

**Attachment 2: CalRecycle Detailed Comments on the 2013 California Carpet Stewardship Program Annual Report**

CalRecycle is providing comments, guidance and examples to CARE on the 2013 California Carpet Stewardship Program Annual Report, *Annual Report to California Department of Resources Recycling and Recovery (CalRecycle), January 2013 – December 2013, California Carpet Stewardship Plan*. While improvements have been made in the 2013 California Carpet Stewardship Program Annual Report (Report) compared to the previous reporting period, CalRecycle is concerned that the current level of reporting could impact future determinations of compliance. If the following are not addressed in the 2014 Annual Report and all future reports, CalRecycle will consider administrative action to obtain compliance.

**\*Key for terms used (applies to “Type” column):**

**R/R = Required Revisions** that must be incorporated into the 2014 Annual Report, and future reports, to be in compliance with statute, regulations and the California Carpet Stewardship Plan v3.2.2.

**C/A = Revisions to improve *Clarity and Accuracy*** of the 2014 Annual Report, future reports, and/or Plan (typos, misspellings, modifications to make the concepts better understood by readers)

Row #	Type *	Reference from statute, regulation or plan	CalRecycle (CR) Comments	2013 AR, Section Page #
1	R/R	Regulation, Section 18944(a)(4)(A)  Types of collections sites and basic information about recycling facilities in California, e.g., how carpet is collected, number and location of processors, throughput and capacity of recycling facilities.	Information in the Report is not in compliance with Section 18944(a)(4)(A). <ul style="list-style-type: none"> <li>• Data reported needs to be consistent with the defined reporting period. In several instances, the data reported covers a period of time that is inconsistent with the 2013 calendar year or is presented in a manner that it cannot be determined what the reporting timeframe is. In some cases the data presented was for a broader period of time, misrepresenting accomplishments that are required to be reported on for the 2013 calendar year.</li> <li>• The number and location of processors that were operating throughout 2013 is unclear.</li> <li>• Types of collections sites available throughout California is incomplete.</li> <li>• An explanation of recycling facilities throughput is unclear.</li> <li>• Total available recycling capacity for California collected carpet is missing.</li> </ul> <p><u>Specific examples of unclear, missing or incorrect information:</u></p> <p>a. <u>Reporting period</u>                      The regulations specify that the reporting period is defined as a full calendar year (January - December). All future reports need to be consistent with the reporting period definition and clearly provide data and information for the reporting period. This allows CARE and CalRecycle to determine completeness as well as the ability to compare the reported status from year to year in order to monitor program change over time. In some cases, the Report provides information for a longer period of time, e.g., 10 quarters. This affords a longer term</p>	5.3, pg. 12

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			<p>program perspective; however, it does not supplant the requirement of providing the same type of data for the annual reporting period.</p> <p>b. <u>Number and location of processors</u> The list of processors appears to include all processors managing California post-consumer carpet since 2011. All future reports need to provide the number and location of carpet processors for the reporting year. Given processors may shutdown over the year, CARE needs to include processors accepting California carpet at the beginning of the reporting period and processors accepting carpet at the end of the reporting period.</p> <p>c. <u>Types of collections sites</u> Section 5.2 shows 22 CARE collection/recycling facilities within California and references Appendix II. Appendix II does not appear to include types of collection sites. For example, the Report does not explain the types of collection sites such as all trailers located at landfills, material recovery facilities, at retailer/wholesale sites, etc. Therefore the Report appears to underrepresent the opportunities available throughout the state. All future reports need to explain all types of collection sites throughout California.</p> <p>d. <u>Throughput of recycling</u> Section 5.0 of the Report does not directly report processing facilities complete throughput (material entering and leaving the facilities over the reporting period) of collected carpets. The Report provides data on the amounts and types of materials leaving processing facilities. Although the material entering the facilities should equal the sum of the materials leaving the facilities, the Report needs to explicitly provide processing facilities throughput. Throughput can be reported for individual facilities or can be reported as a consolidated summary of all California carpet processed.</p> <p>e. <u>Total available capacity</u> Section 5.0 of the Report does not include total available recycling processing capacity. All future annual reports need to include information on total capacity and this can be reported for individual facilities or as a consolidated summary of available capacity for California collected carpet. Tracking available capacity is essential because it indicates if and where additional processors are needed to support achievement of the recycling goal.</p>	
2	R/R	Regulation, Section 18944(a)(4)(B) Section 18944(a)(4)(B)	Information in the Report is not in compliance with Section 18944(a)(4)(B).	5.3, pg. 12

