



Carpet Materials Management

Written Comments Received on the California Carpet Stewardship Plan, Addendum #2 (October 9, 2015)

CalRecycle received these written comments on the October 9, 2015, Addendum #2 of the California Carpet Stewardship Plan. The plan was submitted by the Carpet America Recovery Effort (CARE).

Commenter	Representing	Comment
Thomas M. Horan	Eco-Blok, LLC	Email: Oct 13, 2015
Heidi Sanborn Nick Lapis Andria Ventura Tim Dewey-Mattia Julie Bryant John Davis Steve Lautze Kristina Miller	California Product Stewardship Council Californians Against Waste Clean Water Action Napa Recycling & Waste Services San Francisco Dept. of the Environment Mohave Desert Joint Powers Authority California RMDZ Association Tehama County Solid Waste Management Agency	Letter: Oct 16, 2015
Gail Brice	XT-Green	Email: October 18, 2015 Letter: October 18, 2015
Mike Mohajer	LA County Solid Waste Management Committee/Integrated Waste Management Task Force	Email: October 18, 2015
Cameron Wright	West Coast Rubber Recycling, Inc.	Email: October 19, 2015
Tim Goncharoff	County of Santa Cruz	Email: October 20, 2015

To Whom It May Concern:

Eco-Blok, LLC was founded in 2002 in California as a developer and manufacturer of innovative products created with recycled materials. We have been fortunate to work with CalRecycle over the years and have been the recipient of two grants for recycled rubber product development. Our efforts have resulted in the successful diversion of millions of pounds of crumb rubber which have been used in our Eco-Blok® Barrier and Filter Blok products, as well as other products we have helped to develop. Our customer base spans government at all levels, construction, erosion control, engineering and manufacturing locations throughout the United States.

We are currently working on several large volume products which would require 3,000+ lbs. of material for each unit. We are looking to add recycled materials from carpets to all our products to add weight, durability and functionality. We have done initial testing and are confident that we can consume large amounts of fiber, CaCO₃ and PET from the carpet process. Each of these elements would provide a true value add to our process. This has been a core element in our manufacturing philosophy: we use recycled feedstock in a manner that optimizes their inherent qualities and their use must be economically justified in a market-based pricing model. The product must be economically viable long after the grant is completed.

CalRecycle has been an invaluable partner and we could not have achieved what we have without their help. In addition to the grant program, we have participated in educational programs which have helped showcase the many uses of recycled rubber for us and other manufacturers.

We are now looking to open a manufacturing plant in California in 2016 and are interested in applying for a grant under the proposed program. We attended the CARE Workshop in Southern California and met with CARE leadership and members. We are excited to see that there are resources being applied to accelerate reaching the 16% goal. At the same time, after reviewing the proposed program guidelines, we respectfully think some revisions may be in order.

Suggested Changes to the California Carpet Stewardship Plan – Addendum #2

- 1. Require that all equipment, facility improvements, etc. funded as part of the grant program be located in the state of California.** A critical element of the previous programs has been the requirement that all grant funds would be awarded to California based companies and that the equipment purchased would be based in California. At times, this has been a disadvantage to our company, but those were the guidelines and we have and continue to support the program. We would expect that the same guidelines would apply to this program.
- 2. Allow and encourage public entities to purchase products made by grantees under the program.** It is vital that California government entities demonstrate leadership in the use of these products. Not only does it drive volume in California, many other state use California as a standard for acceptance.
- 3. Recognize and incent for purchase those products made with more than one recycled feedstock** e.g. recycled tires and recycled carpet.

Thank you for providing this opportunity to comment on the proposed guidelines. We look forward to receiving the final application package and participating in this important effort.

