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# CARE Sustainable Funding Oversight Committee

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Q4 2012 AB 2398 Summary &  
Recommendations for Approval

*Updated 4/11/13*



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# AB 2398 Results to Date



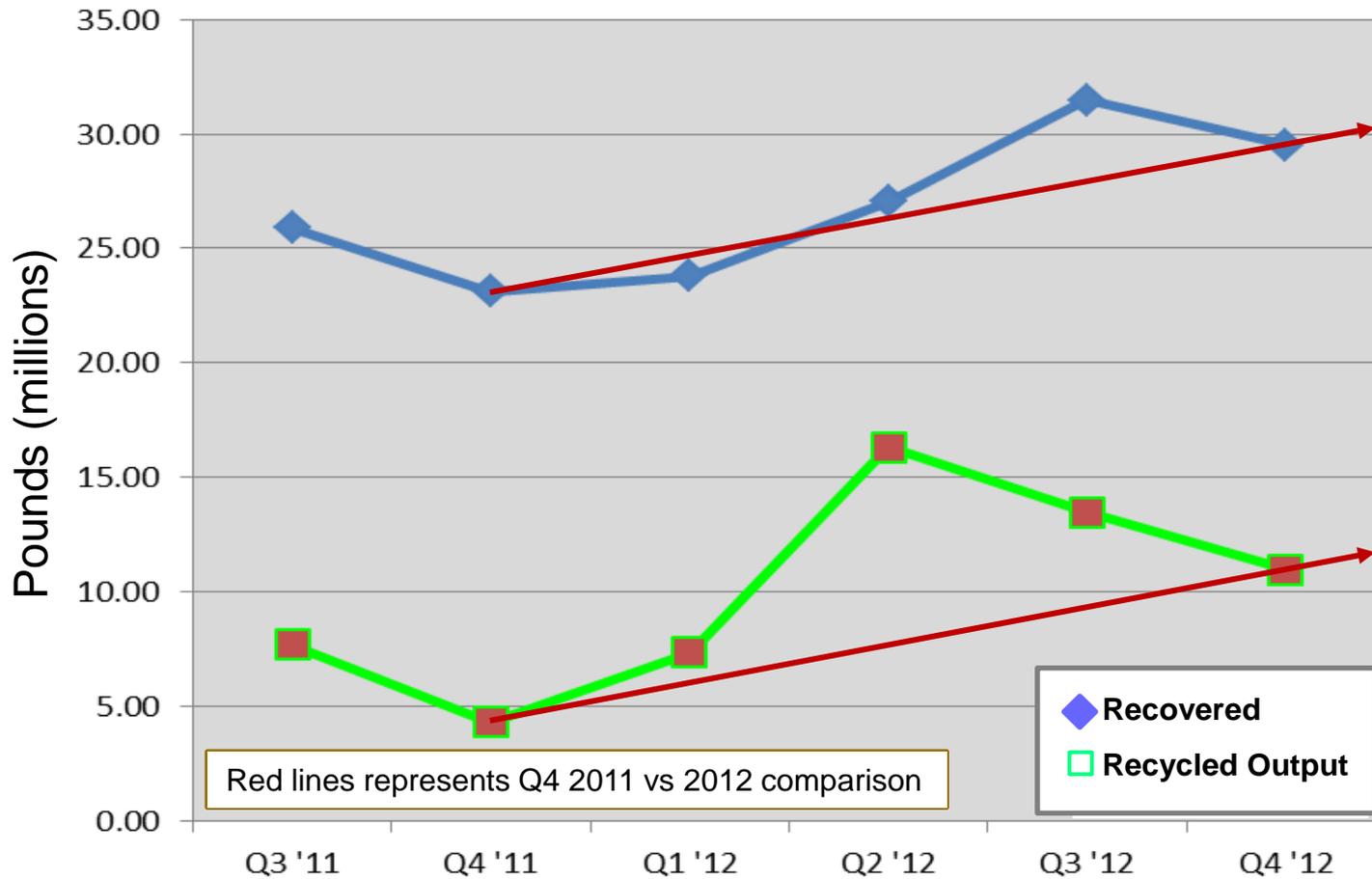
# Q4 2012 Summary Results

- 80% Response Rate from Manufacturers
  - 9 of 80 non-responding mills
- 100% response rate from Processors
  - 9 of 11 Processors (82%) Processing Q4 2012
  - 2 of 11 Processors no CA PCC in Q4
- Increase across all 3 key metrics reported
- Q4 2012 Rates\*:
  - 41% Recovered
  - 29% Diverted
  - 15% Recycle Output

