

February 12, 2018

To: Bob Peoples, Executive Director CARE and Scott Smithline, Director CalRecycle

From: California Carpet Stewardship Advisory Committee (members listed below)

Re: **Comments and recommendations related to the *Draft California Carpet Stewardship Plan 2018-2022***

Introduction

As required by Product Stewardship for Carpets (Public Resources Code Section 42970 - 42983), the California Carpet Stewardship Advisory Committee (“Advisory Committee”) has received a copy of the *Draft California Carpet Stewardship Plan 2018-2022* from Carpet America Recovery Effort (“CARE”), the carpet stewardship organization, 30 days before the Plan will be submitted to CalRecycle.

Included in this letter are comments and recommendations to CARE by the Advisory Committee based on the review of the *Draft California Carpet Stewardship Plan 2018-2022*. As required in Section 42971.1 (b): To the extent feasible, these recommendations are to be incorporated into the carpet stewardship plan by CARE before being submitted to CalRecycle.

If CARE is unable to incorporate the recommendations, per Section 42971.1 (c), a written explanation must be provided to the Advisory Committee and CalRecycle. The explanation should detail whether CARE plans to incorporate the recommendations into a subsequent carpet stewardship plan or subsequent amendments to the Plan.

California Carpet Stewardship Advisory Committee Members

Product Stewardship for Carpets (Public Resources Code Section 42970 - 42983), requires CalRecycle to appoint an Advisory Committee to provide comments and recommendations to a carpet manufacturer or stewardship organization and to the department on carpet stewardship plans, plan amendments, and annual reports.

In December 2017, the Director of CalRecycle appointed the following members to the California Carpet Stewardship Advisory Committee according to the general stakeholder categories recommended in the statute.

As a note, committee member appointees from the Speaker of the Assembly and the Senate Committee on Rules have not yet been announced.

Advisory Committee Members	Organizations	Representing
BRENT WHITENER	Humboldt Waste Management Authority	Local Government
DOUG KOBOLD	County of Sacramento	Local Government
DOUGLAS WILLIAMS	Los Angeles Fiber Co./ Reliance Carpet Cushion	Collection and sorting, processing, and manufacturing
ERIC NELSON	Interface	Carpet Mills, Collection, processing & recycling of carpet
FRANCO ROSSI	Aquafil USA	Processing & recycling of carpet, Manufacturing
GAIL BRICE	XT Green, Inc.	Processing & recycling of carpet
HOWARD SAPPER	Carpet Manufacturers Warehouse	Carpet Retailers
JOANNE BRASCH, Ph.D	CA Product Stewardship Council	Environmental Community
JOE YARBROUGH	The Carpet & Rug Institute	Carpet Mills
JOHN DAVIS	Mojave Desert & Mountain Recycling Integrated Waste Mgmt Joint Powers Authority	Local Government
KELLY MCBEE	Californians Against Waste	Environmental Community
RACHEL PALOPOLI	Planet Recycling	Carpet Collections/Sorting
STEVE BELONG	Carpet, Linoleum, & Soft Tile Workers Local Union No. 12, District Council 16	Northern CA Floor Covering Finishing Trades Institute Joint Apprenticeship Training Committee
WES NELSON	GreenWaste Carpet Recycling	Carpet Collections/Sorting
SPEAKER OF ASSEMBLY APPOINTEE	To Be Appointed	
SENATE COMMITTEE ON RULES APPOINTEE	To Be Appointed	

Advisory Committee Comments and Recommendations

The California Carpet Stewardship Advisory Committee held meetings to discuss the *Draft California Carpet Stewardship Plan 2018-2022*, which was submitted to the Advisory Committee on January 8, 2018. In-person meetings were held in Sacramento on January 11, February 7 and February 8, 2018. Teleconferences were held January 23 and January 29. Meetings were conducted in compliance with the Bagley-Keene Open Meeting Act.

Note that the Advisory Committee first meeting on January 11 did not adhere to the Bagley-Keene Open Meeting Act due to late notification of the requirements for Committee meetings. As such all formal motions from the January 11 meeting were subsequently re-adopted at the January 23rd teleconference to ensure compliance with Bagley-Keene.

