MOU 2002: The History

Presented April 26, 2010 at the 8th Annual CARE Conference
by
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MOU I: January 2001 – between the carpet industry and the Midwestern Working Group (Minnesota, Iowa, and Wisconsin)

- Establish 3rd party organization – CARE
- Negotiate outcomes (landfill diversion)
- Model Procurement Guidelines
Negotiated Outcomes Group

- Carpet manufacturers, CRI, fiber manufacturers, material suppliers, 7 states (CA, IA, MD, MA, MN, NC and OR), EPA, 2 NGOs (NE Recycling Council and Reuse Development Center)
- Resulting in MOU II signed January 2002
MOU II

• Good faith, non-binding agreement
• Recognizes significant technical and logistical challenges exist which will require finding new or yet unrecognized solutions
• The carpet industry recognizes that it has primary financial responsibility for the implementation of the Negotiated Outcomes
CARE Established in 2002

- Bob Peoples, PhD, Executive Director
- Frank Hurd, Chairman
- 5 Collectors (now 68)
- New Organization developed from scratch:
  - In-Kind Contribution of Resources
  - BOD (now 19 Directors & 250 members)
  - Name for the Organization
  - Bylaws
  - Etc
Signatories agree as follows:

Section 4 of MOU II -- Evaluation and Performance Schedule:

“In each case where a report is required…(it) shall at a minimum include progress toward meeting the Negotiated Outcomes Goals…”
Negotiated Outcomes Goals
40%* by 2012...

- Reuse: 3-5% -- At least 200 million to 340 million pounds
- Recycling: 20 – 25% -- At least 1.4 to 1.7 billion pounds
- Cement kilns (alternative fuels): -- 3% or 200 million pounds
- Waste-to-energy: 1% or 67 million pounds
• The goals do not add up to 40%
• Range is actually 27% to 34%
• “The goals for individual management methods are expressed as a range to allow some flexibility to achieve and possibly exceed the 40% overall diversion rate.”
The CARE Reporting Schedule: Section 4. a. of MOU II

- (1) Annual Report
- (2) 2005 Report
- (3) 2007 Report (Independent Study)
- (4) 2010 Negotiations
- (5) Final Report (for another time)
The CARE reporting schedule:

• (1) Annual Report: on or before March 31st of each year commencing in March 2003
• (2) 2005 Report: on or before March 31, 2005 document progress made toward meeting interim management goals (amount discarded, reused, recycled, w-t-e, cement kilns, landfill; also recycling and landfill diversion rates)
• (3) 2007 Report - Independent Study shall be commissioned:

“to evaluate the progress and identify existing barriers toward meeting the Negotiated Outcomes Goals (reuse, recycling, cement kilns and waste-to-energy).”
“...the study shall conclude with recommendations for improving the recovery and integrated management of post-consumer carpet.”
(4) 2010 Negotiations

“In year eight (2010) CARE and other stakeholders shall create a multi-stakeholder process for developing recommendations and goals for the next ten-year period.”
Invited stakeholders shall include but not be limited to no less than:

- 5 states
- 10 members of the carpet industry
- The US Environmental Protection Agency
- 1 Non-governmental organization
For consideration (topics)

- **Goals for 2012** (reuse, recycling, cement kilns and waste-to-energy)
- **2007 Report** – Independent Study
- **Roles and responsibilities of parties**
  a. CARE
  b. CRI
  c. Carpet industry
  d. Government entities
  e. Non-governmental organizations
For consideration (logistics)

- Who is invited to participate
- Start date and schedule
- Location, frequency and types of meetings
- Travel restrictions?
- Facilitator?
- For continuity, effective date of MOU III should be January 1, 2012.
• Invitation to participate went out 10/5/09 to 155 people (36 positive responses?)

• Posted relevant documents Nov/early Dec (MOU, Annual Reports, Independent Assessment, Board minutes, By-laws, etc.)

• Anne Peters, President of Gracestone selected to facilitate MOU negotiations
Informational Webinars

• March 15\textsuperscript{th} – Georgina Sikorski: Care History and Results
• March 30\textsuperscript{th} – Anne Peters: 2007 Independent Assessment and a few other related things
Thank you!
And now...

MOU 2012: The Next Steps in Carpet Stewardship

Anne Peters
President, Gracestone, Inc.