Regards,



Thomas M. Horan
Managing Partner

Eco-Blok, LLC

tom@eco-blok.com

(805) 499-8856 Phone

(805) 499-5797 Fax

1560-1 Newbury Road Suite 102

Newbury Park, CA 91320

www.eco-blok.com

ECO  **BLOK**



October 19, 2015

Attention: Kathy Frevert
Department of Resources Recycling and Recovery
1001 I Street
Sacramento, CA 95812
Submitted via email: carpet@calrecycle.ca.gov

SUBJECT: COMMENTS ON CARE'S 2014 CARPET STEWARDSHIP PROGRAM ADDENDUM #2

Dear Ms. Frevert:

Per our comment letter of July 27th, we want to see the carpet program work and we outlined specific things we believe need to be done to accomplish that goal. We are extremely concerned that we are losing collectors and recyclers in California. The California fee money should be used to fund projects in California to collect, process, and recycle carpet.

Due in part to the issues we highlight below, we cannot support the Addendum. We recommend that CalRecycle reject Addendum #2 and ask CARE to address all stakeholder and any CalRecycle comments, including more detail on exactly how the grants/loans program and advisory committee will work, then resubmit as one complete plan for CalRecycle's review.

We will be brief and outline of our primary issues with Addendum #2 to the Carpet Stewardship Plan. The priority issues are as follows:

1. Addendum #2 Lacks Adequate Detail: The addendum lacks clarity, provides duplicative and contradictory remarks, and lacks sufficient detail to thoughtfully evaluate. Also, having to wait for another addendum makes review difficult as we do not have the entire program amendment.
2. Grant and Loan Program: The grant and loan program is something we support in concept but the devil is in the details and some of the details are concerning, such as:
 - a. Grants and loans **should be limited to only California based projects not just give them priority**. \$2-3 million dollars is not a lot for California carpet infrastructure, and every penny of California fee money should be invested in California.
 - b. **Grant eligibility should NOT include being a paying member of CARE**. The best projects should win the grants and loans without regard to who is paying dues to CARE. AB 2398 did not authorize monopoly control over carpet recycling in California nor should it be used to strong-arm any organization or company to become a CARE member.
 - c. **Burning or other thermal destruction of carpet should NOT be eligible for grant funding under this proposal**. The language in the Addendum says that, "Limited grant funds may be expended to offset the operational cost of diversion via energy recovery (CAAF, Kiln and/or Waste To Energy) for waste materials and/or in those circumstances when material has exceeded

storage guidelines and end markets cannot be identified for recycled output.” This is not consistent with the legislation’s requirements (in PRC 42970) to follow the waste hierarchy, and it is clearly a poor use of limited grant funds that could be used to support recycling. CARE has refused to fund source reduction and building California’s recycling and market infrastructure to any significant degree to date, and should not be allowed to skip over all available source reduction and recycling and market development efforts. Disallowing energy recovery as an eligible use of grant or loan funds provide a clear motivation for applicants to create real recycling solutions.

- d. Why is CARE suggesting \$300,000 (more than 10% of funds allocated) be spent to administer the program? Since existing fee money can be used, why is so much earmarked for administration of a small grant program? If it is to be spent on grant administrators, the staff should be located in California to be able to cost effectively review the projects being implemented.
3. No specific incentives for California collector/sorter incentives are included in this plan.
4. We all support a stakeholder advisory committee, but again, this addendum lacks details on the composition of the committee by stakeholder group, etc.

We must reiterate that we are extremely concerned that we are losing collectors and recyclers in California and **time is of the essence**. California fee money should be used to fund projects in California. For the reasons listed above, we cannot support the Addendum and we recommend CalRecycle reject it and ask for these components to be submitted as one final plan amendment for review.

Sincerely,

Heidi Sanborn
Executive Director
California Product Stewardship Council

Nick Lapis
Legislative Coordinator
Californians Against Waste

Andria Ventura
Toxics Program Manager
Clean Water Action

Kristina Miller
Agency Manager
Tehama County Solid Waste Management Agency

Tim Dewey-Mattia
Recycling & Public Education Manager
Napa Recycling & Waste Services

Julie Bryant
City Government Zero Waste Senior Coordinator
San Francisco Department of the Environment

Steve Lautze
President
CA. Assoc.of Recycling Market Development Zones

John Davis
Administrator
Mohave Desert Joint Powers Authority

Cc: Bob Peoples, CARE
Brennen Jensen, CARE
Howard Levenson, CalRecycle

To the CalRecycle Carpet Team –

Please find attached the XT-Green comments regarding the Addendum #2 to the California Carpet Stewardship Program. They include significant concerns regarding the emphasis on “energy recovery diversion strategy” options and provides an alternative “temporary storage strategy with financial guarantees” as an option for short-term solutions.

