

2008 Reclamation Partner Survey



CARE Reclamation Partner Economic Condition Survey - September 2008

Dear CARE Reclamation Partner,

Thank you for taking a moment to complete this very important CARE Reclamation Partner Economic Condition Survey. We are all striving to fully understand the economic state of CARE's Collection Network in order to explore possible solutions to the challenges we are facing. We have heard from many of you individually, but we would like to look at the collection infrastructure as a whole. Your honest and complete answers to this survey will allow us to do this. Please take a minute to complete the survey now.

The information gathered during this survey will be used to inform the CARE Board and CRI Board about the economic status, as well as the stability of the collection infrastructure.

The survey is 11 questions long and should take less than 10 minutes to complete.

If you need any assistance or have questions while completing this survey, please contact Jeremy Stroop, CARE's Operations Manager, at jstroop@carpetrecovery.org or 706-428-2127.

Due to the time sensitive nature of this survey, please complete survey by close of business on Monday, September 15th.

Thank you,

Frank Hurd

Chairman, CARE

1. What is your current economic situation on a scale of 1 to 5?

- 1 - Economic Status Excellent - Very Good
- 2 - Good
- 3 - Barely Acceptable
- 4 - Poor
- 5 - Impending Shutdown Within 4 Weeks - Very Poor

Other (please specify)

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2. Please rate each of the following for your business:

| | Very Good | Good | Fair | Poor | Very Poor |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Profit / Loss | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Inventory | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Growth | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Outlook | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Accounts Payable | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Comments

3. Does your organization have an alternative business operation that generates sufficient revenue to maintain your post-consumer carpet collecting/sorting business?

Yes

No

If yes, what is the business?

4. As an organization, to what degree has the post-consumer carpet market affected your entire business within the past 12 months?

Positive affect

Slightly positive affect

No impact

Slightly negative affect

Negative affect

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5. Based on the previous six months of collecting, would you say your post-consumer carpet collection effort has:

- Increased
- Decreased slightly
- Stayed about the same
- Decreased dramatically
- Stopped

In your opinion, if your collection effort has changed within the past six months, what are the contributing factors that lead to the change?

6. What is your current post-consumer carpet inventory in pounds?

| | |
|----------|----------------------|
| Nylon 66 | <input type="text"/> |
| Nylon 6 | <input type="text"/> |
| PP | <input type="text"/> |
| PET | <input type="text"/> |
| Other | <input type="text"/> |

7. How many tons of post-consumer carpet do you estimate will be handled by your company (i.e. collected, processed, sorted, and/or used in manufacturing) in 2008?

8. How many weeks can your carpet reclamation operations continue to operate under current market conditions?

Less than 2

3

4

5

6

7

Greater than 8

9. In your opinion, what needs to happen in the short-term (less than 1 month) to improve the functional and economic stability of the post-consumer carpet collection infrastructure?

10. In your opinion, what needs to happen in the mid-term (less than 1 year) to improve the functional and economic stability of the post-consumer carpet collection infrastructure?

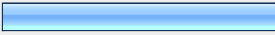


* 11. Demographic Information - Required

***Company information will be confidential, and will only be seen and used by CARE's Chairman (Frank Hurd) and Operations Manager (Jeremy Stroop).**

All data collected will be reported to outside agencies in the aggregate, thus removing any references to individual companies.

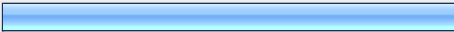
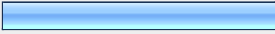
| | |
|-------------------------|----------------------|
| Name: | <input type="text"/> |
| Company: | <input type="text"/> |
| Address: | <input type="text"/> |
| Address 2: | <input type="text"/> |
| City/Town: | <input type="text"/> |
| State/Province: | <input type="text"/> |
| ZIP/Postal Code: | <input type="text"/> |
| Country: | <input type="text"/> |

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
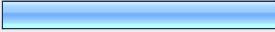


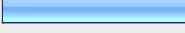
| 1. What is your current economic situation on a scale of 1 to 5? | | | |
|--|---|------------------|----------------|
| | | Response Percent | Response Count |
| 1 - Economic Status Excellent - Very Good | | 0.0% | 0 |
| 2 - Good |  | 37.5% | 6 |
| 3 - Barely Acceptable |  | 18.8% | 3 |
| 4 - Poor |  | 43.8% | 7 |
| 5 - Impending Shutdown Within 4 Weeks - Very Poor | | 0.0% | 0 |
| Other (please specify) | | | 2 |
| answered question | | | 16 |
| skipped question | | | 0 |

