



CARPET AMERICA RECOVERY EFFORTSM
**Developing market-based solutions for the recycling & reuse
of post-consumer carpet**

December 26, 2012

Caroll Mortensen, Director
Department of Resources Recycling and Recovery (CalRecycle)
1001 I Street--P.O. Box 4025
Sacramento, CA 95812-4025

Dear Ms. Mortensen:

I am writing to formally request an extension for submission of the final Carpet Stewardship Plan (Plan) due on by December 31st. CARE is seeking an extension of the Plan's conditional approval thru May 31, 2013 for the following reasons:

- We have not yet completed our rural pilot which finishes in March 31, 2013. A full year of data is essential to better determine what is working and what needs to be modified based on geography, seasonal variations, economics, and local predilections for handling post-consumer carpet in sparsely populated rural areas.
- While we have completed five quarters of reporting, it is clear we do not have all the answers. We have seen, as expected, seasonal variation, however, we were surprised by the drop in all metrics for Q3 2012 which tells us we do not yet have a handle on the marketplace dynamics under AB 2398. Clearly we have learned many lessons but perhaps the most basic is how difficult it is to have clear communications and understanding around the interpretation and execution of complex statutes and guidelines.
- We are really still in start-up mode in that we are just now getting the routine reporting protocols and agreed upon procedures (AUP) ironed out with processors. We are operating under a plan which is working, and we are making progress but we are still on a steep learning curve. The wonderful collaborative atmosphere with your Team at CalRecycle has made this possible.
- CARE will be conducting our annual survey for 2012 and information will be available and analyzed by the end April 2013, thus providing important context and input relevant to the CA program.
- Markets for non-nylon output have been slow to develop. This is a priority for CARE as it is a national concern. Such information will better inform the same challenges facing recycling in California. Additional time will allow greater consideration of how to address this material in the Plan.
- Other states are looking at AB 2398 as a model but recognize that while it appears to be going well, it is still very early and demonstration of a sustainable model is yet to be proven. We need to get this right and the extra time, while the existing program continues, will help us refine a robust revised Plan.

The benefits of an extension are many fold. The most obvious is it will give us 2 more quarters of experience and thus ability to better analyze trends. It will provide valuable time to further educate processors on the AUPs and tighten verification of CARE's own requirements on processors (such as the requirement that materials must be shipped to be considered processed) and reflect this in the Plan. An extension will allow more time to explain the baseline and add more transparency to how calculations are made in the Plan. This will also allow analysis of CARE's survey of processors used in preparing the annual report and can provide information for the Plan and its goals.

CARE recognizes how important this program is both to California and the Nation as a whole. We have worked hard to craft a solid plan that will ensure the success of AB 2398. The current Plan is working and in the short time we have been fully operational, we have learned many important lessons and put many key program features in place. We believe a short extension will result in a more informed and robust Plan for fulfillment of the goals of AB 2398. Thus, we respectfully request an extension until May 31, 2013.

I am available and happy to answer any question you may have and you can reach me at:

bpeoples@carpetrecovery.org or my direct cell phone is 214-300-5206.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Peoples', is shown on a light blue background.

Robert Peoples, Ph.D.

Executive Director, CARE
Carpet America Recovery Effort
www.carpetrecovery.org

cc: Werner Braun, CARE
Kathy Frevert, CalRecycle
Wendy Harmom, CalRecycle
Clark Williams, CalRecycle