Regretfully I will not be able to attend the meeting on Tuesday as we are conducting the final full-scale equipment pilot testing for our advanced technology carpet recycling facility planned for start-up in mid-2016. We are working incredibly hard and investing significant funds to bring this technology to California and create markets for reclaimed material from carpet.

We will eventually be processing all types of carpet and fibers but we need to begin with nylon residential and commercial carpet. We are greatly concerned that much of this material is currently going to landfill and that Addendum #2 would seem to want to have it utilized for “energy recovery.” Hopefully the final Addendum #2 will focus on saving this valuable resource for recycling.

Feel free to use any of the information in the attached for the meeting on Tuesday. I will be available most of Monday if you have any questions regarding the attached.

Thanks and regards – Gail Brice

Gail Brice, Vice President



2 Park Plaza, Suite 450
Irvine, CA 92614
562-592-5989 (direct)
562-448-4254 (cell)

Recycling Resources for a Greener Future

Comments on the California Carpet Stewardship Plan ADDENDUM #2

October 19, 2015

To the Carpet Team at CalRecycle and Carpet America Recovery Effort (CARE) –

XT-Green has spent the past almost 3 years testing, developing and self-funding an advanced, innovative, next generation carpet recycling technology. Besides producing the highest quality reclaimed material at extremely high recycling rates, the facility will also eliminate respirable dust exposure to our employees and fugitive particulate emissions to the environment while generating minimal production waste.

Our goals include accepting the widest range of fiber and carpet types and creating markets for our reclaimed material in California to help create manufacturing jobs here. XT-Green is ready to move forward with its first facility to be located in Southern California. Under the name of *EarthCare Carpet Recycling*, we plan to be operational by mid-2016 if we can overcome our final challenges, including the current structure of the California Carpet Stewardship Plan.

We want to thank the CARE organization for its role in developing the XT-Green advanced carpet recycling technology. It was through relationships developed as members of CARE that XT-Green assembled the team and resources needed for this challenging project. We also appreciate the ongoing support and encouragement of Bob Peoples, Executive Director of CARE.

I want to personally acknowledge the long-term support of the CalRecycle carpet team, especially Kathy Frevert. Her support and kindness made a major difference in our efforts to overcome the increasingly-challenging obstacles to reach our goals.

During the week of October 19, XT-Green will be conducting our final testing stage of full-scale equipment at our Pilot Plant so I will not be able to attend the meeting on October 20th. Therefore, the following provides our comments regarding Addendum #2.

XT-Green is extremely pleased that CARE is proposing to provide grants and loans as part of the California Carpet Stewardship Plan. We are self-funding the capital costs of the planned facility but plan to submit a grant application for this program to help offset start-up costs and expedite the time line to begin buying PCC, start up our operations and ramp up production rates.

However, we have major issues regarding the implementation of the grant/loan program as proposed in the draft Addendum #2. The following is a discussion of these concerns:

1. More than just a “priority” should be given to California-based applicants.

One of the purposes of AB 2398 is to create California jobs and support a carpet recycling infrastructure in California. Also, the processing of post-consumer carpet (PCC) outside of California (primarily in the eastern United States) requires the transport of heavy material across long distances thus significantly adding to the carbon footprint beyond that generated from the transport of carpet within California.

Therefore, “priority” should be changed to require that all the Cycle 1 grant funds are committed to California-based facilities unless CARE demonstrates that there are additional funds available to out-of-state applicants after grants are awarded to all qualified applicants with facilities based in California.

If it is decided that out-of-state facilities are qualified to apply for California grants or loans under Addendum #2: To ensure a level playing field with California facilities, as part of the grant/loan application, the out-of-state facilities should be required to prove that they will be meeting the equivalent standards as California facilities for protection of employee health and safety, air emissions to the environment, handling of solid waste and fire protection standards.

