

Illinois Carpet Recovery Stakeholder Group Meeting

October 11, 2016

Interface Americas Offices

345 North Wells St.

Chicago, IL. 60654

Host: Eric Nelson, Vice President

1:00 PM-2: 30 PM

Meeting Minutes

Attendees: See list provided at the meeting

1. **State Senator Melinda Bush** called this meeting to order at 1:00PM. There were approximately 18 stakeholders in attendance. Of these, there was one new attendee, Josh Connell, Managing Partner, Lakeshore Recyclers.

Senator Bush and the Group thanked Eric Nelson and Interface for hosting the meeting.

Senator Bush thanked the attendees for their participation. While the upcoming election has taken time away from other opportunities, Senator Bush confirmed her commitment to the Group and her appreciation for our participation in this effort.

2. **Bob Peoples, Executive Director of CARE**, shared the latest information on the carpet recycling industry nationwide. Bob confirmed that the macroeconomic challenges continue, such as the significant negative impact of the price of oil on the economic value of post-consumer carpet (PCC) materials. At a price below about \$70/bbl., recycled materials are not a viable option for product manufacturers versus virgin materials. Forecasts indicate the target price level may not be reached for quite some time. Consequently, we continue to see diminished demand for post-consumer carpet, especially PET and N6.

The CARE Board New Innovations Task Force initially identified over 60 opportunities, where PCC could be a viable and characterizing component. Significant progress has been made on several of these opportunities. However, as Bob explained, once a project is determined to be viable, it can take a minimum of 18-24 months before full commercialization, depending on the technology and equipment required.

Bob stressed that sustainable market demand for PCC recycled content products is critical to maintain and grow the carpet recycling industry.

He also shared an update on the **California Carpet Stewardship Program (AB 2398)**. The program is in its 5th year of operation. Over that time period, consumer fees on carpet purchases have risen from \$0.05/yd. to \$0.20/yd. in an attempt to increase subsidies and incentivize new product and business

development. The program is now looking to raise the stewardship fees to \$0.25/yd. There has been considerable pushback from flooring retailers on the potential increase. To date, we have not seen expected increases in PCC diversion or recycled output in California. There are a number of new projects in the works, which we anticipate will divert more carpet from the landfills in CA, including a new program launched by Nick Fiore in the Sacramento area.

The **Voluntary Product Stewardship (VPS)** program, introduced in 2015, was designed to be a bridge for carpet recyclers nationwide, including Illinois. The VPS is completing its second year of operation. Bob reported that the Carpet and Rug Institute has agreed to continue the VPS for the calendar year 2017.

- 3. Carpet Tile Recycling Program:** At the last meeting in March, Senator Bush encouraged the Group to think outside the box to identify possible opportunities to increase PCC diversion in Illinois. From that challenge, the team identified a possible opportunity to increase the diversion of post-consumer carpet tile. Demand for commercial carpet tile remains strong.

Stakeholders discussed how to increase the collection of these materials. While collections from large projects are well managed, collection and consolidation from small to mid size projects, (i.e. >500-1000 square yards), especially within the Chicago metro area, is more challenging. From this starting point, the team has pursued this opportunity and reported the following:

March- September

- Teams work to construct framework, process, and identify targets
 - Conducted conference call with State Senator Bush to introduce project objectives, strategies and scope
 - Attended Neocon 2016 with Nick and met with sustainability teams in about 7-8 mills
- Arranged for follow up calls and training
- Met with local recyclers (toured Louis' facility) to discuss program details and confirm their participation
 - Connected local recyclers with mills to discuss reclamation details
 - Team has completed Chicago sales reps' training with all of the participating mills
 - Created and posted communications materials to educate targets

The program officially kicked off in September 2016.

The Stakeholders discussed how to further expand participation in the carpet tile-recycling program. It was pointed out, that while we have touched base with many members of the value chain, we should make a concerted effort to engage demolition contractors. The meeting attendees offered to meet with/present/engage this audience and assist as needed.

In addition, Walter suggested that we also contact the Sustainability Director for the City of Chicago, and perhaps the local alderman, to both raise awareness and engage them in this program.

4. Senator Bush adjourned the meeting at approximately 2:30 PM.

Next Steps:

1. Post meeting minutes on CARE web site.
2. Follow up with Group members and attendees to expand the awareness and participation in the carpet tile recycling program.
3. Track results of the program and report back at our next meeting.
4. Continue our ongoing efforts to increase procurement of products with PCC recycled content.

Illinois Carpet Recycling Shareholder Group

October 11, 2016

Meeting Attendees

Column	First Name	Last Name	Title	Company
1	Melinda	Bush	State Senator, 31st Legislative District	Illinois State Senate
2	Russ	Delozier	Director of Sustainability	J & J Industries
3	Josh	Connell	Managing Partner	Lakeshore Recyclers
4	Nick	Fiore	President	Carpet Landfill Elimination and Recycling (Clear
5	Joe	Foye	Deputy General Counsel- Flooring	Mohawk Industries, Inc.
6	Mike	Grady	Owner/Principal Strategic Advocacy Group	SWALCO
7	Marta	Keane	Recycling Program Specialist	Will County Land Use Development
8	Jennifer	Stowe	Vice President, Government Relations	Carpet and Rug Institute (CRI)
9	Nick	Meyer	Chief of Staff	State Senator Melinda Bush
10	Eric	Nelson	Vice President of Strategic Alliances	Interface Americas
11	Dean	Olson	Resource Recovery & Energy Director/ President SWANA Illinois	Will County Land Use Department/SWANA Illinoi
12	Bob	Peoples	Executive Director	Carpet America Recovery Effort (CARE)
13	Louis	Renbaum	President	DC Foam
14	Wyatt	Rollins	Director, Materials Recovery Operations	Shaw Industries Group, Inc.
15	Fred	Schmidt	Board Member	Chicago Floor Covering Association
16	Georgina	Sikorski	Facilitator	S3 Business Consulting
17	Dave	VanVooren	Executive Director	SWANCC
18	Mike	Weir	Principal	Thomson Weir
19	Walter	Willis	Executive Director	SWALCO

