

Roles and Responsibilities of Carpet America Recovery Effort (CARE) pursuant to AB 2398

Background on CARE:

The Carpet America Recovery Effort, (CARE), is a 501(c) (3) third party non-profit organization, which works with all stakeholders, to increase the amount of diversion, recycling and reuse of postconsumer carpet and reduce the amount of post consumer carpet going to landfills.

CARE was established in 2002 as a result of a Memorandum of Understanding for Carpet Stewardship (MOU) negotiated among the carpet industry, states, and nongovernmental organization stakeholders. The current MOU expires in 2012, and stakeholders are actively engaged in the development of a new MOU (MOU 2012).

The Role of CARE as Carpet Stewardship Organization (CSO) for AB2398

1. CARE is the sole Carpet Stewardship (CSO) for AB 2398, until April 1, 2015.
 - a. A CSO is an organization appointed by one or more manufacturers to act as an agent on behalf of the manufacturer to design, submit, and administer a carpet stewardship plan.
 - b. An individual manufacturer may also submit a stewardship plan
 - a. After April 1, 2015, a carpet stewardship organization appointed by one or more manufacturers, may submit a plan.

The Responsibilities of CARE as the CSO

1. Collect the Carpet Stewardship Assessment

1. As of July 1, 2011, until January 1, 2013, a manufacturer of carpet shall add a Carpet Stewardship Assessment of \$0.05 per square yard upon the purchase price of all carpet sold in the state by that manufacturer.
2. For those manufacturers who are a part of the CARE Stewardship plan, the assessment will be remitted on a quarterly basis to CARE.
3. A label may appear on all customer invoices indicating the Carpet Stewardship Assessment. The label is the current CARE logo, for use on all invoices or functionally equivalent billing documents.
 - a. The law states that the assessment shall be accompanied by a brief description of the assessment or a label approved by the department.

2. Develop an approved Carpet Stewardship Plan

1. CARE is required to submit a Carpet Stewardship Plan to CalRecycle by September 30, 2011. The plan will be reviewed CalRecycle and revised as needed. The plan must be approved by March 31, 2012 to be in compliance.
2. Any plan not approved by March 31, 2012, shall be out of compliance and CARE is subject to the penalties until the plan is approved by the department.
3. The plan includes a funding mechanism to carry out the plan, including administrative, operational, and capital costs, the payment of fees, and incentive payments.
4. The plan shall accept and manage all suitable postconsumer carpet, regardless of polymer type or primary materials of construction.
5. The plan will include education and outreach efforts to consumers, commercial building owners, carpet installation contractors, and retailers to promote their participation:
 - a. Signage that is prominently displayed and easily visible to the consumer

- b. Written materials and templates of materials for reproduction by retailers to be provided to carpet installation contractors and consumers at the time of purchase or delivery or both.
 - c. Promotional materials or activities, or both, that explains the purpose of carpet stewardship and the means by which it is being carried out.
6. CARE shall consult with retailers and wholesalers in the development of the plan, in order to minimize the impacts on retailers and wholesalers.

3. Negotiate Performance Goals for the Carpet Stewardship Plan

1. The goals established in the plan shall, at a minimum, be equal to the goals established in the CARE MOU, if it has been adopted at the time the plan is submitted to the department
2. The goals shall include: increase the recycling of postconsumer carpet, increase the diversion of postconsumer carpets from landfills, increase the recyclability of carpets, and incentivize the market growth of secondary products made from postconsumer carpet.
3. The goals shall be consistent with the state's solid waste management hierarchy, including, but not limited to, source reduction, source separation and processing to segregate and recover recyclable materials, and environmentally safe management of materials that cannot feasibly be recycled.

4. Distribute the Carpet Stewardship Assessment Fee

1. Prior to approval of a carpet stewardship plan, CARE shall spend revenues to achieve measurable improvements in the landfill diversion and recycling of postconsumer carpet.
2. Starting July 1, 2012 and annually through July 1, 2014, CARE shall pay CalRecycle an annual administrative fee, as determined by the department.
 - a. Each year after the initial payment, the annual administrative fee may not exceed 5 percent of the aggregate assessment collected for the preceding calendar year.
3. CARE will communicate requirements to participate in the distribution of funds. The communication shall include, but not be limited to, a process by which the financial activities of the organization or individual manufacturer that are related to implementation of the plan will be subject to an independent audit, which may be reviewed by CalRecycle.

5. Measure and Report Performance through an annual report

1. CARE will prepare and submit an annual report to CalRecycle, on or before July 1, 2013, and annually thereafter, to report progress against goals. The report will include:
 - a. Comparisons to baseline compliance
 - b. The goals included in the CARE MOU
 - c. Other information that may be considered to be of importance to CalRecycle.
2. CARE will report continuous improvement against AB 2398 goals.
3. At a minimum, the report shall include all of the following:
 - a. The amount of carpet sold by square yards and weight, in the state
 - b. The amount of postconsumer carpet recycled, by weight
 - c. The amount of postconsumer carpet recovered but not recycled, by weight, and its ultimate disposition.
 - d. The total cost of implementing the carpet stewardship plan.
 - e. An evaluation of the effectiveness of the carpet stewardship plan, and anticipated steps, if needed, to improve performance.
 - f. Examples of educational materials that were provided to consumers during the reporting period.