Agendas, meeting minutes and supporting documents including the *Draft California Carpet Stewardship Plan 2018-2022* are posted on the CalRecycle Carpet Stewardship Advisory Committee webpage at: <http://www.calrecycle.ca.gov/Carpet/AdvisoryComm>

The following are the recommendations of the Advisory Committee, in priority order. The associated roll call votes are provided as Attachment 1:

Priority #1: Assessment Cap

Motion 1.1 The Committee recommends removing all caps on assessment fees, to be consistent with PRC 42972 (c) (1).

Priority #2A: Subsidy Guarantees

Motion 2a.1 The Committee recommends increased guaranteed subsidies and incentives from the current 12-month period to a minimum of 24 months. If remaining time of Stewardship Plan is less than 24 months, guarantees shall exist for the remaining duration of the current approved plan. For 6 months pilots, these would be exempt from the 24-month subsidies and incentives guarantee.

Motion 2a.2 The Committee recommends that prior to changing subsidies and incentives, the Stewardship Organization must include specific information about the changes.

Priority #2B: Tiered Payouts

Motion 2b.1 The Committee recommends that the Stewardship Organization clarify units (column C), time frame, and entity/organization/facility and remove any \$0 payout level from any payout tier as shown on page 168 of version 60 or any subsequent draft of the Stewardship Plan entitled Tiered Payouts.

Motion 2b.2 The Committee recommends that the Stewardship Organization consider increasing the material levels (column C) to encourage increased processing capacity, as shown on page 168 of version 60 or any subsequent draft of the Stewardship Plan entitled Tiered Payouts.

Motion 2b.3 The Committee recommends segregating out the nylon-6, nylon 6,6; along with non-nylon fibers/polymers, except for PTT and PET, which will be grouped together, when considering subsidies.

Priority #2C: Recycled Output Plateaus

Motion 2c.1 The Committee recommends that the Stewardship Organization and CalRecycle increase the recycling goals beyond the 26% goal set for 2022.

Priority #2D: Other Subsidy (Incentive) Guarantees

Motion 2d.1 The Committee recommends that the Stewardship Organization's Plan needs to describe a cogent process for setting subsidies and making incentive payments.

Motion 2d.2 The Committee recommends that the Stewardship Organization guarantee renewal of any existing 6-month pilots for an additional six months.

Priority #3: Differential Assessments

Motion 3.1 The Committee recommends that the Stewardship Organization implement a system of differential assessments based on face fiber type that correlates to the subsidy required to have it be economically recycled, with adequate time for implementation within 12 months of the approved plan.

Priority #4: Collections

Motion 4.1 The Committee recommends that the Stewardship Organization consider increasing collector/sorter incentives for sold (resourced) PC broadloom carpet for CARE “qualified” collectors/sorters in California to ensure adequate collections to meet the recycling requirements and goals of the plan.

Motion 4.2 The Committee recommends that the collection narrative needs to describe specific activities included in the proposed collection program budget expenditures and include cost factors used to project expenditures.

Priority #5: Recyclability/Table 4

Motion 5.1 The Committee recommends that the Stewardship Organization change the Ranking Range for the Scoring in Table 4, page 34 of the proposed plan (version 60), be changed to +/- 10 point scale.

Motion 5.2 The Committee recommends replacing the criteria on Table 4 of the proposed plan with the following criteria:

1. Toxic components
2. Ease of deconstruction
3. Safely recycled for all carpet layers into similar or higher material performance
4. Cost-effectiveness
5. Energy-saving
6. Identification of resin type
7. Ease of collection and processing
8. Extent of subsidy required
9. Reusability
10. Recycled into a new secondary product
11. Markets available for products:
 - a. focusing on closed-loop recycling that can be recycled into carpet
 - b. non-carpet closed loop (can be recycled again)
 - c. downcycle (1-time)
12. Potential for high yield

Priority #6: Program Budget Issues

- Motion 6.1 The Committee recommends that the Stewardship Organization increase the transparency in the budget relative to meeting the goals of the program.
- Motion 6.2 The Committee recommends that the Stewardship Organization develop a policy to ensure competition, such as identifying spending thresholds in selecting consultants and vendors, while allowing for sole source awards of contracts, all under an adopted policy.