| 2. Please rate each of the following for your business: | | | | | | |
|---|-----------|------------------|------------------|------------------|-----------|----------------|
| | Very Good | Good | Fair | Poor | Very Poor | Response Count |
| Profit / Loss | 0.0% (0) | 12.5% (2) | 31.3% (5) | 31.3% (5) | 25.0% (4) | 16 |
| Inventory | 13.3% (2) | 46.7% (7) | 13.3% (2) | 20.0% (3) | 6.7% (1) | 15 |
| Growth | 6.3% (1) | 31.3% (5) | 31.3% (5) | 18.8% (3) | 12.5% (2) | 16 |
| Outlook | 0.0% (0) | 37.5% (6) | 37.5% (6) | 12.5% (2) | 12.5% (2) | 16 |
| Accounts Payable | 18.8% (3) | 31.3% (5) | 25.0% (4) | 18.8% (3) | 6.3% (1) | 16 |
| Comments | | | | | | 5 |
| answered question | | | | | | 16 |
| skipped question | | | | | | 0 |

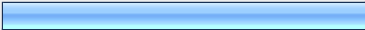
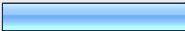
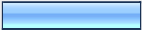

3. Does your organization have an alternative business operation that generates sufficient revenue to maintain your post-consumer carpet collecting/sorting business?

| | | Response Percent | Response Count |
|-------------------------------|---|------------------|----------------|
| Yes |  | 62.5% | 10 |
| No |  | 37.5% | 6 |
| If yes, what is the business? | | | 11 |
| <i>answered question</i> | | | 16 |
| <i>skipped question</i> | | | 0 |

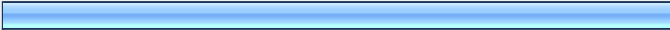
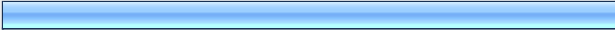
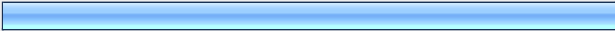
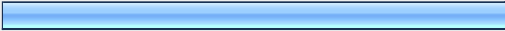

4. As an organization, to what degree has the post-consumer carpet market affected your entire business within the past 12 months?

| | | Response Percent | Response Count |
|---------------------------------|---|------------------|----------------|
| Positive affect |  | 12.5% | 2 |
| Slightly positive affect |  | 37.5% | 6 |
| No impact |  | 12.5% | 2 |
| Slightly negative affect |  | 12.5% | 2 |
| Negative affect |  | 25.0% | 4 |
| <i>answered question</i> | | | 16 |
| <i>skipped question</i> | | | 0 |

5. Based on the previous six months of collecting, would you say your post-consumer carpet collection effort has:

| | | Response Percent | Response Count |
|---|---|------------------|----------------|
| Increased |  | 50.0% | 8 |
| Decreased slightly |  | 25.0% | 4 |
| Stayed about the same |  | 18.8% | 3 |
| Decreased dramatically |  | 6.3% | 1 |
| Stopped | | 0.0% | 0 |
| In your opinion, if your collection effort has changed within the past six months, what are the contributing factors that lead to the change? | | | 11 |
| <i>answered question</i> | | | 16 |
| <i>skipped question</i> | | | 0 |



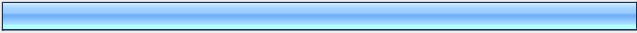
6. What is your current post-consumer carpet inventory in pounds?

| | | Response Percent | Response Count |
|--------------------------|--|------------------|----------------|
| Nylon 66 |  | 92.3% | 12 |
| Nylon 6 |  | 84.6% | 11 |
| PP |  | 84.6% | 11 |
| PET |  | 69.2% | 9 |
| Other |  | 46.2% | 6 |
| <i>answered question</i> | | | 13 |
| <i>skipped question</i> | | | 3 |

7. How many tons of post-consumer carpet do you estimate will be handled by your company (i.e. collected, processed, sorted, and/or used in manufacturing) in 2008?

| | | Response Count |
|--|--------------------------|----------------|
| | | 16 |
| | <i>answered question</i> | 16 |
| | <i>skipped question</i> | 0 |

8. How many weeks can your carpet reclamation operations continue to operate under current market conditions?

| | | Response Percent | Response Count |
|----------------|--|--------------------------|----------------|
| Less than 2 |  | 6.3% | 1 |
| 3 | | 0.0% | 0 |
| 4 | | 0.0% | 0 |
| 5 | | 0.0% | 0 |
| 6 |  | 6.3% | 1 |
| 7 | | 0.0% | 0 |
| Greater than 8 |  | 87.5% | 14 |
| | | <i>answered question</i> | 16 |
| | | <i>skipped question</i> | 0 |