Row #	Type *	Reference from statute, regulation or plan	CalRecycle (CR) Comments	2013 AR, Section Page #
		<p>Include facility name(s) and address(es) for each method of disposition.</p>	<ul style="list-style-type: none"> <li>The data reported covers a period of time that is inconsistent with the reporting period, i.e., the 2013 calendar year, or is presented in a manner that it cannot be determined that the reported data corresponds with the reporting period.</li> <li>Facilities engaged in each method of disposition are unclear.</li> </ul> <p><i>Specific examples of unclear, missing or incorrect information:</i></p> <p>a. <u>Reporting period:</u> See comment 1a.</p> <p>b. <u>Method of disposition:</u> The Report does not clearly identify or discuss the facilities engaged in each method of disposition. The tracking of this information is necessary to verify and help ensure the proper and legal management of California carpets. All future annual reports need to identify the facilities engaged in each method of disposition.</p>	
3	R/R	<p>Regulation, Section 18944(a)(5)</p> <p>Description of goals and activities based on the stewardship plan. State goals from the approved plan, the baseline from which goals were measured, and report on achievement during the reporting period.</p> <p>Regulation, Section 18944(a)(5)(A)(5)</p> <p>Disposition, that is, amounts reused, recycled, incinerated for energy recovery or disposed of in a landfill; of collected post-consumer carpet, by pounds, during the reporting period.</p> <p>Regulation, Section 18944(a)(5)(A)(7)</p> <p>Describe efforts to increase recycling of post-consumer carpet.</p> <p>Regulation, Section 18944(a)(5)(A)(8)</p>	<p>Information in the Report is not in compliance with Section 18944(a)(5), Section 18944(a)(5)(A)(5), Section 18944(a)(5)(A)(7), Section 18944(a)(5)(A)(8).</p> <ul style="list-style-type: none"> <li>The data reported covers a period of time that is inconsistent with the reporting period, i.e., the 2013 calendar year, or is presented in a manner that it cannot be determined that the reported data corresponds with the reporting period.</li> <li>The baseline for this specific reporting period is unclear.</li> <li>The recycled output goal (that the reporting period is working towards) is unclear.</li> <li>Use of terms are inconsistent with statutes, regulations, and/or approved Plan (v3.2.2)</li> <li>The specific achievements made during the 2013 reporting period, and details on activities that CARE committed to in the Plan (v3.2.2) are missing.</li> </ul> <p><i>Specific examples of unclear, missing or incorrect information:</i></p> <p>a. <u>Reporting period</u> See comment 1a.</p> <p>b. <u>Baseline</u> The baseline used is not clearly stated within the annual report. The annual report appears to imply that the baseline is the first six months of the program (Figure 7 on page 28).</p>	<p>3.2, pg. 5</p> <p>Table 1, pg. 5</p> <p>6, pg. 14</p> <p>6.3, pg. 15-16;</p> <p>6.4, pg. 16</p> <p>6.9, pg. 19;</p> <p>6.10, pgs 20-22</p> <p>6.17, pg. 25</p>

Row #	Type *	Reference from statute, regulation or plan	CalRecycle (CR) Comments	2013 AR, Section Page #
		Describe efforts to increase diversion of post-consumer carpet from landfills.	<p>CalRecycle recommends using data from the first 12 months of the program and CalRecycle has identified this as the baseline in Attachment 3 <i>CalRecycle Overview of the 2013 Metrics of the California Carpet Stewardship Program</i>. Clearly stating the baseline is essential in order to demonstrate meaningful progress and overall program effectiveness.</p> <p>c. <u>Recycled Output Goal</u>  Within section 6.4 <i>Increasing Recycled Output</i>, it is unclear what the recycling goal is for this reporting period. The approved Stewardship Plan 3.2.2 has two goals presented, 16% by 2016 and the aspirational recycling goal of 24% by 2020. The 16% by 2016 appears in the Report as a “diversion target” rather than a “goal” which is confusing. The recycling goal is foundational, therefore it needs to be clearly noted in future annual reports for clarity. CARE’s ability to reach its recycling goal, established in the approved Plan v3.2.2, is a primary interest and concern to CalRecycle.</p> <p>d. <u>Use of terms</u>  CARE needs to consistently and correctly use the terms as defined within the statutes, regulations, and/or the adopted Stewardship Plan v3.2.2. CARE’s use of terms within the Report is inconsistent, incorrect, and/or not defined. Additionally, other terms appear in the Report that are not formally defined in regulation, statute, the approved plan or subsequent approved annual reports. If a term needs a definition and one is not contained in statute, regulation, or an approved plan, then the definition that is commonly used shall apply and be included in the Annual Report. After an annual report has been reviewed by CalRecycle, and CalRecycle confirms that the new term is not in conflict with terms in statute, regulation, or the approved plan, and it is approved as an amendment to the Program definitions in the approved Plan, then CARE shall add the term to the list of Program glossary.<sup>1</sup> All key terms need to be clearly stated and consistently applied.</p> <ul style="list-style-type: none"> <li>• The following terms are not used correctly or are used inconsistently:</li> <li>• <u>Diverted</u> (Stewardship Plan v3.2.2) means actual post-consumer carpet removed from waste stream for reuse, recycle, CAAF, or WTE (Collected pounds minus PCC and process waste pounds that ultimately goes to landfill from processor or collectors).</li> </ul>	

