The State of CARE 2007

5th Annual CARE Conference
May 9, 2007
Francis Marion Hotel
Charleston, SC
The Road to Success
Has Bob Gone too far?
253M vs 261M
The Road to Success
In the beginning...

Midwestern workgroup for carpet recycle – 1999
In the beginning...

Midwestern workgroup for carpet recycle
The MOU

✓ Voluntary Partnership
  • EPA, States, Carpet Industry, NGO’s
✓ Non-binding
✓ 10 Year Target
✓ Rates & Dates – Milestones
✓ Measure Progress
✓ Create a TPO - CARE

Considered a model historic agreement
The Mission of CARE

“Developing market-based solutions for the recycling and reuse of post-consumer carpet”

Goal – 40% diversion by 2012
Start of CARE in 2002 - 5 Recyclers

- LA Fiber Co.
- NYCORE
- Columbia Recycling
- "Honeywell"
- Antron® Reclamation
Early 2006 - 12

- LA Fiber Co.
- Kruse Carpet Recycling
- NYCORE
- Balcones Resources
- “Honeywell”
- CarpetCycle
- ACE Waste
- Antron® Reclamation
- Georgia Recycling
- Carpet Tiles ONLY C&A Floorcovering & Interface Americas
- Potential Future Sites
CARE Reclamation Network

Today = 40 centers
+3

www.carpetrecovery.org

As of 3-2-07
ANNOUNCEMENT

Key National Retailer
[Masland Client]

Sustainable Partnership

Masland Contract

Champion
A Division of Infiltrator® Systems Inc.

May 2006
Sustainable Partnership

Masland contract

Champion

A Division of Infiltrator® Systems Inc.

Carpet America Recovery Effort
2006 CARE Goals

1. Achieve 90% increase in diversion rate over 2005
2. Secure a formal agreement with a national retailer/alliance
3. ID two new "value added" applications for PCC
4. Expand outreach to facility managers
5. Complete Phase I of the procurement project
6. Increase the active involvement of states in CARE
7. Secure 5 new sponsors for CARE – added 15
8. Determine strategy to prevent/account for double accounting
9. Update/review CARE resource guides: products & recovery
10. Secure 1st external grant
2007 CARE Goals

1. Achieve a 50% increase in landfill diversion
   Action items to achieve goal
   ✓ Find 3 additional viable applications for PCC
   ✓ 50 collectors of PCC nationwide actively in collecting
   ✓ Achieve the goals of the procurement project
   ✓ Secure a formal agreement with a regional retailer
   ✓ At least 10 reps from State governments at the CARE conf
   ✓ Complete demonstration project(s) banning curb side pickup
   ✓ Establish a partnership with IFMA

2. Hire a full time Executive Director
   Action items to achieve goal
   ✓ Achieve $100,000 in new sustainable funding for CARE
   ✓ Secure 5 new CARE sponsors
   ✓ Broaden the BOD membership

3. Put in place a color coding system for identifying fiber type and PVC backing that is universally accepted.
Bass Model – Intro of New Technology

Pounds (millions)

Year


CARE MOU Targets
CARE Progress vs. Model

Year
Pounds (millions)
S Curve (calculated)

CARE Progress vs. Model

Bob’s 2006 forecast
Actual Results

May 2006

2006 forecast
S Curve (calculated)

Actual Results

Pounds (millions)

2002 2003 2004 2005 2006 2007 2008

Year
CARE Progress vs. Model

Report 253M, actual 261M (16% inc.)
Carpet Industry – Materials
Recovery, Reuse, Biobased

- Evergreen Nylon Recycling – Shaw
- Earth Square – Milliken
- ER3 Modular Tile – Tandus
- Antron® Reclamation Center – Invista
- ReCover – Mohawk
- PC Content in Carpet Cores – Mohawk

