



Comments on the CARE 2014 AB 2398 Annual Report

To the Carpet Team at CalRecycle and Carpet America Recovery Effort (CARE) –

XT-Green has spent the past 2.5 years testing, developing and self-funding an innovative, next generation carpet recycling technology. Besides producing the highest quality reclaimed material at extremely high recycling rates, the facility will also eliminate fugitive particulate emissions to the environment and generate minimal production waste.

Our goals include accepting the widest range of fiber and carpet types and creating markets for our reclaimed material in California to help create manufacturing jobs here. XT-Green is ready to move forward with its first facility to be located in Southern California. Under the name of *EarthCare Carpet Recycling*, we plan to be operational by mid-2016.

We want to take this opportunity to thank the CARE organization for its role in developing this new carpet recycling technology. It was through relationships developed as members of CARE that we assembled the team and resources needed for this challenging project. We also appreciate the ongoing encouragement of Bob Peoples, Executive Director of CARE and the long-term support of the CalRecycle carpet team.

Our success to date is due to a willingness to step back and ask -- how can we do this better? This effort includes improving the historic “recycled output” in both quality and quantity, increasing “diversion” by returning less of the collected material back to landfill but also exploring how the overall environmental benefit from carpet recycling can be improved upon.

What is the good of pursuing the noble goal of carpet recycling, while sending countless tons of particulates from processing into the lungs and bodies of hard-working employees and out into the ambient air and up into the atmosphere as a contributor to climate change?

Why collect 123 million pounds of post-consumer carpet in California in 2014, only to have 35% of this material actually go into recycled output with the remaining 65% of resources lost to landfills, sent to waste-to-energy, exported to who knows where or simply unaccounted for?

Why should the good citizens of California fund incentives for carpet recycling only to have this valuable raw material that we created shipped to the Eastern U.S. or overseas, especially when California is the eighth largest economy in the world with an enormous purchasing power in both the public and private sectors?

Why is the value of recycled material based on the need to be less expensive than virgin material when the use of reclaimed material benefits the environment and society in so many ways, especially with petroleum-based material like carpet?

But what does this all have to do with commenting on the 2014 CARE Annual Report...?

It's clear that there are problems in the program that include:

- 1) The lack of "continuous meaningful improvement" in the amount of recycled output over the past 7 quarters including Q 1 2015, with the past 3 quarters going down.
- 2) A collection system that is not readily accessible to a large number of Californians.
- 3) The inequity of the independent California collector/sorters being the only ones in the U.S. that are not receiving subsidies.
- 4) The limited recyclability of polyester (PET) carpet which is rapidly increasing in the market share of carpet sold in California and that found in carpet waste streams.
- 5) The newest crisis regarding the sudden reduction of buyers of collected nylon residential carpet and nylon reclaimed material. Plus the loss of the only U.S. recycler of commercial nylon carpet.
- 6) The need for additional participation from California Stakeholders and CalRecycle regarding the best way to utilize funds from the citizens of California regarding our carpet recycling program that could be a model for other States and the world.

However, if one acknowledges that the program isn't working as planned due to a whole host of reasons, rather than piling on more incentives and then "wait and see" if the results improve...

Maybe it's time to take a step back and reconsider what the goals should be in the AB 2398 carpet stewardship program and then set up the incentives to drive those goals forward. What do we want our carpet recycling infrastructure to be? Shouldn't the incentives reward high recycling rates, clean facilities, higher quality output and keeping recycled content in California?

Of course, the existing program shouldn't be abandoned overnight but...

It's been four years and California's carpet recycling infrastructure has contracted rather than expanded. There's been many lessons learned through the hard work of many including CARE of course. But maybe it's time to step back together – CalRecycle, the California Stakeholders and CARE to create a new vision to move forward.

The California Carpet Stewardship Program is at a 10% recycling rate in a state with 75% goals. It's time to start thinking about doing things differently.

Thank you for your consideration. Please let me know what I can do to help.

Regards --

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