<sup>1</sup> Definitions used in the California Carpet Stewardship Plan: Available at: <https://carpetrecovery.org/wp-content/uploads/2014/04/DefinitionsUsedInTheAB2398Plan.pdf>

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			<p>However, the Report presents conflicting data (Table1) mixing diverted and recycled materials.</p> <ul style="list-style-type: none"> <li>• <u>Recycling</u> (Stewardship Plan v3.2.2) means transforming or remanufacturing discarded carpet materials into usable or marketable materials, rather than for landfill disposal, incineration, WTE, CAAF or reuse. However, the Report, on pages 5 and 20, incorrectly counts CAAF and Kiln as recycling.</li> <li>• <u>Reporting period</u> (CCR, Section 18941 (h)) means the period that commences in January and ends in December and represents twelve consecutive months in the preceding calendar year. (e.g., see Report pg 35, an annual report needs to clearly report on activities that occurred during the reporting period.)</li> </ul> <p>CARE is also using terms that are not defined within the statutes, regulations, and/or the adopted Stewardship Plan v3.2.2 and are unclear within the Report and have not been formally approved by CalRecycle and added to the Program’s list of definitions. The following is a list of examples with recommendations for their use.</p> <ul style="list-style-type: none"> <li>• <u>Gross Collection Conversion</u> (Table 1, page 5). This term may be used and needs to be added to the Program list of definitions.</li> <li>• <u>Diversion Target</u> (Table 1, page 5 and page 20). This term is used instead of “Recycling Output Goal”. “Recycling Output Goal” is defined in the Plan (v3.2.2). CARE needs to use one of the terms “recycling goal” “recycling output goal” or “recycled output goal” and use it consistently and solely through its reports.</li> <li>• <u>Recycled Output</u> (Table 1, page 5 and page 20). Recycle Output is used extensively in the Report in lieu of Recycling. This term may be used and needs to be added to the Program list of definitions.</li> <li>• <u>Net Diversion</u> (pages 22-23). This term may be used and needs to be added to the Program list of definitions.</li> <li>• <u>Program Diversion Rate</u> See the Report page 25, “Program Diversion Rate” of 12% appears to incorrectly refer to the recycling rate. These terms needs to be used correctly.</li> </ul> <p>The above information is necessary for CARE and CalRecycle to determine completeness, and to assess achievements and improvements in program implementation over time. All required elements of the regulations must be provided in the 2014 annual report and all future annual reports.</p>	