- PLA fibers - Biobased
Carpet Industry – Innovation
New Products & Technology

- EcoWorx® & Eco Solution Q® – Shaw
- ReEntry & Cool Blue™ - Interface
- Evergreen Nylon Recycling – Shaw
- Tactiles® - Interface
- EnCycle - Mohawk
- Sustainable Carpet Assessment Standard – NSF 140-2005
Carpet Industry – Energy Renewable and Recovery

- Carpet Gasification – Shaw
- Landfill Gas – Milliken & Interface
- Photovoltaics – Interface (Bentley Prince Street)
- Purchase of Green-tags
- CO2 Credit Donations – Antron & Milliken
Carpet Industry Sustainability

Investment

- New green products
  - New chemistries
  - New constructions
  - Recycle content
- New green process technology
- Reclaim / EOL programs
- Certification programs
- Capital investments

> $340 million past 10 years
2007 CARE Sponsors

Interface®

J&J / INVISION
The Mohawk Group
MILLIKEN®

Antron
AXSUN Technologies
Beaulieu® of America
CarpetCycle
Columba
Columbia Recycling Corp.
Felplast Inc.
Infiltrator Systems Inc.
Kruse Carpet Recycling
Leigh
Los Angeles Fiber Co.
Masland Contract
MDM Fiber
Mannington
NYCORE
Pencilbox inc.
P2AD
Project Consultants & Associates, Inc.
Propex
QuickSilver
Resource®
Royalty Carpet Mills
Shaw
SportxFE
StarNet
Swift
Ultron

www.carpetrecovery.org  or  info@carpetrecovery.org
The Road to Success
^bump in
Housing Inventory Trends

Source: WSJ 4-25-07, D2
US auto sales down significantly in 2006
- Ford
- GM
- Chrysler

Tier 1 suppliers in trouble
- Nylon 6,6 outlets did not materialize

Home sales down - mortgage issues
- Residential carpet sector slowdown 2Q

Many new operations began 2nd half 2006

Normal economic cycles

Columbia fire (2007 event)
What’s Coming

• Evergreen Nylon Recycling on-line
• Special announcements on Thursday
• More announcements at NeoCon
• Nylon 6,6 outlets being developed
• Procurement Project Phase 2
• Engaging the plastic sector
• Continued dialog on new technologies and products
• Model legislation
  – Landfill ban
  – Recycle requirements
Environmental Impact

• Assume 250,000 sqyd ~ 1M pounds diverted
• 5,000 cubic yards of landfill space saved
• 10 billion BTU’s energy ~ 55 homes for a full year
• Global warming potential* averted = 7M pounds
• 3 million gallons of water saved

Reducing Our Environmental Footprint!

* CO₂ equivalents
Estimated Community Impact of Carpet Recycling Industry

- Number of Recycling Jobs in the last five years: 240 jobs\(^1\)

- Tax revenues from the Recycling Positions: $240K/year\(^2\)

- Second Tier Economic Profit
  - Number of Suppliers: 4,000
  - Number of Equipment Providers: 400
  - Services to Nonprofit Organizations
  - Supports to Schools and Universities
  - Volunteer Opportunities to Local and National Communities

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\(^1\) Assumes 40 companies * 6 jobs/company based on survey conducted April 2007

\(^2\) Assumes 20% * $30,000/yr * 40 companies * 6 jobs/company based on survey conducted April 2007

Reverse Production Systems (RPS) Group, Georgia Tech (www.isye.gatech.edu/rps)
Further questions, please contact Josh Pas, jpas@isye.gatech.edu
Annual CARE Website Visits

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CARE’s New Website

Carpet America Recovery Effort
Web Statistics
January-December, 2006

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CARE's Most Popular Pages
June-December, 2006

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In Conclusion:

- % recycle up  % wTe down – right direction
- We are subject to external economic forces
- There are challenges
- We have a plan to tackle those challenges
- There are good things coming 2H ’07
- The foundation is solid and expanding

Success is perseverance for one more minute.

We are making good progress on our road to success!