An Introduction to California Carpet Stewardship
AB 2398

Slides from March, 2015 Webinar Series
New Assessment & Other Program Changes

*Update Jan 2016: Includes Information on 2016 Assessment Changes – marked in blue*
Welcome!

Today’s Speakers:
Bob Peoples,
CARE, Executive Director

Brennen Jensen,
CARE, CA Program Manager

Today’s Host: Nancy Roberts,
Gigantic Idea Studio
Opening Remarks

- Welcome!
- Dr. Bob Peoples, CARE Executive Director

- How did we get here?
- Where are we now?
- Where are we going?
CARE Stakeholders

- Transfer Stations/MRFs
- Waste Agencies
- PUBLIC
- Processors
- NGOs
- Manufacturers
- Retailers
- Cal Recycle
- CARE Board
- SFOC & SPC

SFOC = Sustainable Fund Oversight Committee  SPC = Sustainable Plan Committee
Why Are We Here

- Collaborate, Share, Learn
- Provide Program Overview
- Understand New Program Changes
- Explore Details of the New Assessment
- Review Invoicing & Labeling Requirements
- Questions & Answers
Since 2002, Carpet America Recovery Effort (CARE) has served as THE national resource for carpet recycling.

**Our mission:** To advance market-based solutions that increase landfill diversion and recycling of post-consumer carpet, encourage design for recyclability and meet meaningful goals in support of our vision.
About You

- Carpet Retailers
- Recyclers (Processors)
- Local Government
- Carpet Manufacturers
- Collectors
- Sorters
- Vendors
- Stakeholders
- Haulers
- Recyclers (Processors)
- State Government
- NGOs
- Sales Managers
Program Overview

- Over 400 Million lbs of carpet are discarded in California landfills every year
- Carpet is identified by CalRecycle as one of the largest remaining materials in California landfills
- Landfilling carpet wastes valuable resources
- CA Carpet Stewardship Program helps create improved opportunities for carpet stewardship
What is AB 2398?

California Carpet Stewardship Program

- California law AB 2398 passed in 2010 to increase landfill diversion and recycling of post-consumer carpet generated in California
- The law required all retailers to add a stewardship assessment of $0.05 per square yard onto carpet sold in the state as of July 1, 2011
- **As of April 1, 2015, this assessment will increase to $0.10 per square yard sold in California**
- **As of April 1, 2016, this assessment will increase to $0.20 per square yard sold in California**
Program Goals

- Increase Carpet Recyclability
- Increase Post-Consumer Carpet Reuse
- Increase Post-Consumer Carpet Gross-Collection
- Increase Post-Consumer Carpet Recycling (Recycled Output)
- Increase Post-Consumer Carpet Diversion from California Landfills
- Increase Market Growth of New Products made with Post-Consumer Recycled Carpet Content
Program Trends
Millions of Pounds Collected & Recycled

![Graph showing program trends with data points for Millions of Pounds Collected & Recycled from Q3 2011 to Q4 2014. The graph indicates fluctuations in both gross collections and recycled output over the period.]
Program Status

• Successful Launch in 2011
• Strong Participation with Retailers, Manufacturers and Stakeholders – Thank you for your part!
• Doubled materials collected & recycled as Program became established (from 2011 to 2012)
• Dynamic Market Conditions and Industry Challenges have slowed collection & recycling rates
• Additional Resources are needed to reach next level of continuous meaningful progress
New Assessment Requirements

- Effective April 1, 2016
- **ALL** carpet sold and/or shipped *in California*
- Manufacturers will add an assessment of **$0.20/yd²** on the purchase price of **ALL** carpet sold in California
- Retailers will pass the **$0.20/yd²** assessment to consumers on the consumer invoice
- Assessment must appear as an **after-tax line item**
- Assessment must be visible on **all invoices**
- Specific **approved labels** must be used
What Is Included?