\* See details to follow



# Recovered vs Recycled Output Trend Chart



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# AB 2398 Manufacturers Q4 2012 Report



# AB 2398 Manufacturers' Summary

## (000's)

Manufacturers	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
# Mills Registered	80	80	80	81	81	80
# Mills Not Reporting	0	0	0	9	9	9
<b>Remittance Collection Figures*</b>						
Total Sq Yd Sold (millions)	26.708	23.352	23.056	25.253	26.454	19.851
Total Remittances (millions)	\$ 1.358	\$ 1.167	\$ 1.120	\$ 1.263	\$ 1.323	\$ 0.996
Top 10 Remittances	\$ 1.262	\$ 1.064	\$ 1.035	\$ 1.169	\$ 1.246	\$ 0.911
Top 10 Percentage of Total	93%	91%	92%	93%	94%	91%

Cumulative M SQYD sold: 144.674

Cumulative Remittances: \$ 7.227M

\* As of April 11, 2013



# Manufacturer Performance Compared to Plan

## Quarter Results

	2012			
	Actual Q4	Plan Q4	Delta	%
Carpet Sales (Myd2)	19.851	25.000	(5.149)	-21%
Stewardship Fee Collected	\$ 0.996	\$ 1.250	(0.254)	-20%

## Cumulative Figures

	2012			
Q3 2011-Q4 2012	Actual Q4	Plan Q4	Delta	%
Carpet Sales (Myd2)	144.673	150.000	(5.327)	-4%
Stewardship Fee Collected	\$ 7.226	\$ 7.500	\$ (0.274)	-4%



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# AB 2398 Recyclers Q4 2012 Report