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			<p>e. The specific efforts and achievements made during the 2013 reporting period, and details on activities that CARE obligated itself to in the Approved Plan (v3.2.2) are either missing or not consistently reported on for the reporting period. Future reports need to provide clear and detailed description of efforts taken to implement the Plan and achievements made during the reporting period.</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>Disposition: The Report only reports data supplied by those processors that are part of the incentive program. There was no mention of the amount of carpet tiles reused, or what manufacturers are doing, if anything, to collect and reuse carpet.</li> <li>Export: In the Report CARE introduces the concept of counting a portion of exports toward the recycling rate starting in 2014. As presented in the RFA, exports do not count as recycling nor do they count towards the recycling goal. However, CARE may include exports as a type of <i>disposition</i> in future annual reports, and as a type of diversion.</li> </ul>	
4	C/A	Regulation, Section 18944(a)(5)(A)(3) Amount (pounds) of carpet source reduced, if measureable.	<p>CARE is complying with this regulatory requirement by reporting the amount (pounds) of carpet source reduced.</p> <p><u>Reminder for future annual reports</u> The CARE Plan v3.2.2 (page 22) states that CARE will report the trend line on the average weight of products. Therefore, beginning with the <i>2014 Annual Report</i> CARE needs to include a trend line. This trend line should include data used to form the base year (baseline) through 2014.</p> <p>Source reduction is reported as the average weight of carpet sold. The weight of 4.2 lbs./sq. yard has been the reported value since at least 2010.</p>	6.8, pg. 18
5	R/R	Regulation, Section 18944(a)(5)(A)(6) Describe efforts to increase recyclability of carpets.	<p>Information in the Report is not in compliance with Section 18944(a)(5)(A)(6)</p> <ul style="list-style-type: none"> <li>The data reported covers a period of time that is inconsistent with the reporting period, i.e., the 2013 calendar year, or is presented in a manner that it cannot be determined that the reported data corresponds with the reporting period.</li> <li>Descriptions of efforts and accomplishments during the reporting period are unclear.</li> </ul> <p><u>Specific examples of unclear, missing or incorrect information:</u></p> <p>a. <u>Reporting period</u></p>	6.1, pg. 14

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			<p>See comment 1a</p> <p>b. <u>Descriptions of accomplishments during the reporting period</u>  The annual report does not clearly describe the accomplishments achieved in 2013 to increase recyclability of carpet. Future reports need to provide detailed description of efforts taken and accomplishments achieved to implement the Plan and increase carpet collection and recycling during the reporting period. Some examples of how accomplishments can be provided in future reports include:</p> <ul style="list-style-type: none"> <li>• CARE’s milestones: describe percent of carpet that is recyclable and how CARE’s efforts have increased recyclability of carpet, or how other efforts may play a role, such as outreach and education.</li> <li>• Consultant: include what firm/person was hired, the purpose of the contract, and what was accomplished during the reporting period.</li> <li>• Infrared Technology: Describe the status of effort to decrease the cost of identifying carpet fibers during the reporting period.</li> <li>• Incentives: Describe the effects of incentives on recyclability during the reporting period.</li> <li>• Carpet sales: Discuss the increase in sales of harder-to-recycle carpet (namely PET) in 2013 and its impacts on the program.</li> </ul> <p>c. <u>Note</u>  The weblink provided in CARE’s annual reports needs to be current. The correct link to the 2013 CARE annual report (national program) appears to be:  <a href="https://carpetrecovery.org/resources/annual-reports">https://carpetrecovery.org/resources/annual-reports</a></p>	
6	C/A	Regulation, Section 18944(a)(5)(A)(9) Describe other environmental impacts as data are available, e.g., greenhouse gas emissions. Descriptions of any enforcement actions or problems related to plan implementation.	CARE’s reporting is compliant with this requirement. a. <u>Note</u> CARE’s description of implementation problems are not sufficiently described especially with respect to facility closures.	6.14, pgs 23-24
7	R/R	Regulation, Section 18944(a)(5)(A)(10) Describe efforts to increase the market growth of secondary products made from post-consumer carpet.	Information in the Report is not in compliance with Section 18944(a)(5)(A)(10) <ul style="list-style-type: none"> <li>• Descriptions of accomplishments during the reporting period are unclear and incomplete.</li> </ul> <p><i>Specific examples of unclear, missing or incorrect information:</i></p>	6.5, pg. 17; 6.15, pg. 25; 7, pg. 29

Row #	Type *	Reference from statute, regulation or plan	CalRecycle (CR) Comments	2013 AR, Section Page #
			<p>a. <u>Descriptions of accomplishments during the reporting period</u>  The annual report is lacking details regarding what was actually accomplished during the reporting period.</p> <p>CARE reports that investments are being made to develop products with carpet-derived materials. However, the Report is vague and needs to provide specific data that demonstrate that markets are increasing for products made with post-consumer carpet. For example:</p> <ul style="list-style-type: none"> <li>• Data and survey results: Include data on the volume of products made from post-consumer carpet materials. This metric, identified in Plan v3.2.2, needs to be included in future annual reports along with other results from the survey of manufacturers.</li> <li>• Incentives: Describe the effects of incentives on the market growth of secondary products during the reporting period.</li> <li>• CARE’s website: describe promotion regarding secondary products and associated accomplishments during the reporting period.</li> <li>• Annual Conference: Include topics from CARE’s market development discussion at the Annual Conference and any feedback or outcome from those discussions. This is mentioned in Plan v3.2.2 as a market development activity.</li> <li>• Contractors hired. See comments in row 5b.</li> </ul> <p>The development of matrices and trend(s) could be tracked to show the increase in products availability over time and will help to illustrate CARE’s continuous and meaningful improvement as implementation progresses.</p>	
8	C/A	Regulation, Section 18944(a)(5)(A)(11) Describe number of jobs attributable to the carpet stewardship program as data are available.	Information in the Report is in compliance with Section 18944(a)(5)(A)(11), however, is it presented in a misleading way.  <u>Specific examples of unclear, missing or incorrect information:</u>  Description on page 25 is unclear and Table 1, page 5, is misleading to show job creation without indicating job loss. Future annual report must clearly identify the total number of direct jobs at the end of the reporting period and from this number it is possible to determine the net change from the previous reporting period or baseline.	6.16, pg. 25 Table 1, pg. 5