Priority #7: Processing Capacity & Preference for California Facilities

- Motion 7.1 The Committee recommends that once the 24% recycling goal is reached, the Stewardship Organization develop more aggressive California preferences in the subsidy and grant programs than what is in the draft Plan (version 60).

Priority #8: Grants

- Motion 8.1 The Committee recommends the Stewardship Organization shall increase the total annual grant amount and in-turn increase the individual grant amounts to encourage in-state processing and manufacturing and downstream use of PCC recycled commodities.

Priority #9: Education & Outreach

- Motion 9.1 The Committee recommends that the Stewardship Organization re-allocate funding to prioritize state-approved apprenticeship programs for training of apprentices and journey level installers in proper carpet recycling practices.
- Motion 9.2 The Committee recommends that the budget for Education and Outreach not exceed 3.5% of the total budget and would be mainly directed to the following:
1. Installer outreach
 2. Retailer outreach
 3. Market development
 4. State and local governments
- Motion 9.3 The Committee recommends that the Stewardship Organization work with carpet manufacturers to participate at the regional sales events in the state of California to better educate retailers on carpet recycling.

Respectfully,

Rachel Palopoli

February 12, 2018

Rachel Palopoli, Advisory Committee Chair

Date

Attachment: Formal motions with roll-call votes

Attachment 1 – Advisory Committee Roll Call Votes

PRIORITY #1 – ASSESSMENT CAP

Motion 1.1

Original Motion: The Committee recommends removing all caps on assessment fees.

Motion put forth by Joanne Brasch. Seconded by Franco Rossi.

Amended Motion: The Committee recommends removing all caps on assessment fees, to be consistent with PRC 42972 (c) (1).

Amended Motion: Accepted by Joanne Brasch and Franco Rossi

Ayes (10): Brent Whitener, Doug Kobold, Eric Nelson, Franco Rossi, Gail Brice, Joanne Brasch, John Davis, Kelly McBee, Rachel Palopoli, Wes Nelson

Nays (3): Joe Yarbrough, Howard Sapper, Steve Belong

Abstain (1): Douglas Williams

The Motion Passes.

PRIORITY #2A – SUBSIDY GUARANTEES

Motion 2a.1

Original Motion: The Committee recommends increase guaranteed subsidies and incentives from the current 12-month period to a minimum of 24 months. If remaining time of Stewardship Plan is less than 24 months guarantees shall exist for the remaining duration of the current approved plan.

Motion put forth by Wes Nelson. Seconded by Doug Kobold.

Amended Motion: The Committee recommends increased guaranteed subsidies and incentives from the current 12-month period to a minimum of 24 months. If remaining time of Stewardship Plan is less than 24 months, guarantees shall exist for the remaining duration of the current approved plan. For 6 months pilots, these would be exempt from the 24-month subsidies and incentives guarantee.

Amended Motion accepted by Wes Nelson and Doug Kobold

Ayes (11): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Joanne Brasch, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (2): Howard Sapper, John Davis

Abstain (1): Joe Yarbrough

The Motion Passes

Motion 2a.2

The Committee recommends that prior to changing subsidies and incentives, the Stewardship Organization must include specific information about the changes.

Motion put forth by Gail Brice. Seconded by Joanne Brasch.

Ayes (14): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, John Davis, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (0)

The Motion Passes

PRIORITY #2B – TIERED PAYOUTS

Motion 2b.1

The Committee recommends that the Stewardship Organization clarify units (column C), time frame, and entity/organization/facility and remove any \$0 payout level from any payout tier as shown on page 168 of version 60 or any subsequent draft of the Stewardship Plan entitled Tiered Payouts.

Motion put forth by Doug Kobold. Seconded by Gail Brice

Ayes (14): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, John Davis, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (0)

The Motion Passes

Motion 2b.2

The Committee recommends that the Stewardship Organization consider increasing the material levels (column C) to encourage increased processing capacity, as shown on page 168 of version 60 or any subsequent draft of the Stewardship Plan entitled Tiered Payouts.