# AB 2398 Q4 2012 Recycler's Data

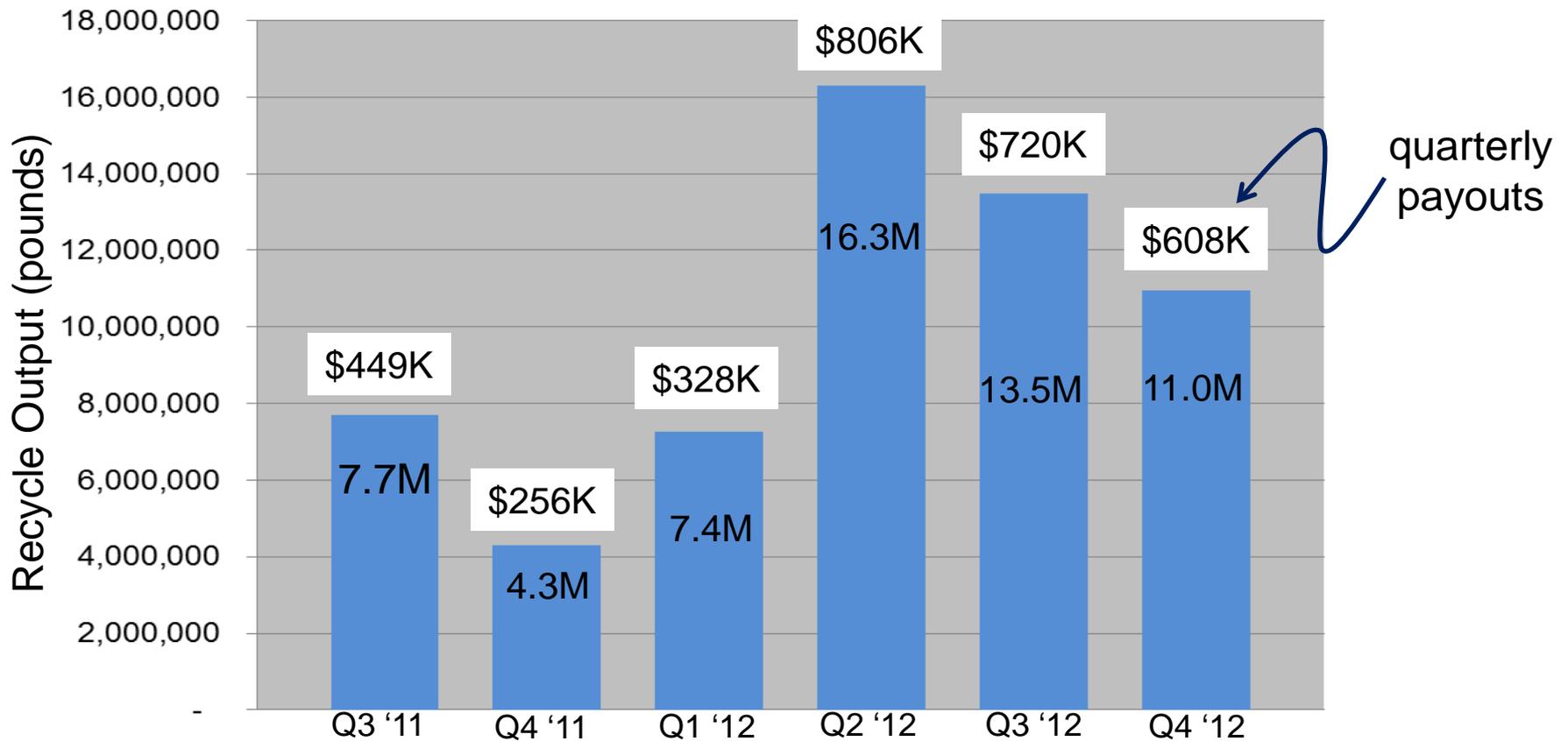
Recyclers Performance* [formula]	Pounds (M)	
a. Estimated Discards	71.788	
b. Total Volume Recovered [b/a]	29.527	41%
c. Beginning Inventory Whole Carpet	13.953	-9%
d. Total Volume Available [b+c]	43.480	
e. Total Volume Diverted [e/a]	20.58	29%
f. Total Recycled Output [Type 1 & 2]	10.99	15%
g. Ending Inventory Whole Carpet [g-c/c]	21.334	33%**
h. Beginning Inventory Processed	0.524	
i. Ending Inventory Processed [(i-h)/h]	0.819	+56%
j. Total Dollars Requested	\$608K	

\* 11 of 11 recyclers reporting (100%)

