
VPS Program Quarter 1 2016 Review

Q1 2016 VPS Summary &
Recommendations for Approval

June 3, 2016



Agenda

- Program Update
- Quarterly Overview of Results
- Q2 2016 Forecast
- Financials
- Approval Request



VPS Detailed Agenda Q1 '16

- Welcome
 - Antitrust Guidelines
 - Roll call
 - Agenda Approval

- Program Update (Anthony)

- Data Review, Forecast & Recommendations for VPS Q1 2016 (Anthony)

- Q2 2016 Forecast (Anthony)

- Fund Approval Request (Anthony)

- Other Information



VPS Program Update

- 68 CSEs participate in the VPS Program
 - 53 CSEs requested funds for Q1
 - 54 requested funds in Q4
- One CSE has stopped collecting carpet due to market conditions
- End-market issues in the marketplace persist
 - Limited outlets for all fiber types
- AUPs are currently being conducted on 3 CSEs
 - 3 companies have been selected for Q1 AUPs
- All CSEs that requested funds are CARE members in good standing



VPS Summary Results



Q1 2016 Summary Results

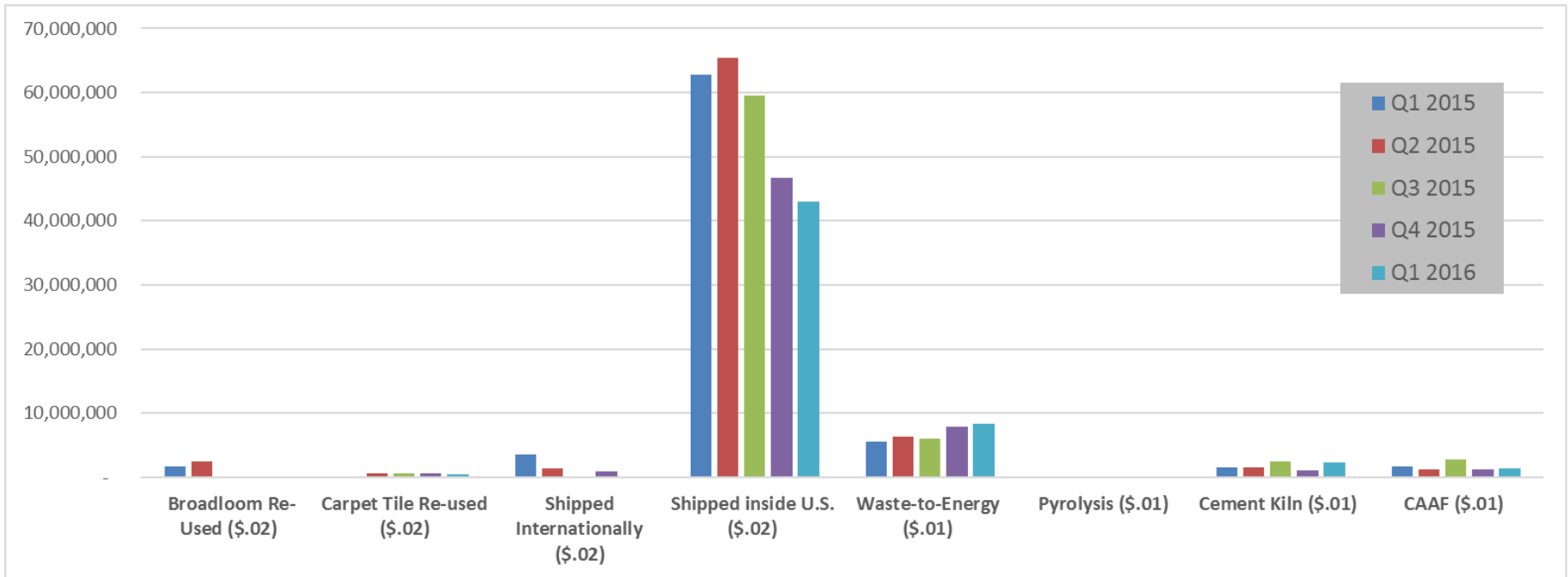
- 53 CSEs Requested Funds for Q1 2016
 - 68 CSEs participate in program (78% response rate)

- Output Eligible for Funding: 55,393,085
 - Total Output: 68,058,098
 - Landfilled: 8,001,372
 - Ending Inventory: 4,663,641

- Total \$ Requested - \$987,562.37
 - No CSEs reached cap limit



VPS Q1 Output Destinations (lbs.)