Motion put forth by Eric Nelson. Seconded by Wes Nelson

Ayes (12): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Joanne Brasch, Joe Yarbrough, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (1): Howard Sapper

John Davis was absent from the vote.

The Motion Passes

Motion 2b.3

The Committee recommends segregating out the nylon-6, nylon 6,6; along with non-nylon fibers/polymers, except for PTT and PET, which will be grouped together, when considering subsidies.

Motion put forth by Eric Nelson. Seconded by Wes Nelson

Ayes (14): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, John Davis, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (0)

The Motion Passes

PRIORITY #2C – RECYCLED OUTPUT PLATEAUS

Motion 2c.1

The Committee recommends that the Stewardship Organization and CalRecycle increase the recycling goals beyond the 26% goal set for 2022.

Motion put forth by Kelly McBee. Seconded by Doug Kobold.

Ayes (11): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Joanne Brasch, , Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (2): Howard Sapper, Joe Yarbrough
Abstain (0)

John Davis was absent from the vote.

The Motion Passes.

PRIORITY #2D – OTHER SUBSIDY (INCENTIVE) GUARANTEES

Motion 2d.1

The Committee recommends that the Stewardship Organization’s Plan needs to describe a cogent process for setting subsidies and making incentive payments.

Motion put forth by John Davis. Seconded by Howard Sapper.

Ayes (14): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, John Davis, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)
Abstain (0)

The Motion Passes.

Motion 2d.2

The Committee recommends that the Stewardship Organization guarantee renewal of any existing 6-month pilots for an additional six months.

Motion put forth by Franco Rossi. Seconded by Eric Nelson

Ayes (12): Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (1): Brent Whitener
Abstain (0)

John Davis was absent from this vote

The Motion Passes.

PRIORITY #3 – DIFFERENTIAL ASSESSMENTS

Motion 3.1

The Committee recommends that the Stewardship Organization implement a system of differential assessments based on face fiber type that correlates to the subsidy required to have it be economically recycled, with adequate time for implementation within 12 months of the approved plan.

Motion put forth by Eric Nelson. Seconded by Kelly McBee.

Ayes (13): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Joanne Brasch, Joe Yarbrough, John Davis, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (1): Howard Sapper

Abstain (0)

The Motion Passes.

PRIORITY #4 – COLLECTIONS

Motion 4.1

The Committee recommends that the Stewardship Organization consider increasing collector/sorter incentives for sold (resourced) PC broadloom carpet for CARE “qualified” collectors/sorters in California to ensure adequate collections to meet the recycling requirements and goals of the plan.

Motion put forth by Wes Nelson. Seconded by Eric Nelson

Ayes (14): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, John Davis, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (0)

The Motion Passes.

Motion 4.2

The Committee recommends that the collection narrative needs to describe specific activities included in the proposed collection program budget expenditures and include cost factors used to project expenditures.

Motion put forth by John Davis. Seconded by Howard Sapper

Ayes (14): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, John Davis, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (0)

The Motion Passes.

Motion 4.3

The Committee recommends that the Stewardship Organization will create a pilot program for low-cost collection points at carpet distribution, government-run solid waste facilities, bona fide floor covering training and/or retailer sites, giving homeowners and installers convenient collection points throughout the state.

Motion put forth by Howard Sapper. Seconded by Steve Belong.

Substitute Motion to table Motion 4.3

Motion put forth by Joe Yarbrough. Seconded by Wes Nelson.

Ayes (8): Brent Whitener, Doug Kobold, Douglas Williams, Franco Rossi, Gail Brice, Joe Yarbrough, Rachel Palopoli, Wes Nelson

Nays (5): Eric Nelson, Howard Sapper, Joanne Brasch, Kelly McBee, Steve Belong

Abstain (0)

John Davis was absent from this vote

The Motion is Tabled.

PRIORITY #5 – RECYCLABILITY/TABLE 4

Motion 5.1

The Committee recommends that the Stewardship Organization change the Ranking Range for the Scoring in Table 4, page 34 of the proposed plan (version 60), be changed to +/- 10 point scale.