\*\* vs. 3Q 2012



# Recycle Output Summary - Q3 2011 to Q4 2012

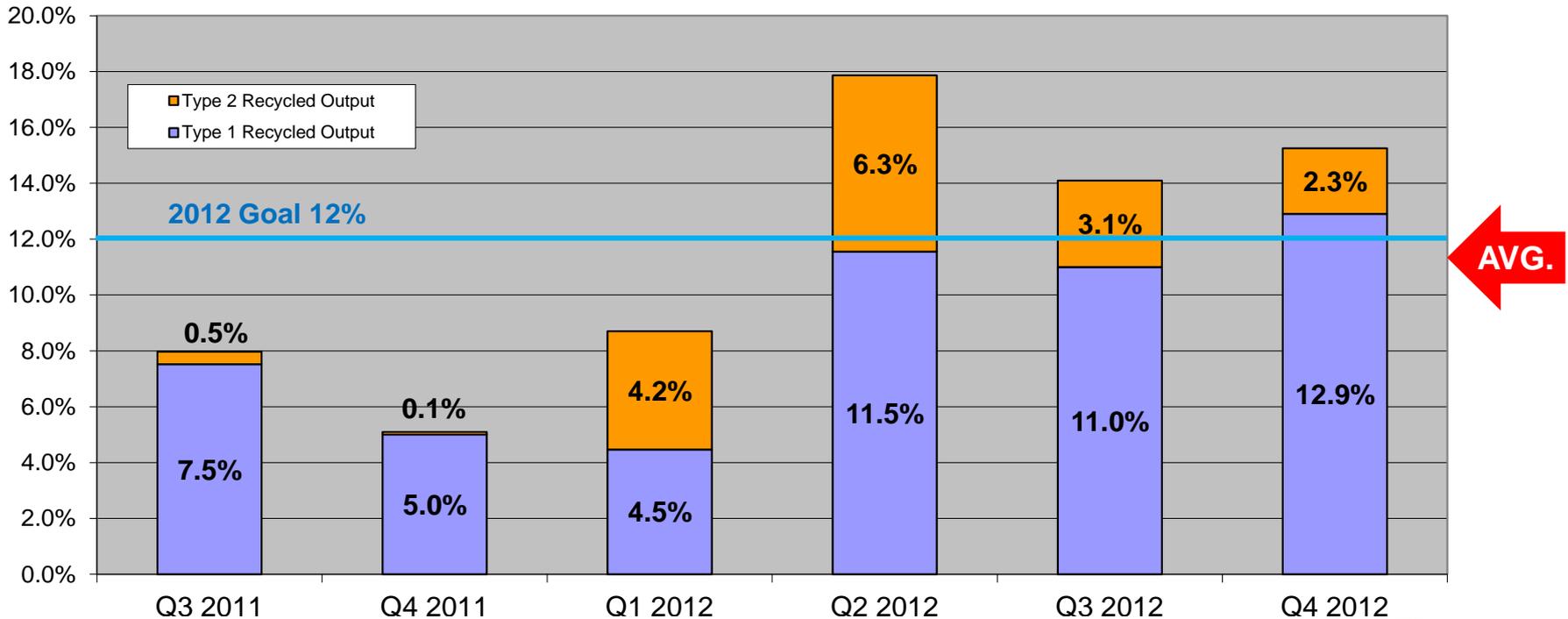


Cumulative pounds recycled:	60.2M
Cumulative Payments - Processors:	\$ 3.28M



# Recycled Output Results Compared to Plan

Recycle output average over 6 quarters = 11.3% ■



- As of Q4 2012, recycled output is 15.2% (27% above Goal)
- Q4 Type 2 = 14% of recycled output vs. 22% in Q3



# Income and Expenses, Q3 2011-Q4 2012

(\$000)

	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	TOTAL
Total Assessments Rec'd	1,409	1,174	1,120	1,263	1,323	<b>996</b>	7,285
Unused Funds		894	1,433	2,069	2,713	<b>3,142</b>	
Total Funds Available	1,409	2,068	2,553	3,332	4,036	<b>4,138</b>	
Recycler Distributions	448	256	328	806	720	<b>608</b>	2,557
Program Expenses		321	97	20	115	<b>150</b>	552
CalRecycle Estimated Expenses	68	58	59*	59*	59*	<b>59*</b>	362
Total Payouts	516	635	484	885	894	<b>817</b>	4,670
Unused Funds	893	1,433	2,069	2,713	3,142	<b>3,321</b>	

\* Assumes Q1-Q4 mill payments x 5%, to be billed in 2Q 2013



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# 12 Month Rolling Forecast Carpet Recyclers