Finally, “Carpet Manufacturing Facilities” are listed as “Eligible Applicants.” As noted in the next item, the amounts in the proposed grant and loan programs are extremely limited. Therefore, they should be utilized to support California-based entrepreneurs, not carpet manufactures which by definition are extremely large companies, with the major companies having over a billion dollars a year in gross revenue.

2. Grant and loan elements should be higher than \$3 M per year.

The initial purpose of this program as stated is the “capital investment in processing.” The current maximum amount of \$3 million is a very minimal funding amount to support this and other goals. This is especially true as it is unclear whether additional funding released for “subsequent grants and/or loan solicitations” planned to follow cycle 1 will also include capital investment in processing equipment.

3. CalRecycle should provide more than just “oversight” of the Grant program.

The administration of the California Carpet Stewardship Program by CARE is conducted primarily by two committees made up of representatives of the carpet manufactures and carpet recycling processors. Measures need to be put in place to ensure there is no conflict interest or advantages for members of these committees who may be applying for grant or loan funding.

Therefore, to support a level playing field and “transparency” in the program, there should be more than just “oversight” by CalRecycle but rather approval by CalRecycle should be required prior to awarding grants under this program, especially while CARE continues to be in non-compliance with AB 2398.

4. Temporary storage strategies with financial guarantees should be implemented rather than “energy recovery diversion strategies.”

There is wide-spread concern regarding the current lack of available outlets for collected carpet and recovered fiber from processing – both nylon and non-nylon material. To respond to this problem, Addendum #2 includes a major emphasis on energy recovery diversion strategies as a proposed alternative to recycling and an applicable application for grant and loan funds from this program. In fact, the amount of references to energy recovery diversion strategies in Addendum #2 could lead one to the assumption that CARE has already decided to make grants to this strategy a priority.

However, instead of pushing for energy recovery diversion strategies, every effort needs to be made to utilize the grant/loan funding to increase the “continuous meaningful improvement” of recycling and meet the requirements of the California Waste Hierarchy. These efforts should include issuing grants for the temporary storage of sorted and baled carpet (especially nylon material) until market conditions change or the start-up of new carpet processing facilities, such as the one planned by XT-Green for mid-2016.

This strategy has been used by the carpet industry, specifically by Shaw to help stabilize the reclamation infrastructure. As noted in the recent “Floor Focus” magazine 2015 Sustainability Report: In the past Shaw “warehoused large volumes of nylon 6,6 while the industry struggled to find end users.”

To ensure the past and current problems with uncontrolled storage is not repeated, Collector/Sorters applying for storage grants would need to demonstrate that the storage of the sorted bales would be done indoors according to CalOSHA requirements, local fire ordinances and best practices. To ensure that the companies wouldn’t “walk away” from the material, applicants would either need to demonstrate the financial strength of their company or put up a Performance Bond to ensure that they are liable for disposal of the material if markets do not develop in a defined period of time.

XT-Green is fully supportive of this storage option, especially for nylon material. Its facility planned for mid-2016 will initiate production with nylon carpet, including commercial broadloom, before moving onto other fibers. Purchase of baled nylon PCC by XT-Green is planned to begin during the second quarter of 2016. XT-Green will need a minimum of 3 million pounds of PCC per month to supply its facility.

The percentage of nylon post-consumer carpet in the waste stream is reducing constantly. The fact that a portion of this historically valuable material is currently going to landfill or may soon be managed utilizing an energy recovery diversion strategy subsidized by this grant program is of great concern to XT-Green. This is especially true as we are planning to create a market for this material during the first half of 2016.

Whether or not this proposed storage option is implemented, if it is determined that CARE will support energy recovery diversion strategies in their grant program, CalRecycle should make it clear that this diversion option does not relieve them of their requirements for “continuous meaningful improvement” for recycling.

Also, a major reason for recycling in California is due to our commitment to controlling greenhouse gases that impact climate change. Therefore, carbon emissions should be considered before CARE issues grants under the assumption that energy recovery diversion strategies is a more environmentally sound alternative to landfilling.