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9	C/A	<p>Regulation, Section 18944(a)(5)(B)(1)</p> <p>(B) Information on goals shall be accompanied by supporting information covering, but not be limited to the following topics: (1) Report describes the measurement methodology, assumptions, conversion factors, and data sources.</p> <p>Plan v 3.2.2: Formula Used for Calculating the Carpet Available for Diversion in California (Discards)</p> <p>Discards = (((Sales * R) * P) + D)</p> <p>S= Carpet Sales into California for the reporting period (square yards)</p> <p>R= Percent of carpet that is replacement, or carpet replacing existing carpet. Replacement carpet is the carpet destined for the landfill. (replacement rate currently used is 85%)</p> <p>P= Average weight of carpet per square yard. (Average weight currently used is 4.2 pounds/square yard)</p> <p>D= Pounds of carpet from demolition projects not replaced (weighted demolition rate (85% residential and 15% commercial) was estimated at 0.34%, D is converted to pounds by multiplying the percentage by the product of Sales x R x P)</p>	<p>CARE’s reporting is compliant with this requirement, however, more information needs to be provided in future annual reports.</p> <p><u>Reminders for future annual reports</u></p> <p>a. <u>Consistency of terms</u> For consistency and clarity, CARE needs to use the terms as defined within the statutes, regulations, and/or the adopted Stewardship Plan v3.2.2. For example, the Plan uses the word “CA” in the definition of S (carpet sales). The Report uses the word “US” in the definition of S (carpet sales).</p> <p>Although the calculation for discards in the Report uses the CA amount of S (carpet sales) and gives the correct value, this could create confusion in the future.</p> <p>b. <u>Update data used in the formula to calculate discards</u></p> <p>Additional information was provided with respect to the formula and estimates used in the formula, but there are still categories of discarded carpet missing from the analysis: including but not limited to, trimmings from new carpet installations, imported carpets discards from other states, carpet removed and old flooring that is refinished or replaced by another type of flooring.</p> <p>CARE should evaluate missing information and indicate if data exist that could inform the analysis. For example, in Plan v3.2.2 page 20, “D” or demolition factor, only pertains to building teardowns, which would be a small portion of overall carpet discards and doesn’t cover the categories noted above.</p> <p>Meanwhile, impacts from deselection, that is, when carpet is removed from a building and replaced with other type of flooring, is missing from the formula to estimate total discards. This occurs because the formula is based off sales data of new carpet and if carpet is removed and not replaced with carpet, no carpet sales occur. CARE estimates that deselection is small and has committed to develop a more quantitative estimate of deselection in 2014. The 2014 Annual Report needs to cover data gaps (e.g., deselection) and report on new information that impacts the formula for calculating discards. If information is proprietary, it can be reported in a confidential format.</p>	<p>6.17, pg. 25-26</p> <p>Also see Table 1, pg. 5, Plan v3.2.2 pgs 20-21</p>
10	C/A	<p>Regulation, Section 18944(a)(5)(B)(2)</p> <p>Report demonstrates that over time source reduction, reuse, and recycling increased,</p>	<p>CARE’s reporting is compliant with this requirement, however, data do not demonstrate improvements in source reduction, reuse, and recycled output over the past ten quarters. CalRecycle is concerned that the program will not achieve its goals.</p>	<p>Table 1, pg. 5</p> <p>6.8, pg. 18</p>

