Voluntary Product Stewardship (VPS) for Post-Consumer Carpet

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VPS Program for Post-Consumer Carpet

Voluntary, nationwide program, to support the carpet sorting network for diversion of post-consumer carpet from landfills through market-based solutions
Creation of VPS Program

- Dialogue between Entrepreneurs, Mills, CARE BOD
  - Recognition of Challenges faced by Sorters
- Response to Changes in Supply Chain of Carpet Recycling
- Assist Sorters to improve their business results
Objectives of VPS

- Maintain a competitive carpet flooring industry that is both sustainable and viable
- Support the Carpet Sorting Network
- As part of the industry’s government relations activities, promote and support the CARE mission to find market-driven solutions to the diversion of Post-Consumer Carpet from landfills as an alternative to EPR (extended producer responsibility) –type legislation or regulations
- Participants support market-driven solutions as opposed to EPR-type legislation
VPS Specifics

- Program is funded through voluntary contributions from Carpet and Rug Institute (CRI) Members
  - Members are have committed $4.5 Million for the initial year of the VPS Program.
  - It is expected that the VPS Program will have a two-year term.
- This is a new Program: expect the Program will evolve over time
- Sorters will be asked to sign legal Agreement.
- Program elements and/or Program sunsets as Objectives are achieved.
What is the Scope of the VPS Program?

**Included:**
- All **Carpet** regardless of polymer type
- Commercial and Residential Broadloom and Carpet Tiles

**Excluded:**
- Carpet Collected from or Sorted in States and municipalities which currently have EPR Regulations
- Rugs, Underlayment, Carpet Cushion
- Synthetic Turf
VPS Program Definition

- **Sorter**: An entity that is engaged in the activity of Sorting collected U.S. Post-Consumer Carpet. Sorters will accept and manage all applicable Post-Consumer Carpet, regardless of polymer type or primary materials of construction, at the facility where the Post-Consumer Carpet is analyzed and baled.

- **Why This Definition is Important to You:**
  - Allows the VPS Program to encourage the full range of activities necessary to divert more Post-Consumer Carpet from the landfill
  - Aids those Sorters who engage in the diversion of ALL types of fiber
  - Supports the Sorters who commit to the Objectives of the Program for market-based solutions
VPS Program Definitions

- **Qualified Sorter:** A U.S.-based Sorter that meets the criteria for qualification of funds as identified in the VPS Program and in the Sorter Agreement. A Qualified Sorter may consist of multiple affiliated entities consisting of various wholly or partially owned operations, but all such affiliated members are considered a single Qualified Sorter under the VPS Program.

- **Sorting:** The method used for segregating collected Post-Consumer Carpet into the various backing types (PVC, SBR Latex, etc.) and/or fiber types (e.g., Nylon 6, Nylon 6.6, Polypropylene and Polyester), and transferring for internal or external processing or alternative fuel source.

- **Sorted Output:** U.S. Post-Consumer Carpet that has been analyzed by fiber type (i.e., Nylon 6, Nylon 6.6, Polypropylene, PET), or backing type, separated, baled and sold/shipped for internal or external processing, or alternative fuel use. Sorted Output must be reported on a dry weight basis.
Qualified Sorter Criteria

- Submit all quarterly 2014 data to CARE, by 1/31/15
- Submit to CARE by deadline dates:
  - Annual Qualified Sorter Agreement
  - Quarterly attestation letter
  - Quarterly reports and forecasts
- CARE will Review and Determine Eligibility
Eligible Post-Consumer Carpet Uses

- Sorted Output sold and shipped to Processors, either internal or external
- Sorted Output sent to alternative fuel uses such as Waste-to-Energy, Pyrolysis, Cement Kiln and Carpet As Alternative Fuel (CAAF)
- Re-Use of Post-Consumer Carpet
Current Model- Distribution of Funds to Qualified Sorters

- The Distribution of Funds will abide by the VPS Plan Guiding Principles

- Note: This model is subject to change based on business results and VPS Program results.

- Use of Sorted Output Eligible for Base Payout:
  - Sorted Output sold and shipped for Internal or External Processing: $0.02/lb.
  - Sorted Output sold and/or shipped for alternative fuels: $0.01/lb.

- Bonus for Overall Growth Year over Year:
  - Sorted Output sold and shipped for Processing: $0.025/lb.
  - Sorted Output sold and/or shipped for alternative fuels: $0.01/lb.
  - Bonus calculated on overall market growth; and distributed proportionally

- The VPS Funding for Base Payout is Capped at $150,000/quarter, up to a maximum of $400,000/year per Qualified Sorter
For More Information:

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