
- Reduces the dependency on fossil fuels
- Provide you with more product choices made with recycled content
- Create green jobs in California communities



How It Works

When you purchase new carpet, you'll notice a $0.05 per square yard stewardship assessment. This assessment will support the carpet recycling industry in California, making it easier to recycle carpet, create new products using recycled carpet and increase the options for reusing discarded carpet.

For more information on how you can recycle your carpet, contact your local flooring retailer.

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Attachment VI
Consumer Education materials

Window Cling

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Attachment VII
Invoice Example

JOE'S CARPET SHOP

INVOICE

BILL TO	SHIP TO
Susie Queue 456 Little Susie Way Somewhere, CA, 12345	Susie Queue 456 Little Susie Way Somewhere, CA, 12345

Invoice #	1234567
Invoice Date	07/01/2011
Customer ID	123456

DATE	WORK ORDER #	OUR ORDER #	SALES REP.	F.O.B.	SHIP VIA	TERMS	TAX ID
7/1/2011	Susie Q.	9876543				Net 10 days	

QTY	UNITS	DESCRIPTION	UNIT PRICE	TOTAL
315	SF	Perfect Carpet, Color: Blue (12' x 26' 3" or 35 SY)	.51	160.65
405	SF	Perfect Carpet, Color: Blue (12' x 33' 8" or 45 SY)	.51	206.55
640	SF	Perfect Wood, Walnut (20 Cases)	2.34	1,497.60
		Sub Total		1,864.80
		Tax @ 10%		186.48
		CA Crpt Stewardship Assessment		4.00
		Total		2,055.28

Installation Date	7/10/2011
Installer	Best Installer
Phone #	555-555-1234
Thank you for your business.	

Joe's Carpet Shop 123 Somewhere St Somewhere, CA, 12345	PHONE (555) 555-0125 FAX (555) 555-0126 E-MAIL joe@joescarpetshop.com

Sample

Sample – Broadloom and Wood invoice (SF) - Retailer

END

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