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		while environmentally safe transformation and land disposal decreased.		6.10, pg. 20-21
11	R/R	<p>Regulation, Section 18944(a)(5)(B)(3) Report demonstrates continuous meaningful improvement toward achievement of goals.</p> <p>Regulation, Section 18944(a)(5)(B)(4) Report covers progress toward achievement of all goals in the approved stewardship plan.</p>	<p>Information in the Report is not in compliance with Section 18944(a)(5)(B)(3) and Section 18944(a)(5)(B)(4)</p> <ul style="list-style-type: none"> <li>• The Report is missing elements supporting meaningful and continuous improvement towards the achievement of the goals in the approved Stewardship Plan v3.2.2.</li> </ul> <p><u>For example, the goals in Plan v3.2.2 are briefly noted below along with progress in 2013 that should be included in the Report:</u></p> <ul style="list-style-type: none"> <li>• Increase Recyclability of carpet: increases in non-nylon carpet sales and slow progress toward finding options for recycling these carpets suggest recyclability may be decreasing; meanwhile efforts are underway to improve recyclability of non-nylon carpets.</li> <li>• Increase Reuse: decreased from 2012 to 2013, the amounts are very small.</li> <li>• Increase Gross Collection: decreased from 2012 to 2013, however, it improves economic viability to only collect what can be recycled.</li> <li>• Increase Conversion of PCC to Recycled Output: increased by 2% at the beginning of 2012, but in the past seven quarters there has been a flat recycling rate.</li> <li>• Increase Market Growth: it is too early to know impacts of new activities.</li> </ul>	6, pg. 14-17
12	R/R	<p>Regulation, Section 18944(a)(6) Market Development. The annual report shall include a description of possible market development activities to incentivize the market growth of secondary products made from post-consumer carpet.</p>	<p>Information in the Report is not in compliance with Section 18944(a)(6)</p> <ul style="list-style-type: none"> <li>• Descriptions of accomplishments during the reporting period are missing.</li> </ul> <p><u>Specific examples of unclear, missing or incorrect information:</u></p> <p>a. <u>Descriptions of accomplishments during the reporting period</u> The description of possible market development activities lacks details when compared to the approved Plan (v3.2.2). The Report needs to describe what has been accomplished during the reporting period. See comments for row 7.</p>	6.4, pg. 17 6.5, pg. 17 Table 3, pg. 31
13	R/R	<p>Section 18944(a)(7)(D) Education/Communications (% of total program cost)</p>	<p>Information in the Report is not in compliance with Section 18944(a)(7)(D)</p>	8.4, pg. 31; Table 4, pg. 32

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			<ul style="list-style-type: none"> <li>The total cost for education/communication is incorrect, and education/communication as a percent of total program costs, is not provided.</li> </ul> <p><i>Specific examples of unclear, missing or incorrect information:</i></p> <p>a. <u>Total amount is incorrect</u> Transportation costs are incorrectly included in the total amount spent on education/communications. The reported \$88,000 includes expenses for the rural program. CARE reported that the total cost of the rural county program was \$51,000 in 2013; of this about \$44,000 is transportation expenses (See section 11.4.1 CARE Audited Financial Statement, Statement of Activities, page. 4), which is not an education/communication cost.</p> <p>The term “Education/Communication costs” needs to be added to the Program list of definitions</p> <p>b. <u>The education/communications (% of total program costs) is not provided</u> The annual report does not report Education/Communication as a % of total program cost for the 2013 reporting year, instead it presents the costs as “Total to Date”.</p>	11.4.1 CARE Statement of Activities, pg 4
14	C/A	Section 18944(a)(7) (E) End-of-life materials management (% of total program cost)	<p>Information in the Report is in compliance with Section 18944(a)(7)(E)</p> <ul style="list-style-type: none"> <li>The total cost for End-of-Life (EOL) materials management and EOL materials management as a percent of total program costs are incorrect.</li> </ul> <p><i>Specific examples of unclear, missing or incorrect information:</i></p> <p>CARE provided information in the report, but CARE is using a different definition EOL than CalRecycle. EOL was described in the regulatory development process as including activities after consumers have discarded carpet, i.e., reuse, recycling, incineration for energy recovery, and landfilling. For example, transportation costs for the Rural County Program would be considered an EOL management cost.</p> <p>The 2014 Annual Report needs to define EOL and be approved by CalRecycle and added to Program list of definitions. The common definition of EOL that CalRecycle can approve into the Plan (as part of the annual report review process) is:</p>	8.5, pg. 32