• Included:
  – All **Carpet** Sold and/or Shipped into California
  – Broadloom and Modular Carpet Tile
  – Commercial and Residential
  – Indoor and outdoor carpet

• Excluded:
  – Rugs, Underlayment, Carpet Cushion
  – Synthetic Turf
Labeling Requirements

- Manufacturers and Retailers must use CalRecycle Approved Labels:
  - California Carpet Stewardship Assessment
  - CA Carpet Stewardship Assessment
  - CA Crpt Stewardship Assessment
  - CA Crpt Stwdshp Asmt
  - CA Carpet Assessment

Must be clearly visible as a separate line item, and

Must be accompanied by a brief description of the assessment or label approved by CalRecycle.
Participation Requirements

• A civil penalty may be imposed by California Department of Resources, Recycling and Recovery (CalRecycle) for anyone in violation of AB 2398:

• One thousand dollars ($1,000) per day

• Ten thousand dollars ($10,000) per day if violation is intentional, knowing, or negligent

• Civil penalties may be imposed on any person who violates AB 2398 (i.e. manufacturer, distributor, importer, wholesaler, retailer)
Flow of Funds

Carpet Manufacturer
Adds Assessment to
Retailer Invoice

$0.20/yd²

Retailer Bills Customer

$0.20/yd²

Customer

Home Page

Manufacturer pays Carpet
Stewardship Organization
(CARE)

Funds used to make it
easier to recycle carpet,
new product development,
reuse, recycling and
diversion in California

As of April 1, 2016 the assessment increases to $0.20 per yd²
What Are the Funds Used for?

• This assessment continues to be used to keep carpet out of landfills and increase recycling opportunities

Increased assessment:

• Increases resources to achieve program goals
• **Expands new incentives & grants to drive market solutions** *
• Supports new products with recycled carpet content
• Creates new tile reuse and recycling incentive
• Establishes new incentive for CaCo3 utilization

*New as of January 2016
How Are Funds Distributed?

• Funds are distributed to the carpet recycling processor, in order to meet the goals of AB 2398
  • Collector/Sorter Entrepreneurs to support collection*
  • Tier 1 Processors receive collected post-consumer carpet, convert materials to recycled output
  • Tier 2 Processors create new secondary products with recycled content
  • Product testing grants for new recycled products*
  • Infrastructure grants to accelerate capital improvements*

*New as of January 2016
New Products Made with Recycled Carpet

- Product Brochure Released May 2015
Communicating to Consumers & End-Users

- CARE provided marketing material kit for retailers, including:
  - Signage
  - Brochures
  - Window cling

- New materials released in 2015

- Please participate in post-webinar survey to provide your input
Getting the Word Out – Noticing & Outreach

• New Assessment Promotion Retailer and Manufacturer Channels
• Updated Website (CARE & CalRecycle)
• Updated Program Documents (FAQs, Invoice Sample, Overview, etc.)
• Retailer Outreach Retailer Certified Letters (over 4,000 locations)
• Commercial Marketing Groups & Stakeholder Email Distribution
• Reminder Postcard Mailing and Email Updates – Sign Up Online!
• Manufacturer Outreach Manufacturer Email Notice (all 77 manufacturers)
• Request to Disseminate through Supply Chain
• Press Release, Blog, Informational Webinars
AB 2398 will increase carpet diversion and recycling in California. Recycling carpet:

• Saves precious landfill space
• Reduces our dependence on fossil fuels
• Creates green jobs in California communities
• Gives you more choices for products with recycled content
For More Information:

• Visit CARE Online: www.carpetrecovery.org
  ✓ Join our email list for Updates
  ✓ Follow us on Twitter @CarpetRecycle
  ✓ Participate in Post-Webinar Survey
• Ask Your Mill Sales Representative
• Visit CalRecycle Online:
  ✓ www.calrecycle.ca.gov/carpet
Questions

We’re here to help!
Contacts

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