9. In your opinion, what needs to happen in the short-term (less than 1 month) to improve the functional and economic stability of the post-consumer carpet collection infrastructure?

| | | Response Count |
|--|--------------------------|----------------|
| | | 14 |
| | <i>answered question</i> | 14 |
| | <i>skipped question</i> | 2 |

10. In your opinion, what needs to happen in the mid-term (less than 1 year) to improve the functional and economic stability of the post-consumer carpet collection infrastructure?

| | | Response Count |
|--|--------------------------|----------------|
| | | 14 |
| | <i>answered question</i> | 14 |
| | <i>skipped question</i> | 2 |

11. Demographic Information - Required *Company information will be confidential, and will only be seen and used by CARE's Chairman (Frank Hurd) and Operations Manager (Jeremy Stroop). All data collected will be reported to outside agencies in the aggregate, thus removing any references to individual companies.

| | | Response Percent | Response Count |
|-------------------------|----------------------|--------------------------|----------------|
| Name: | <input type="text"/> | 100.0% | 16 |
| Company: | <input type="text"/> | 100.0% | 16 |
| Address: | <input type="text"/> | 100.0% | 16 |
| Address 2: | <input type="text"/> | 6.3% | 1 |
| City/Town: | <input type="text"/> | 100.0% | 16 |
| State/Province: | <input type="text"/> | 100.0% | 16 |
| ZIP/Postal Code: | <input type="text"/> | 100.0% | 16 |
| Country: | <input type="text"/> | 81.3% | 13 |
| | | <i>answered question</i> | 16 |
| | | <i>skipped question</i> | 0 |

Comments



Comments

- Constant challenges. Roller coaster ride because of fluctuating demand for PCC
- I'm currently losing 1.3 cents on every pound collected
- Treading water, not still taking on water but a long way from shore.
- Large companies dragging out payment hurts cash flow on us small guys.
- Inventory is too high. Collections have been kept low due to the non use of 6.6
- I have a lot of PP clogging my ability to operate. The tile market is also challenging.
- These answers are only applicable to the recycling end of our business. Our retail flooring operations are ahead of last year by 5% and are in very good shape.

In your opinion, if your collection effort has changed within the past six months, what are the contributing factors that lead to the change?

- Same diametric situation: Commercial carpet pays better to collect, but no one can recycle commercial broadloom effectively. Residential carpet is in demand, but only 60% of the stream. Needs more like 90-95%
- We need to find markets for N66 and also PP
- High Availability of post consumer vinyl backed carpet. Not sure why.
- Hired a business manager
- Word is spreading and the "green" trend is catching on.
- No demand and low pricing for what we do sell.
- Lack of acceptance of most materials and no longer paying for materials ie Tandus
- We have been able to move our n-66 but at a depressed price. i also believe we are one of the few that are even able to do so, due to our geographic location.
- Not a lot of other alternatives

Inventories

N66 – 3,200,000 Pounds

N6 – 778,000 Pounds

PP – 1,975,000 Pounds

PET – 370,000

In your opinion, what needs to happen in the short-term (less than 1 month) to improve the functional and economic stability of the post-consumer carpet collection infrastructure?

- Acceptance of materials and assigning a higher dollar value for the material.
Good luck.
- outlet for PP
- markets for the N-6,6
- ability to move product, again this is not a concern with us as much as industry in whole
- More market for PC Carpet
- FIND A BUYER FOR 6.6
- More mills need to start taking back their own old material
- Markets for N66 and PP at reasonable prices and a higher price for N6
- Carpet recycling subsidy created to support collectors, funded by small tax (\$0.04/SY) on each SY on commercial carpet sold
- Extra fee from carpet industry per pound for processing carpet
- higher landfill prices

In your opinion, what needs to happen in the mid-term (less than 1 year) to improve the functional and economic stability of the post-consumer carpet collection infrastructure?

- long term paid contracts for pp and 66.
- we need demand to rise to the point we can receive an equitable price for our material
- More market for PC Carpet
- More commitment from all industry members to explore new technology
- Need outlet for PP. I do not have space to store and now send it to waste disposal at about 3.2 cents per lb. It is 17% of what I collect. This is hurting big time.
- state mandates on carpet disposal alternatives, more plastics industry research milestones, more active participation with the cement kilns
- Plastics Industry(compounders and extruders) need to start using post consumer baled carpet
- Price of rebond doubles therefore causing consumers to buy syn carpet cushion
- new construction start ups
- Continue to work with plastics industry to create specifications for PCC pellets/fiber etc that the collector processor network can create. Need pull-through of materials