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			<p>“End-of-life” means the point when a product is discarded by the consumer or the end of the useful life of the product, whichever occurs first, and includes reuse, recycling, incineration for energy recovery, landfilling and other forms of carpet disposition.</p>	
15	R/R	<p>Regulation, Section 18944 (a)(7)(F) Program administration (% of total program cost, including annual administrative fee for service payments to the department)</p>	<p>Information in the Report is not in compliance with Section 18944(a)(7)(F)</p> <ul style="list-style-type: none"> <li>• The program administration reported incorrectly includes non-administrative costs.</li> </ul> <p><u>Specific examples of unclear, missing or incorrect information:</u></p> <p>a. <u>The program administration, as a percent of total program costs, is reflecting more than just administration costs.</u> The Rural Program is identified as Program Administration cost in Table 4 and as an Education/Communication cost (see row 13), which is incorrect. The Rural Program appears to be primarily an EOL materials management cost. The CARE Audited Financial Statement, Statement of Activities (Appendix 11.4.2, pg 4) shows transportation costs of \$44,511 and CalRecycle staff understand these are for the Rural County Program and not administration costs. Future reports are to only reflect program administrative costs in this section of the Report and not EOL management costs such as transportation.</p> <p>The term “program administration costs” needs to be added to the Program list of definitions.</p>	8.6, pg. 32
16	C/A	<p>Section 18944(a)(7)(G) Governance (program oversight) (% of total program cost)</p>	<p>CARE’s reporting is compliant with this requirement.</p> <p>a. <u>Note</u> Data reported by CARE includes all CARE salaries plus CalRecycle oversight. This category should only cover costs of state government oversight without including costs from the stewardship organization and is presented as such in Attachment 3 <i>CalRecycle Overview of 2013 Metrics of California Carpet Stewardship Program</i>.</p> <p>The term “governance costs” needs to be added to the Program list of definitions.</p>	8.7, pg. 32-33
17	C/A	<p>Section 18944(a)(7)(H) Total cost to local government (if applicable)</p>	<p>CARE’s reporting is compliant with this requirement.</p> <p>a. <u>Note</u></p>	8.8, pg. 33

Row #	Type *	Reference from statute, regulation or plan	CalRecycle (CR) Comments	2013 AR, Section Page #
			<p>CARE is reporting that there are no direct costs to local governments for the implementation of this program. However, CARE is also reporting that, in the case of the rural county program, participants are donating in-kind staff time to support program roll-out and management. Due to the infancy of this program, it is CalRecycle’s opinion that it is premature to state that there are no direct costs to local governments. This may be correct from the perspective of CARE because it doesn’t charge compensate local governments, however, local governments may have costs associated with managing discarded carpets. CalRecycle recommends CARE work with local governments to collect data about their costs so an accurate cost can be reported or acknowledge there may be additional costs borne by local governments that are not included in the data reported.</p>	
18	C/A	<p>Section 18944(a)(7)(I) Amount of the assessment, aggregate assessment funds collected, how spent and amounts of each major expenditure. Funds, if spent on CAAF, must be supported with documentation reporting on economic and environmental impacts and that incentives shall expire, if they no longer serve a benefit.</p>	<p>CARE’s reporting is compliant with this requirement.</p> <p>a. <u>Note</u></p> <p>The information required by this regulatory requirement is difficult to find within the report. To assist CARE, CalRecycle and other interested parties, CARE could consolidate information or provide specific references (section number and page number) to where the information is located in the annual report.</p> <p>Examples - CalRecycle found that CARE reports the following for 2013:</p> <ul style="list-style-type: none"> <li>• The amount of the assessment, \$0.05 per square yard, is found in section 8.11 on page 33.</li> <li>• The amount of the aggregate assessment, \$5.1 million dollars, paid to CARE by carpet manufacturers in 2013, is found in Table 1 on page 5 as “Funds Remitted”</li> <li>• How the funds are spent is found in section 8.1 on pages 30-32. Section 8.9 “Summary of Expenses” included CAAF without a specific reference to section or page number where the CAAF discussion exists. Per regulation, the discussion in future annual reports needs to include information on incentives paid for CAAF (should that occur) and why payments are necessary.</li> </ul>	<p>8.11, pg 33. Table 1, pg. 5</p>
19	C/A	<p>Section 18944(a)(7)(J) Surplus funding, if any, and how it will be applied to reduce program costs</p>	<p>CalRecycle is not able to determine if reporting is compliant with Section 18944(a)(7)(J). Information in the Report is unclear.</p> <ul style="list-style-type: none"> <li>• The reporting of the total surplus funding is inconsistent.</li> <li>• How the surplus will be used is not discussed.</li> </ul>	<p>8.10, pg. 33 Also pg. 28 and Appendix 11.4.2, pg. 4</p>

