Carpet America Recovery Effort

“A Historical Retrospective”

C.A.R.E. Annual Conference
Charleston, SC - May 8, 2007
Werner Braun
A Historical Perspective

“National Memorandum of Understanding for Carpet Stewardship represents a step forward for product stewardship in the United States...”
A Historical Perspective

- Post-consumer carpet as a problem [vulnerability] and opportunity
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- Challenge: how will it be done without creating “economic islands”
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- Negotiated outcomes and collaboration
- CRI message platform
A Historical Perspective

- 1999: 1.5B square yards to landfill
- 1% by weight or 2% by volume
- Early questions: Why us?
A Historical Perspective

- One perspective:
  - Bulky & difficult to handle
  - High BTU value, but “difficult to burn”
  - Carpet industry “poised”
- CRI: carpet for a better environment
- EPA “focused on voluntary industry effort”
- States “wanted guaranteed solutions”
A Historical Perspective

- Significant turning point:
  - States sought corporate representation rather than trade associations
  - CRI not a typical trade association
  - Howard Elder -> CRI
    - Great track record, but...
    - Where’s the vision
From the outset, it did not play well “at home”
- Why us?
- Creates economic barrier.
- We’ll handle!
- Won’t throw money at this!

“If this is going to work, it needs to be economically viable!”
A Historical Perspective

Break through:
- Economically viable & sustainable system
- Traditional recycle model won’t get us there.
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- **Cost Internalization Model:**
  Agreed, BUT parties had different foci:
  - States’ Focus: industry pays
  - Industry’s Focus: industry determines how to manage the system

- **CRI BOD Support with Skepticism:**
  - Goal: development economically self-sustaining system.
A Historical Perspective

- **Negotiated Outcomes:**
  - CRI focus:
    - Value Pyramid
    - Need for WTE and Cement Kiln early on
    - Eliminate incineration without energy recovery!
  - 40% by 2012
    - *Lot’s of discussion “back home”*
  - Interim Goals
    - *Lot’s of discussion “back home”*
A Historical Perspective

- C.A.R.E.
  - Goal: “...to build a new industry.”
A Historical Perspective

- Lessons CRI Learned:
  - State Partnerships are Essential
  - Need Measurable Goals
  - Industry Must Lead
  - Listen and Negotiate in Good Faith!
A Historical Perspective

Thank you all for embarking on this journey with us!