CalRecycle should solicit the opinion of the California Air Resources Control Board (CARB) to assess the carbon contribution from energy recovery from carpet vs. the landfilling of carpet which sequesters the carbon. (Note: I believe this analyses has already been done by CARB in the past regarding carpet associated with the operation of the Commerce Waste to Energy facility by the County of Los Angeles.)

5. **Prioritizing Options: Short and Viable Long-Term Solutions**

A long list of needs for the funding infusion are listed on page 5 of Addendum #2. Although there is a need for flexibility, there also needs to be prioritizing of these options. This should include a combination of short-term solutions, such as the storage option discussed above, but also longer term, sustainable solutions including:

#7 – “Allow new processors to get established thereby increasing California capacity for collection, processing and storage.”

It should be recognized that a third processor has recently closed in Southern California in addition to the 2013 closures of The Carpet Recyclers and the Carpet Collectors. A major contribution to the closure of these facilities was the inability of the chosen processing technologies to generate the quantity and quality of recycled output to generate the profits needed to sustain these facilities. Therefore, grant funding decisions should include an evaluation of the long-term viability of the applicant’s technology and sustainability of their business prior to issuing grants.

6. Definition of “Manufactured Product”

In Addendum #2, for the purpose of this initiative, a manufactured “product” is “defined as a good or package in a form which requires no further processing or forming before it is offered for sale to an end-user.”

XT-Green agrees that an extruded pellet should not be considered a manufactured “product” but is concerned that the above definition could be interpreted to not include parts that manufactured utilizing recycled content from carpet but are not sold to a final “end-user.” An example of this would be injected molded engine parts sold to the auto industry. XT-Green requests that this definition be clarified to include these important types of applications.

Thank you for this Addendum to add grants and loans to the California Carpet Stewardship Program. I regret not being able to come to the October 20th meeting in Sacramento.

Please don’t hesitate to contact me if you have questions regarding these comments or would like to know more about the XT-Green’s *EarthCare Carpet Recycling Facility* planned for 2016.

Thank you for this opportunity and your consideration.

Regards --

Gail Brice

Gail Brice, Vice President

XT-Green
2 Park Plaza, Suite 450, Irvine, CA 92614
562-592-5989 (direct)
562-448-4254 (mobile)
gail.brice@xt-green.com



TO: Kathy Frevert
California Department of Resources Recycling and Recovery

FROM: Mike Mohajer, Member
Los Angeles County SWM Committee/IWM Task Force (Task Force)

**SUBJECT: Carpet Stewardship Plan (Plan), Addendum No. 2, Dated October 9, 2015
Carpet America Recovery Effort (CARE)**

As a follow up to our July 27, 2015, joint letter with the California Product Stewardship Council, et seq, the Task Force has reviewed the proposed Plan Addendum No. 2 as submitted by CARE on October 9, 2015. The Task Force has and continues to be supportive of the California Stewardship Program (Program) but unfortunately is disappointed with CARE's implementation efforts, and for that reason the July 27, 2015, letter identified a series of correction measures that if implemented would ensure achievement of the Program's goal. We cannot support the proposal for the following reasons and those that were previously identified in the July 27, 2015, joint letter. As such, we believe that CalRecycle should reject Addendum No. 2 while requiring CARE to address all stakeholders' concerns, CalRecycle comments, as well as providing more detail on exactly how the proposed grants/loans program and advisory committee will work, and then resubmit as one complete plan for CalRecycle's review

1. The California carpet recycling fee money should be used to fund projects in California to collect, process, and recycle carpet (emphasis added). As such, we are extremely concerned that the CARE's proposal as identified in the Addendum No. 2 would cause loss of carpet collectors and recyclers in California.
2. Addendum No. 2 Lacks Adequate Detail: The addendum lacks clarity, provides duplicative and contradictory remarks, and lacks sufficient detail to thoughtfully evaluate. Also, having to wait for another addendum, as indicated by CARE, makes review difficult as the Task Force does not have the entire program amendment.
3. Grant and Loan Program: The Task Force supports the grant and loan program in concept, but the devil is in the details, and some of the details are concerning, such as:
 - Grants and loans should be limited to only California based projects rather than simply giving them a scoring priority. \$2-3 million dollars is not a lot for California carpet infrastructure, and every penny of California fee money should be invested in California.
 - Grant eligibility should not be limited to a paying member of CARE (emphasis added). The best projects should win the grants and loans without regard to who is paying dues to CARE. AB 2398 (Chapter 681 of the 2010 State Statutes) did

not authorize monopoly control over carpet recycling in California nor should it be used to strong-arm any organization or company to become a CARE member (emphasis added).