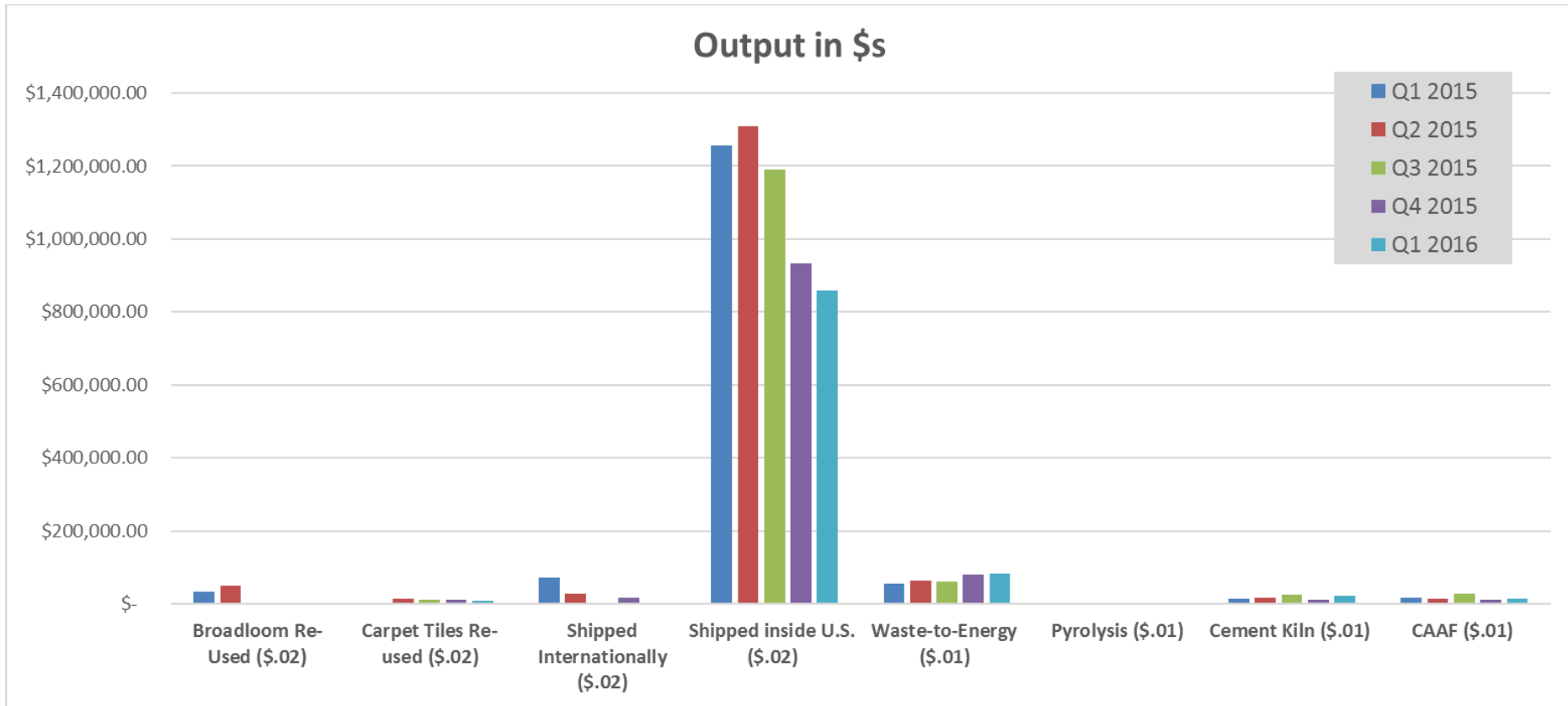


VPS Q1 Output Destinations (lbs.)