Motion put forth by Joe Yarbrough. Seconded by Eric Nelson.

Ayes (14): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, John Davis, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (0)

The Motion Passes.

Motion 5.2

The Committee recommends replacing the criteria on Table 4 of the proposed plan with the following criteria:

- 1. Toxic components**
- 2. Ease of deconstruction**
- 3. Safely recycled for all carpet layers into similar or higher material performance**
- 4. Cost-effectiveness**
- 5. Energy-saving**
- 6. Identification of resin type**
- 7. Ease of collection and processing**
- 8. Extent of subsidy required**
- 9. Reusability**
- 10. Recycled into a new secondary product**
- 11. Markets available for products:**
 - a. focusing on closed-loop recycling that can be recycled into carpet**
 - b. non-carpet closed loop (can be recycled again)**
 - c. downcycle (1-time)**
- 12. Potential for high yield**

Motion put forth by Eric Nelson. Seconded by Wes Nelson.

Ayes (14): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, John Davis, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (0)

The Motion Passes.

PRIORITY #6 – PROGRAM BUDGET ISSUES

Motion 6.1

The Committee recommends that the Stewardship Organization increase the transparency in the budget relative to meeting the goals of the program.

Motion put forward by Gail Brice. Seconded by Joe Yarbrough.

Ayes (13): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (0)

John Davis was absent from this vote

The Motion Passes

Motion 6.2

The Committee recommends that the Stewardship Organization develop a policy to ensure competition, such as identifying spending thresholds in selecting consultants and vendors, while allowing for sole source awards of contracts, all under an adopted policy.

Motion put forward by Gail Brice. Seconded by Doug Kobold.

Ayes (13): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (0)

John Davis was absent from this vote

The Motion Passes.

PRIORITY #7 – PROCESSING CAPACITY & PREFERENCE FOR CALIFORNIA FACILITIES

Motion 7.1

The Committee recommends that once the 24% recycling goal is reached, the Stewardship Organization develop more aggressive California preferences in the subsidy and grant programs than what is in the draft Plan (version 60).

Motion put forward by Gail Brice. Seconded by Doug Kolbold.

Ayes (11): Brent Whitener, Doug Kobold, , Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, Kelly McBee, , Steve Belong, Wes Nelson

Nays (0)

Abstain (2): Douglas Williams, Rachel Palopoli

John Davis was absent from this vote

The Motion Passes.

PRIORITY #8 – GRANTS

Motion 8.1

The Committee recommends the Stewardship Organization shall increase the total annual grant amount and in-turn increase the individual grant amounts to encourage in-state processing and manufacturing and downstream use of PCC recycled commodities.

Motion put forward by Wes Nelson. Seconded by Doug Kolbold.

Ayes (12): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (1): Joe Yarbrough

John Davis was absent from this vote

The Motion Passes

PRIORITY #9 – EDUCATION & OUTREACH

Motion 9.1

The Committee recommends that the Stewardship Organization re-allocate funding to prioritize state-approved apprenticeship programs for training of apprentices and journey level installers in proper carpet recycling practices.

Motion put forth by Steve Belong. Seconded by Wes Nelson.

Ayes (13): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (0)

John Davis was absent from this vote

The Motion Passes

Motion 9.2

The Committee recommends that the budget for Education and Outreach not exceed 3.5% of the total budget and would be mainly directed to the following:

- 1. Installer outreach**
- 2. Retailer outreach**
- 3. Market development**
- 4. State and local governments**

Motion put forth by Franco Rossi. Seconded by Joe Yarbrough.

Ayes (13): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (0)

John Davis was absent from this vote

The Motion Passes.

Motion 9.3

The Committee recommends that the Stewardship Organization work with carpet manufacturers to participate at the regional sales events in the state of California to better educate retailers on carpet recycling.

Motion put forth by Howard Sapper. Seconded by Rachel Palopoli.

Ayes (13): Brent Whitener, Doug Kobold, Douglas Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Joanne Brasch, Joe Yarbrough, Kelly McBee, Rachel Palopoli, Steve Belong, Wes Nelson

Nays (0)

Abstain (0)

John Davis was absent from this vote

The Motion Passes.