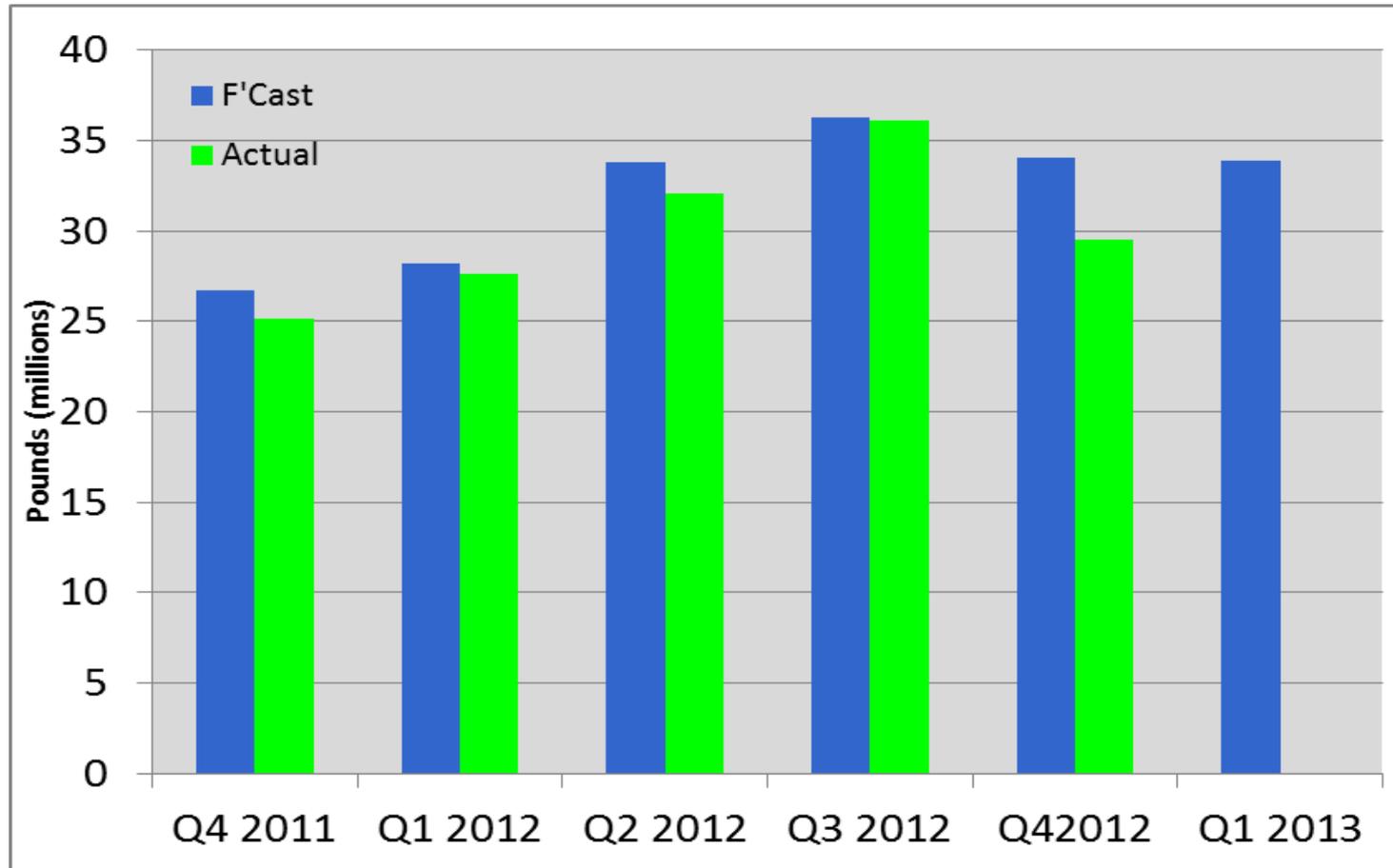


# Summary

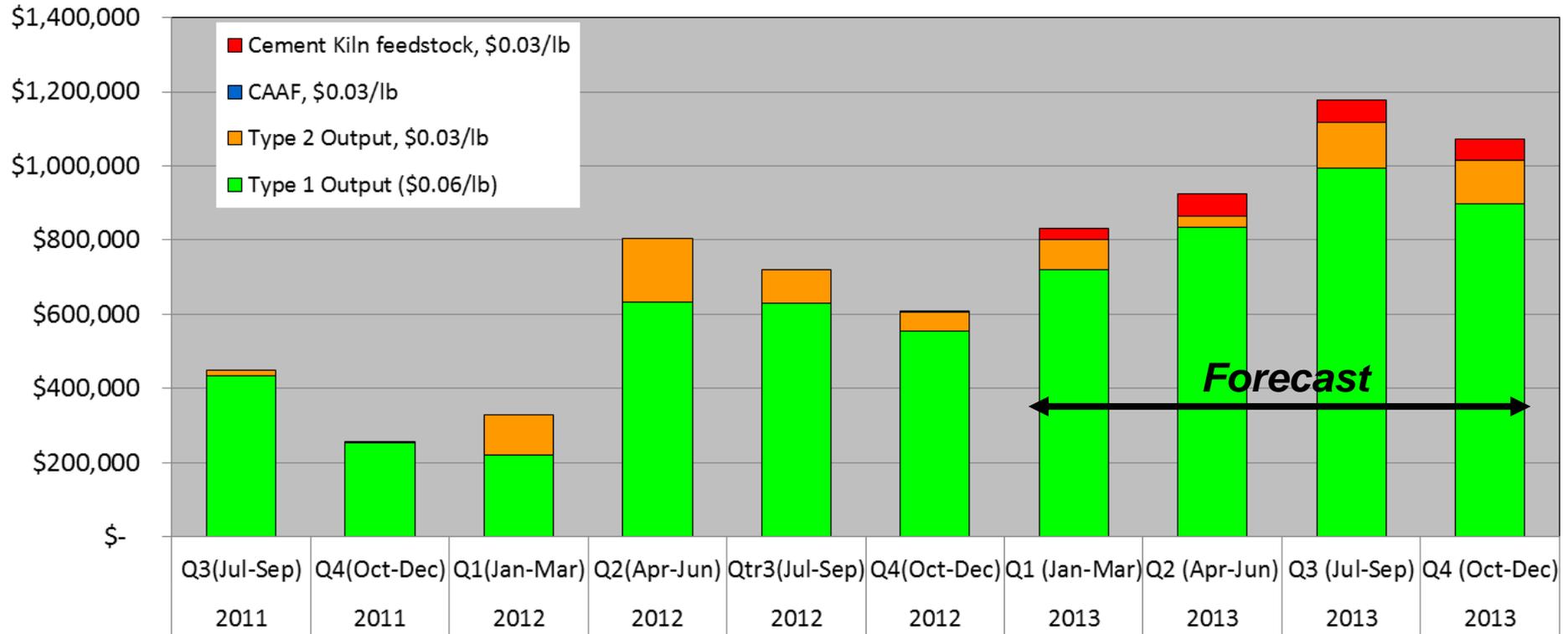
- In Q4 2012, 9 of 11 Recyclers submitted forecasts
- 2 recyclers did not process CA PCC in Q4
- Quarter on quarter trends are in the right direction
- Demand for post-consumer carpet decreased during 4Q
- Saw another drop in a type 2 outlet
- International demand is decreasing
- China: issued ban on whole PCC entering the country
- PET remains a significant and growing concern



# Recovered Pounds: Forward Quarter Forecast vs. Current Quarter Actual Results



# Actual and Forecast for Recycle Payout



# Actual and Estimated Payouts, 2011-2013 (\$000)

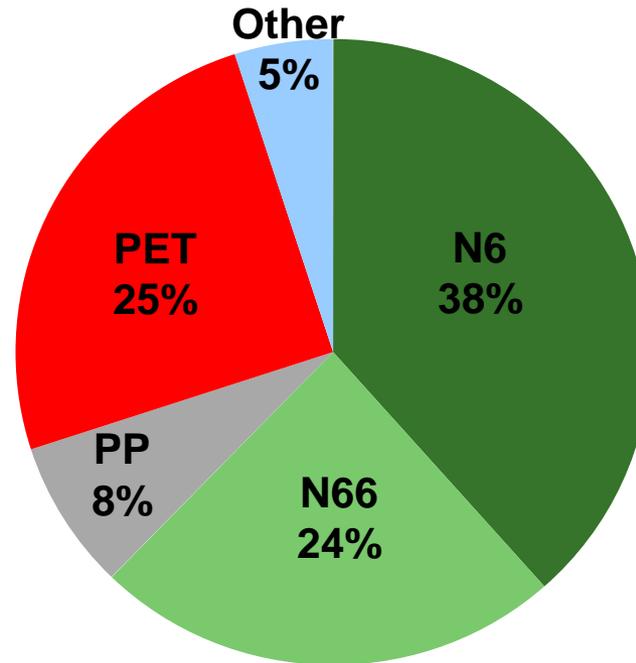
	Actual	Actual	Actual	Actual	Actual	Actual
	2011	2011	2012	2012	2012	2012
Funding Distributions	Q3 (Jul-Sep)	Q4 (Oct-Dec)	Q1 (Jan-Mar)	Q2 (Apr-Jun)	Qtr3 (Jul-Sep)	Q4 (Oct-Dec)
Type 1 Output (\$0.06/lb)	\$ 435.6	\$ 253.5	\$ 220.5	\$ 632.8	\$ 631.1	\$ 556.0
Type 2 Output, \$0.03/lb	\$ 13.3	\$ 2.4	\$ 107.3	\$ 172.9	\$ 88.9	\$ 50.4
CAAF, \$0.03/lb	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cement Kiln feedstock, \$0.03/lb	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.3
<b>TOTAL Requested (\$)</b>	<b>\$ 448.9</b>	<b>\$ 255.9</b>	<b>\$ 327.8</b>	<b>\$ 805.7</b>	<b>\$ 720.0</b>	<b>\$ 607.7</b>