Pounds of Output						
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	% +/- (Q4v.Q1)
Broadloom Re-Used (\$.02)	1,662,222	2,514,473	80,000	-	9,000	
Carpet Tile Re-used (\$.02)		639,206	550,980	559,536	377,437	-33%
Shipped Internationally (\$.02)	3,576,893	1,403,553	79,004	841,259	-	-100%
Shipped inside U.S. (\$.02)	62,764,138	65,385,512	59,557,428	46,690,476	42,976,715	-8%
Waste-to-Energy (\$.01)	5,501,436	6,243,524	6,015,714	7,892,383	8,362,449	6%
Pyrolysis (\$.01)	-	-	-	-	-	0%
Cement Kiln (\$.01)	1,444,065	1,583,132	2,481,035	1,068,195	2,297,386	115%
CAAF (\$.01)	1,648,083	1,262,845	2,732,455	1,162,065	1,370,097	18%
Total	76,596,837	79,032,245	71,496,616	58,213,914	55,393,085	-5%



VPS Q1 Output (\$s)

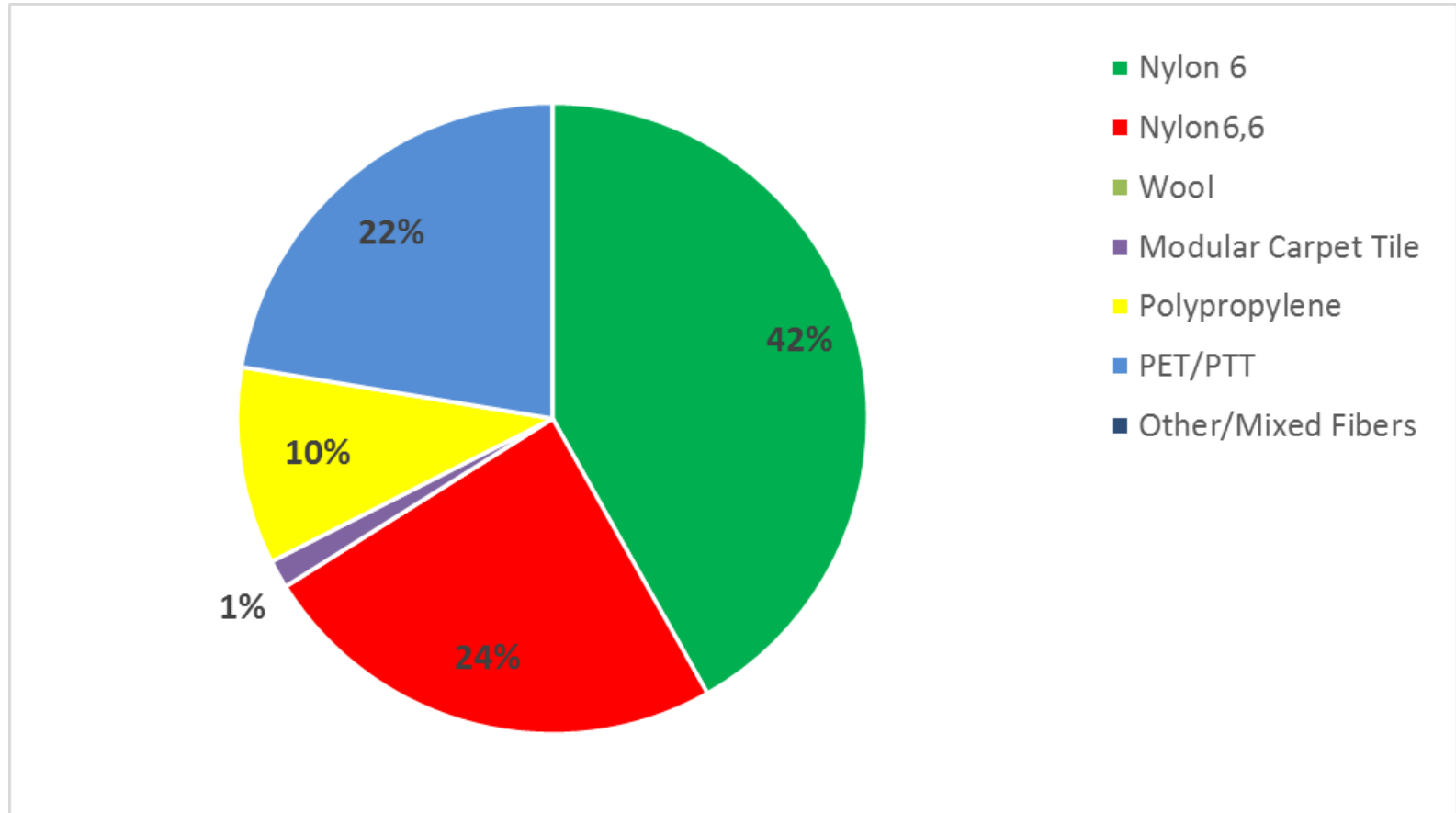


VPS Q1 Output (\$s)

Output in \$s					
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Broadloom Re-Used (\$.02)	\$ 33,244.44	\$ 50,289.46	\$ 1,600.00	\$ -	\$ 180.00
