



**CARPET AMERICA RECOVERY EFFORT** <sup>SM</sup>  
Developing market-based solutions for the recycling & reuse  
of post-consumer carpet

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**CA CARPET STEWARDSHIP PROGRAM**  
**NOTICE TO TIER 2 MANUFACTURERS**

**JUNE 2016**

This document serves as notice to Tier 2 Manufacturers of new program requirements for participants.

1. ***Non-Nylon Tier 2 Growth Incentive — Adjustment Anticipated Effective Q2-2016 Payoffs***

In Q2 2015 a Growth Incentive was incorporated as a new Tier 2 incentive in an effort to increase overall manufacturing of non-nylon recycled carpet content products using California post consumer carpet recycled output. Upon launch of this incentive, the bonus was set at for non-nylon recycled output utilized by Tier 2 manufacturers in the manufacture of recycled products shipped and sold each quarter. At the time this incentive was adopted (June 2015), the target for Tier 2 non-nylon end user growth bonus payout was set at 2.0 million pounds, effective for Q2-2015 payouts. Pounds processed, shipped and sold above the threshold are eligible for the growth incentive of \$0.10/lb.

The Tier 2 non-nylon end user Growth Incentive target is currently being reviewed based on quarterly average non-nylon Tier 2 pounds processed, shipped and sold. Quarterly averages for the past several quarters exceed 3.6 million pounds. **The Growth Incentive target is expected to increase above the current level, effective Q2-2016 payouts.** The precise target is not finalized. Tier 2 manufacturers will receive notice once this target is finalized.

For additional information about this notice, please contact:  
Brennen Jensen, CA Program Manager at [bjensen@carpetrecovery.org](mailto:bjensen@carpetrecovery.org)

### END OF NOTICE