	Forecast				
	2013	2013	2013	2013	Forecast
Funding Distributions	Q1 (Jan-Mar)	Q2 (Apr-Jun)	Q3 (Jul-Sep)	Q4 (Oct-Dec)	TOTAL
Type 1 Output (\$0.06/lb)	\$ 720,784	\$ 835,257	\$ 993,833	\$ 897,638	\$ 3,447,513
Type 2 Output, \$0.03/lb	\$ 79,799	\$ 28,854	\$ 123,809	\$ 116,077	\$ 348,539
CAAF, \$0.03/lb	\$ -	\$ -	\$ -	\$ -	\$ -
Cement Kiln feedstock, \$0.03/lb	\$ 30,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 210,000
<b>TOTAL Requested (\$)</b>	<b>\$ 830,583</b>	<b>\$ 924,111</b>	<b>\$ 1,177,642</b>	<b>\$ 1,073,716</b>	<b>\$ 4,006,052</b>

Q4 2012 Split: Type 1 = 91%  
Type 2 = 09%



# Face Fiber Breakdown



Data from Recycler's  
4Q 2012 Reports



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# CalRecycle Update



# Rural Counties Update

## ■ Rural Counties Project

- ❑ Project completed end of February
- ❑ Pilot program will continue during analysis phase
- ❑ Analysis of data is underway
- ❑ 15 trailers (28') have been filled
- ❑ Total cost \$21,525 = \$1,435/trailer
- ❑ Average weight per trailer estimated at 13,500 pounds
- ❑ Costs ~10.6 cents/lb
- ❑ Data analysis and develop next step recommendations

Note: Providing rural coverage is a program requirement. Pilots are expected to have higher costs and are about gaining experience and knowledge.



# Denominator

- Revised draft plan is in works
  - Baseline
    - Agreed to use CARE baseline methodology

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

- S= actual CA sales as reported
- R= replacement estimate (85%)
- P= average weight (4.2 lb/sqyd)
- D= demolition not replaced (1.3%)



# Definitions

The report contains numerous abbreviations:

- CAAF – carpet as alternate fuel
- CARE – Carpet America Recovery Effort ([www.carpetrecovery.org](http://www.carpetrecovery.org))
- Diverted – PCC removed from waste stream for reuse, recycle, CAAF or WtE
- HA&W - accounting firm responsible for independent audits
- Kiln – cement kiln
- Manufactures – manufacturers of carpet and carpet tile products
- Mills – manufacturers of carpet and carpet tile products
- PCC – post-consumer carpet
- Processors – companies who process post-consumer carpet
- Recovered – pounds of CA PCC diverted from landfill to a collector or processor
- Recycled Output – processed pounds of product produced from CA PCC
- SFOC – Sustainable Funding Oversight Committee
- SPC – Sustainable Plan Committee
- WtE – waste to energy



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# End of Review

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[www.carpetrecovery.org](http://www.carpetrecovery.org)

[www.calrecycle.ca.gov/carpet](http://www.calrecycle.ca.gov/carpet)