Carpet Tiles Re-used (\$.02)	\$ -	\$ 12,784.12	\$ 11,019.60	\$ 11,190.72	\$ 7,548.74
Shipped Internationally (\$.02)	\$ 71,537.86	\$ 28,071.06	\$ 1,580.08	\$ 16,825.18	\$ -
Shipped inside U.S. (\$.02)	\$1,255,282.76	\$1,307,710.24	\$ 1,191,148.56	\$ 933,809.53	\$ 859,534.31
Waste-to-Energy (\$.01)	\$ 55,014.36	\$ 62,435.24	\$ 60,157.14	\$ 78,923.83	\$ 83,624.49
Pyrolysis (\$.01)	\$ -	\$ -	\$ -	\$ -	\$ -
Cement Kiln (\$.01)	\$ 14,440.65	\$ 15,831.32	\$ 24,810.35	\$ 10,681.95	\$ 22,973.86
CAAF (\$.01)	\$ 16,480.83	\$ 12,628.45	\$ 27,324.55	\$ 11,620.65	\$ 13,700.97
Total Uncapped	\$1,446,000.90	\$ 1,509,630.17	\$ 1,317,640.28	\$ 1,063,051.86	\$ 987,562.37
Cap Correction	\$ (142,735.90)	\$ (162,247.32)	\$ (190,941.56)	\$ (163,343.32)	
Grand Total Payout for Total	\$1,333,145.40	\$ 1,347,382.85	\$ 1,126,698.72	\$ 899,708.54	\$ 987,562.37