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			<p><u>Specific examples of unclear, missing or incorrect information:</u></p> <p>a. <u>The total surplus funding</u> The reported amount of surplus is inconsistent throughout the report. It is reported as \$4.9 million on page 33 and page 30, \$4.7 million in figure 8 on page 30, and \$4.1 million in the audit report as <i>unrestricted net assets</i> (appendix 11.4.2, page 4).</p> <p>b. <u>How the surplus will be used</u> CalRecycle recognizes that costs are not fully realized yet and that program implementation and growth are still needed. However, the annual report did not clearly document the efforts CARE took, or plans to take, to apply surplus funds to reduce program costs. Future annual reports need to document how unspent funds will be spent and/or include a revised budget in the annual report showing this detail.</p>	
20		Section 18944(a)(7)(K) An evaluation of the assessment rate.	<p>CARE's reporting is compliant with this requirement.</p> <p>a. <u>Note</u> Future annual reports may need more discussion on the assessment. Any change in the assessment has to be approved by CalRecycle.</p>	8.11, pg. 33
21	C/A	<p>Regulation, Section 18944 (a)(8)</p> <p>Outreach/Education. List educational outreach activities in the stewardship plan. Provide a description of educational materials that were provided to retailers, consumers, carpet removers/installers, contractors, during the reporting period (provide electronic samples). Identify the method used to determine the effectiveness of educational and outreach surveys (e.g., surveys, hits on specific web pages, number of participants at events, etc). Education and outreach materials may include, but are not limited to, signage, written materials, advertising or other promotional materials pursuant to Section 42972 (a) (5) and Links to website(s) created and maintained by the manufacturer or stewardship organization.</p>	<p>CalRecycle is not able to determine if reporting is compliant with Section 18944(a)(8). Information in the Report is unclear.</p> <ul style="list-style-type: none"> <li>• Minimal educational efforts were apparent during the reporting period</li> <li>• Incomplete and inaccurate reporting when compared to the Plan v3.2.2.</li> <li>• Descriptions of education materials provided to stakeholders during the reporting period are missing.</li> <li>• Methods by which to measure effectiveness of the educational efforts and their accomplishments need to be improved</li> </ul> <p><u>Specific examples of unclear, missing or incorrect information:</u></p> <p>a. <u>Reporting Period</u> See comment 1a. Most of the outreach and education activities described in the Report occurred prior to 2013. The limited efforts made in 2013 are only listed in Appendix III, but</p>	9, pg. 34 Appendix III, pg. 40

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			<p>no descriptions of those activities are explained in the Report. In addition, it appears that outreach to key stakeholders, such as installers, is missing from the Appendix.</p> <p>b. <u>Educational and outreach activities</u> The Report is incomplete when compared to planned activities, and incomplete regarding which activities were ongoing. In Appendix III, the term “additional by request” is used where the numeric value is zero. If an activity level is zero, state it as such and provide explanation and how the activity will be improved upon.</p> <p>c. <u>Effectiveness</u> Last year CalRecycle directed CARE to identify the method it will use to determine effectiveness. CARE indicates it plans to conduct research that will refine mechanisms for evaluating effectiveness. Meanwhile, CARE identifies several methods in Appendix II. Clarification needs to be provided as to why these methods were selected or how CARE views these efforts to be effective and successful.</p> <p>Providing quantitative information on activities as show in Appendix III provides some indication of activity, but it does not address if the activities were effective. For example, a random survey of a target audience might show to what level the group knows about carpet recycling and are participating.</p> <p>d. <u>Educational Materials</u> The Report does not describe, in any additional detail, the educational materials provided to stakeholders. Regulations require that CARE provide electronic samples of educational materials used during the reporting period and these were not included.</p> <p>The <i>2014 Annual Report</i>, and annual reports hereafter, need to focus on activities that occurred during the reporting period and anticipated steps to improve performance.</p> <p>CalRecycle staff understand improvements in this category are likely, based on the Request for Proposal that CARE issued. By the end of 2014, this proposal should result in: market research; identification of key audiences and opportunities for engagement; key images, themes and messages for program and target audiences; and a template of educational materials, if implemented according to the schedule in the Request for Proposal.</p> <p>e. <u>Note</u></p>	

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			The information required by this regulatory requirement is difficult to find within the report. CARE needs to consolidate information or provide specific references (section number and page number) to where the information is located in the annual report.	