CARE Annual Meeting
May 13, 2015
New Orleans, LA
Mission

The mission of CARE is to facilitate market-based solutions for the reuse and recycle of post-consumer carpet and encourage design for recyclability.

*Created January 8, 2002 as a 501c3 organization*
2014 HIGHLIGHTS
VPS Program

• Months of dialogue between the CSE and industry members

• Responsiveness to the needs of the CSE community

• Program was announced on December 15th, 2014

• Launched national Voluntary Program Stewardship (VPS) Program January 1, 2015

✓ A testament to the perseverance and fortitude that CARE and its members have displayed since its inception
Annual Conference

• CARE revamped conference format in 2014

• Many considered conference repetitive and dated

• With the help of Vicki Johnson and Associates and the Annual Conference Committee, CARE totally reconfigured the conference format

• The renewed energy to conference was appreciated by all attendees: Comments included: “best conference ever.”
New CARE Website

- CARE website is a result of the work of the Marketing and Communications Committee
- Website went live on May 7, 2014 in Seattle as planned
- New site is much easier for guest to navigate and for CARE staff to manage
Product Portfolio

• Developed in early 2013 by the New Products and Markets Committee

• Presentation showcases various products that use post-consumer carpet.

• Can be found on CARE’s Website
The Board of Directors of the Carpet America Recovery Effort (CARE) hereby acknowledge and congratulate the Starnet Members for achieving

50 MILLION POUNDS OF CARPET DIVERTED FROM LANDFILLS BY ‘15

6 THOUSAND # of US homes that could power for one year
166 MILLION Gallons of water saved

Brendan McSheehy, Jr.
Chairman of the Board

P. Robert Peoples, Ph.D.
Executive Director, CARE

50 in 15 Campaign!
PET Grant

- University Grant RFP was released in July 2014
  - $500K grant
- University of Connecticut was selected after a thorough evaluation of 6 proposal (no CA applicants)
- Title of project: *Value-Added Uses for PET Derived from Post-Consumer Carpet*
- University of Connecticut notified in November
- Final contract signed 1-19-15
- Visit this week to kick-off work
- Dr. Richard Parnas, lead investigator
CA AB 2398

- Program found non-compliant September 2014
- Program undergoes dramatic analysis and expansion of subsidy payout Plan
- SFOC Authorizes subsidy payouts and assessment increases
- CalRecycle approved increased assessment to $0.10 per square yard early January 2015
- *Increased assessment effective April 1, 2105*
- CA Longshoreman slowdown and container fee increase adversely impact sorters and processors
2015 and Beyond

• CARE’s Board developed a 5 year strategy

• CARE grows from $5M to $10M to $15M stewardship organization in 2015
  – CARE Core operations management
  – CA AB 2398 Carpet Stewardship Organization
  – VPS Program Stewardship Organization

The best way to predict the future is to create it!

Peter Drucker
Factors Impacting PCC Recycle

- Market outlets for PCC materials
- Products containing PCC
- Price of oil → price of virgin polymers
- Transportation costs of PCC
- Yield (processing options)
- Disposal costs of processing waste (ex: PET, carcass)
- Tipping fees (low = undesirable alternative)
- Curbside disposal = inefficient collection &/or wet material

*Procurement can leverage growth for PCC recycling: public & private*
CARE Annual Survey

2014 PRELIMINARY RESULTS
2014 CARE Annual Report

DRAFT

44 responders
35 primary collector/sorters
Historical Landfill Diversion

Pounds (millions)

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Preliminary
Why a Preliminary Report?

- Mass balance - inconsistencies
- Some report PCC pounds, some fiber pounds
- Not all data filled in
- Some materials pulled from inventory
- Working to understand the data
- Used a revised survey
- Better data vs 2013
Material Balance Approach
Based on documented pounds shipped

Gross Collections
490 M lbs.

Reporting Boundary*

Landfill  197M lbs.
WtE  42M lbs.
CAAF/Kiln  113M lbs.
Incineration  0M lbs.
Inventory  15M lbs. (drop)

Recycled + Reuse
123M lbs.
(26% yield)

* Including Int’l
41 M lbs.
11 M lbs. recycled
30 M lbs. to LF

Preliminary

Output = 123+197+42+113+15 = 490M lbs. input required
Destination of Processed PCC

United States 95.7%
China 2.8%
Other 1.5%

Preliminary
Outlets for PCC

- Landfill: 42%
- Kiln + CAAF: 25%
- Recycled: 24%
- WtE: 8%
- Reuse: 2%

Preliminary
End Product Markets

Preliminary

Question 8

- Engineered Resins: 46%
- Carpet Fiber: 17%
- Carpet Backing: 3%
- Filler: 13%
- Other: 20%
Face Fiber Collected

2013

PET, 34%
N6, 31%
(+42%)
PP, 8%
Other, 6%

2014

PET, 25.1%
Other 9.7%
PP 3.8%
N6, 37.8%
N6, 23.6%

2013: Question 6
2014: Question 3

Why?
Where Collections Originate

- California: 15%
- Northwest (inc. AK HI): 4%
- Midwest: 12%
- Northeast: 10%
- Southwest: 19%
- Southeast: 41%

Arrows indicate change vs 2013

Preliminary

Question 9
Jobs in PCC Recycling

Question 1
Is CARE Meeting member Needs?

Yes 91%

NO 9%

N = 44

[In 2013 NO was 24%]
Preliminary Summary

- More accuracy in 2014 survey (more work to do)
- 490 million pounds diverted
- 46% goes into engineered resins
- 17% goes back into carpet face fiber
- PET percentage as reported questionable
- 1,163 (+4%) people employed directly
- 52% of gross collections were diverted
- ~1.5 lbs. per capita gross collection

>3.6 billion pounds cumulative diversion
Questions / Observations / Suggestions
Survey Question:

Where would you like to see the 2016 conference held?

A. Sacramento
B. Nashville
C. Clearwater Beach
D. Charlotte
E. Jacksonville
F. Chicago
G. Detroit
H. Orlando
Poll Everywhere Voting

• On line: go to PollEv.com/care831
• Or Text to: 22333 the word CARE831
  – You will get a text back saying active
  – Then to vote simply text the letter of your choice
  – Vote up to 2 times
Survey Question:
Where would you like to see the 2016 conference held?

A. Sacramento
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H. Orlando
Thank you!

• Anthony, Susan, Brennen, Lisa, Jean, Caitlin,, Nancy & Mike
• Our Board & Advisors
• Our CSE community
• Our mill members
• Our stakeholders
• Gigantic Idea Studio

Success is perseverance for one more minute!