Face Fiber Breakdown of Sorted Output

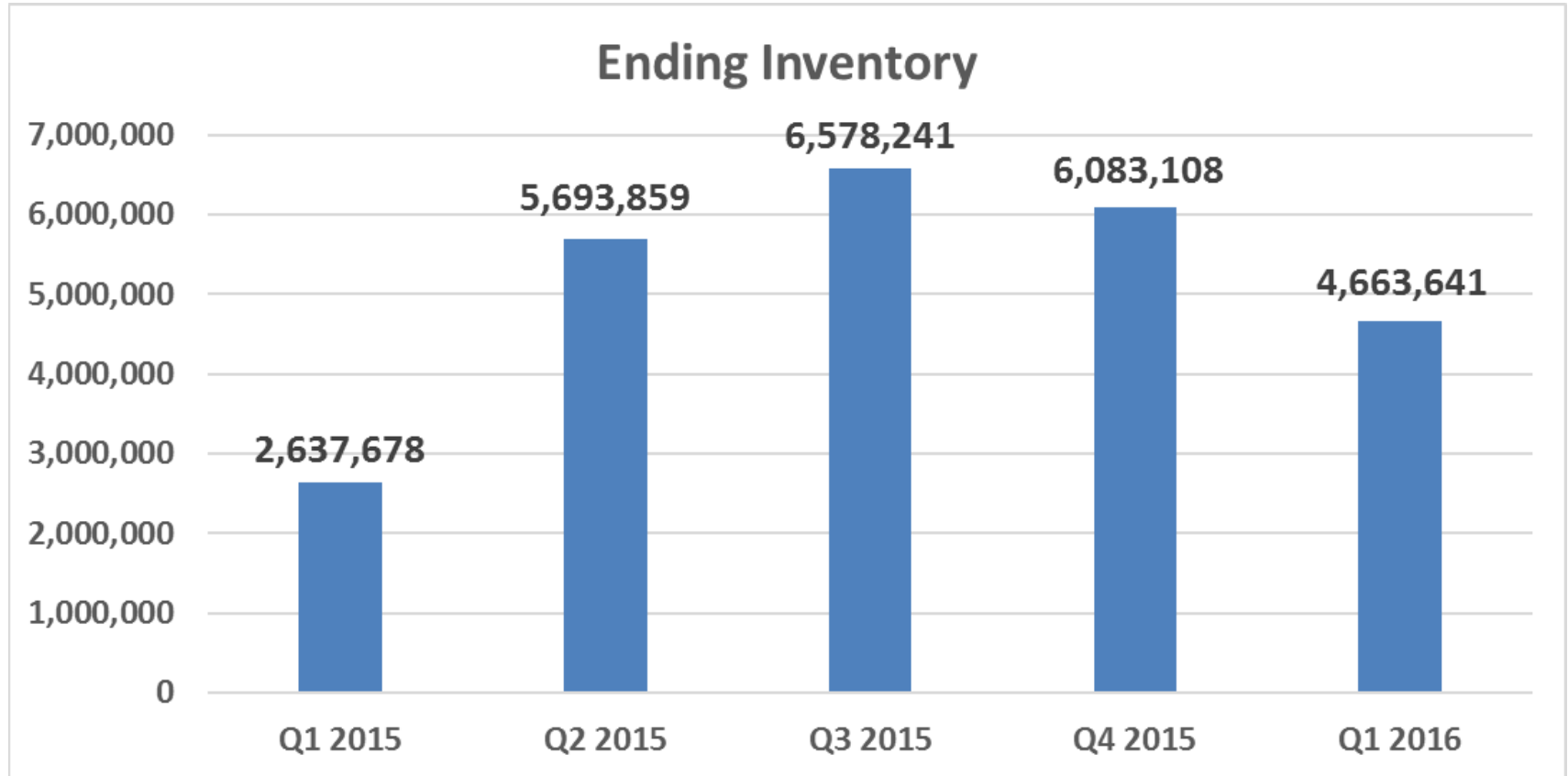


Face Fiber Breakdown

Face Fiber Breakdown - Shipped and Sold					
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Nylon 6	47%	45%	53%	48%	42%
Nylon6,6	23%	21%	21%	20%	24%
Wool	0%	0%	0%	0%	0%
Modular Carpet Tile	1%	1%	1%	2%	1%
Polypropylene	10%	8%	10%	11%	10%
PET/PTT	20%	23%	14%	18%	22%
Other/Mixed Fibers	0%	1%	1%	0%	0%



