March 24, 2023

**URGENT NOTICE: CARPET DIFFERENTIAL ASSESSMENT WILL INCREASE EFFECTIVE APRIL 1, 2023 AS DIRECTED BY CALRECYCLE**

Dear California Carpet Retailers, Distributors & Mills:

By email dated March 17, 2023, CalRecycle directed CARE to increase the carpet differential assessment effective April 1, 2023. This increase is necessary to ensure the financial health of the carpet recycling industry in California.

We realize this is short notice and puts a burden on retailers, but the increase is necessary to protect the California Carpet Stewardship Program, including the financial stability of our collectors, processors, and recyclers. This CalRecycle directive follows several months of requests by CARE for CalRecycle approval of an assessment increase to extend program solvency. CalRecycle has represented to CARE that the present assessment increase comports with the contingency plan currently in effect and does not require prior approval of a new five-year plan. We are grateful for your cooperation. **Please contact your mill representatives for further detail on how the assessment increase will be rolled out to you.**

The new assessment levels are:

<table>
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<tr>
<th>Differential Assessment Levels as of April 1, 2023</th>
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<tbody>
<tr>
<td><strong>PRODUCT</strong></td>
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<tr>
<td>BROADLOOM</td>
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<tr>
<td>CARPET TILE</td>
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The assessments are based on two factors:

- **Broadloom vs. carpet tile.** All broadloom (residential and commercial) will be treated the same.
- **Post-Consumer Content.** Another provision of the law requires that we provide recognition of carpet products containing post-consumer (PC) content. This requirement is reflected in the assessment being reduced by 2 cents/yd² for any product, broadloom or carpet tile, that has 10% or more certified PC content. **Carpet mills are responsible for advising retailers on which products qualify in terms of post-consumer content.**

**NOTE: Compliance with the assessments is compulsory under California law.**
California carpet stewardship legislation requires CARE to implement a differential assessment on each square yard of carpet that reflects its cost burden to recycle. The assessment funds the subsidies for collection, processing and recycling of carpet and carpet tile, along with technical assistance, drop-off site support and education/outreach.

CalRecycle provides oversight and enforcement of California’s carpet stewardship law. CalRecycle evaluates compliance through various means including, but not limited to, site inspections and documentation checks. Failure to comply with requirements of the carpet law and/or submitting false or misleading information may result in penalties of up to $10,000 per day. See details about the carpet stewardship law and monitor updates.

As a reminder, CalRecycle requires:

- All invoices must have the assessment clearly and correctly labeled as a separate line item.
- Retailers must purchase carpet from carpet manufacturers in compliance with the carpet stewardship law. See the list on the CalRecycle website here: [www.CalRecycle.ca.gov/Carpet/MfrBrands](http://www.CalRecycle.ca.gov/Carpet/MfrBrands)
- Retailers are required by law to monitor CalRecycle’s website to determine if the sale of a manufacturer’s carpet is in compliance with the carpet stewardship law.
- Retailers must retain records for three years.

Comments, concerns, and suggestions may be sent to CalRecycle at Carpet@CalRecycle.ca.gov and to CARE at Feedback@CarpetRecovery.org.

If you have not already, please email Feedback@CarpetRecovery.org to add your name to the list for updates.

Thank you for your participation and support of the California carpet recycling program.