- The Addendum No. 2 indicates limited grant funds may be expended to offset the operational cost of diversion via energy recovery technologies for waste materials and/or in those circumstances when material has exceeded storage guidelines and end markets cannot be identified for recycled output. While the proposal is supported in concept, CARE needs to ensure its efforts are set consistent with provisions of AB 2398 (Chapter 681 of the 2010 State Statutes) and its waste management hierarchy. As such, CARE needs to establish its priority to fund grants based on source reduction and building California's recycling and market infrastructure; then diversion management at in-State energy recovery facilities; and ultimately, as a last recourse, diversion management at out-of-State energy recovery facilities. The Plan and any addendum thereto must ensure compliance with the foregoing.
 - CARE is suggesting \$300,000 (more than 10% of funds allocated) be spent to administer the program. Since existing fee money can be used, why is so much earmarked for administration of a small grant program? If it is to be spent on grant administrators, the staff should be located in California to be able to cost effectively review the projects being implemented.
4. The proposal fails to include any specific incentives for California collector/sorter which critical to the success of the Program.
 5. The Task Force is fully in support of a stakeholder advisory committee, but the proposed Addendum No. 2 lacks details on the composition of the committee by the stakeholder group, its specific function(s), etc.

For the reasons listed above, the Task Force cannot support the Addendum and respectfully requests that CalRecycle reject it and ask for these components to be submitted as one final plan amendment for review and approval by CalRecycle.

Thank you for the opportunity to review and offer comments on the Plan's Addendum No. 2. Should you have any question, please feel free to contact me via email or at 909-592-1147.

Regards,

Mike Mohajer
MikeMohajer@yahoo.com

CC; Each Member of the Task Force

West Coast Rubber Recycling, INC

1501 Lana Way
Hollister, CA 95020

Plant: 831.634.2800
Fax: 831.634.2801

Tires Recycled & Reused for: Playground Safety, Horse Arenas & Crumb Rubber

October 16, 2015

Dear CalRecycle Carpet Team,

West Coast Rubber would support the grant program that is being promoted by Care. Under this grant, we would consider applying for a grant for equipment expansion to encourage the diversion of carpet from the California waste stream.

We do feel that as these monies are under CalRecycle purview, that the companies that are allowed to apply for funding should be a California based company.,

We do see value in making funds available manufactures to encourage the use of Calcium Carbonate, and to that ends we have already established that there is and would be an opportunity to expand the use of these materials in products.

Sincerely,

Cameron Wright
President

I think the new proposals included in Addendum 2 are a step in the right direction, but I don't believe they go far enough. It is nice that the industry is willing to grant or loan some of the money they have collected to other people who they hope will solve this problem. But the truth is that the only people who can solve this problem are the members of the carpet industry themselves. They have bemoaned the fact that nobody has stepped up to recycle their discarded products. While grants or loans are welcome, the reality is that they are unlikely to provide sufficient incentive, and will likely languish or be soaked up by limited efforts that do little to help.

There are simple steps the industry can take to ensure that leftover carpet is recycled into new products. They can build recycling facilities in California themselves to accept these products, and commit to developing the technology to efficiently separate the carpet components into reusable materials. They can also commit to using the recycled material in new products which they manufacture themselves. Yes, this will require investment. But the money is already being provided, and has only to be used appropriately.

If we accept Addendum 2 as it stands, a year from now the industry will be back with their hands in the air, saying nobody took them up on their generous offer, whining about "market conditions," and asking once again to be let off the hook. Let's create a real, meaningful program now. Why wait?

Tim Goncharoff
County of Santa Cruz