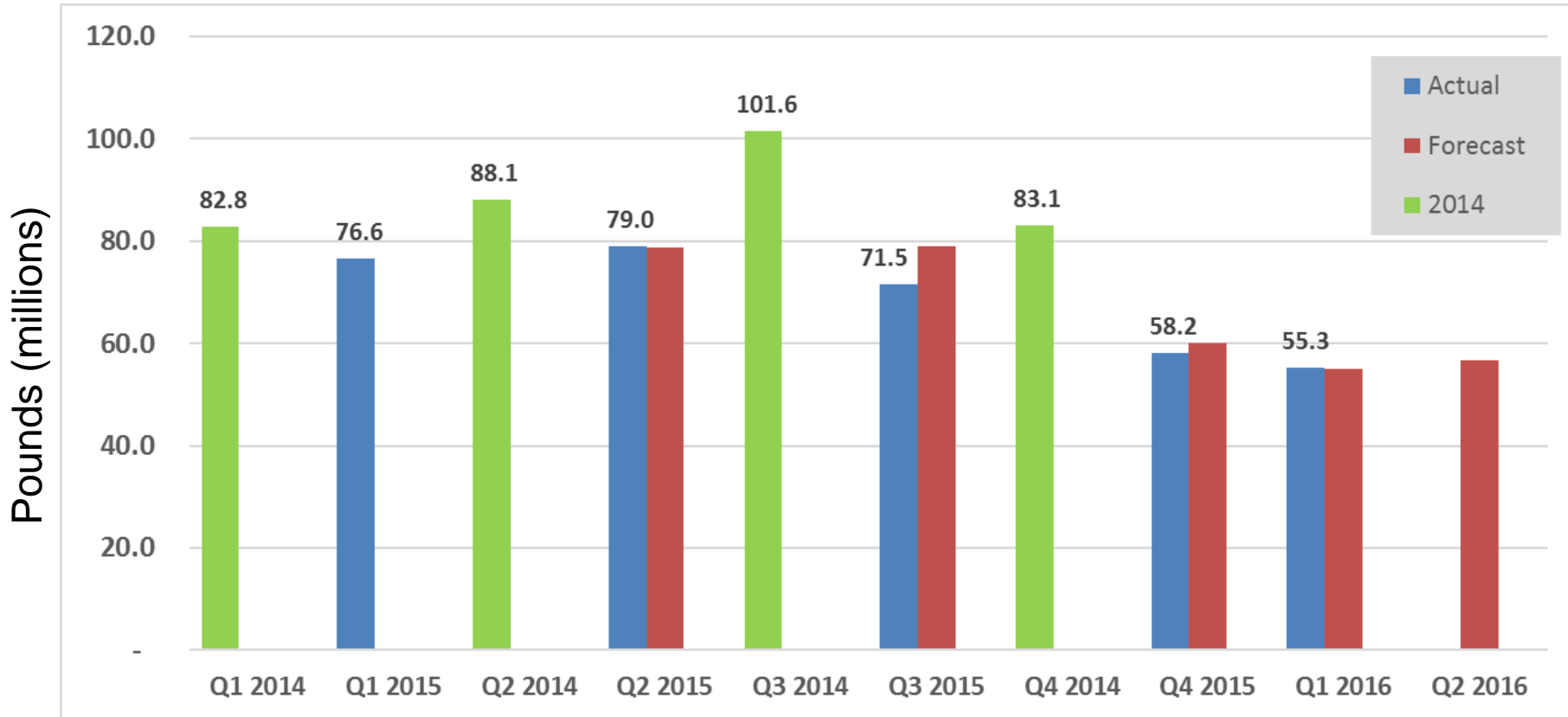
Inventory Levels



VPS Q2 2016 Forecast



Results and Forecasts



VPS Financials



Accounting Details for Quarter

Q1 2016 Financial Analysis	
Starting Balance	\$ 10,000.00
Admin Expenses	\$ (17,956.86)
CSE Payout	\$ (987,562.37)
Reserve	\$ (10,000.00)
Transfer Amount	\$ (1,005,519.23)



Recommendations for VPS Approval

- 1) Approve transfer of \$1,005,519.23
- 2) Approve CSE Distribution of \$987,526.37
- 3) Approve Administrative reimbursements of \$17,956.86

Total Payout Q1: \$1M



Other Items

■ IRS Lien

- \$941 taxes due
- Withholding amount from VPS payment and remitting payment to IRS

■ Outstanding AUPs

- 8 were outstanding
 - 4 have now been completed
 - HA&W is incurring financial penalty as a result

■ Update on AUP Overpayment finding

- Reported 0 lbs. in Q1
- Still owe \$27,651 with 1 quarter remaining



End of Review

