

**Response to
California Carpet Stewardship Plan
Revised October 2013**

November 4, 2013

Following are general comments on the October 28, 2013 plan resubmission: These comments are in response to the Stewardship Plan and should be read in that context.

Increasing Carpet Recycling Rates

1. *Increase the assessment as needed while maintaining market stability.* Establish a percentage goal for carpet recycling. If that goal is met then the Assessment stays the same. If the goal is not met than a penny per yard is added to the assessment. 2013 with the collapse of two major recyclers is a difficult year to use as a basis. Starting 2014 have a goal of 12% that goes up 1% per year from that point onward. Every year that the new goal is not met add one penny to the assessment to increase the incentive for recycling.
2. *Perform or assist in a nexus study for solid waste tipping fees for carpet.* Public policy requires that the rate charged to the public for a service be directly tied to the cost of providing that service. For landfills the cost is a function of land cost, daily cover, operation cost and closure cost. Tipping fees are generally expressed in tons. As volume a yard of post consumer carpet weighs a fraction a fifth or a sixth of the amount of other construction demolition debris. As landfill capacity is generally a function of yards instead of tons there is justification to charge a tipping fee for carpet that is several times the average landfill tipping fee. If CARE did this nexus study and shipped it to the Public Works Department of all California Counties, tipping fees across the state for carpet would increase. This adds a disincentive to take carpet to landfills and adds an income stream to recyclers.
3. *Accountability for carpet installers.* The risk associated with increasing tipping fees is increased illegal dumping. Have carpet installers provide quarterly documentation for where carpet was disposed or recycled. The number according to the CARE figures should be very close to 85% of the amount of carpet installed.
4. *Certification for the amount of their own carpet a manufacturer recycles.* In a recent visit to a carpet store the sales representative was very knowledgeable about the amount of recycled material in the carpet but knew nothing of what the rate of recycling was for that firm. For firms that have a higher percentage of recycled material, points could be given the amount of recycling above the California carpet recycling goal. Say 6% or more above the goal would be platinum, 3-5% above gold, 1-2% above silver. The company could use this CARE award in their advertizing and the rating could be used to give bonus points in bids for California State contracts.

Disposition of CARE Incentive Funds

1. DBD supports the CARE program for PET incentive (12 cents/lb), overall production incentive (10 cents/lb) and the high (6 cents/lb) and low value (3 cents/lb) designations. The definitions are a bit fuzzy. As a suggestion, a use of the post consumer carpet fiber that relies upon more than one of the fiber material qualities; strength, resilience, porosity, transmission of stress, to be effective would be high value. Those uses where the primary benefit is occupy space as a filler (strength only) would be low value. A second test would be sales price in the market place. If the material has a value of more than 6 cents/lb than it would qualify for the high value designation.
2. Post consumer carpet products that have a significant established value over five years should have the incentive phased out. This would be true of post consumer nylon.
3. An incentive program for producing new products is mentioned but not spelled out in the Stewardship Plan. An incentive of 5 cents/lb for the first use or introduction to the marketplace of a use that has not been marketed before for that material would reward and spur investment. A new use would be defined as a material that has had less than 2 million pounds of that material sold. That would cap the incentive at \$100,000.
4. Leaving a significant amount of the fund in reserve is also a good idea as it is a guarantee to the businesses that are counting on those funds that there will be money available.

Establishing a Fund for Failed Carpet Recyclers

1. Obtaining a site for carpet recycling would be significantly easier if there is policy that protects land owners from the effects of failed recycling operations. Setting aside part of the reserve fund for this purpose will make establishing a recycling operation that much easier.
2. Higher tipping fees will create a circumstance where there is an incentive to collect material and walk away with the money. The point above where carpet installers provided quarterly reports of where their material went could be used to check if the carpet acceptor was on an accredited list.
3. Being accredited would be done through either or both CalRecycle and CARE. An accredited recycler would be required to have a plan that demonstrates that the material stockpiles could be eliminated with a cost of no more than \$100,000 to the CARE fund. For example, cleaned shredded material could be safely used wherever clean fill would be desired. A verifiable letter from a landowner saying they would accept and could legally accept the material would satisfy the requirement. Shredded material could be used in a Kiln without cleaning.
4. In some instances, after a failed recycling operation, the cleanup was resolved by the landowner at a break even status. This requires that the landowner learns a lot about recycling regulations, transportation methods, and potential uses. A better way to handle failed recyclers would be to establish a public bid process. Savvy contractors, entrepreneurs, or contractors that are familiar with the regulations may in some cases be willing to pay money to get the deal if value can be seen.

I hope these comments are useful.

Very Truly Yours

Robert Lilly, President
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