



DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

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June 12, 2018

Dr. Bob Peoples
Executive Director
Carpet America Recovery Effort (CARE)
100 South Hamilton Street
Dalton, GA 30722

Re: CARE Plan resubmission extension request

Sent via e-mail and U.S.P.S.

Dear Bob,

On June 8, 2018, you requested an extension of one month, until August 14, 2018, to resubmit CARE's Revised Carpet Stewardship Plan 2018-2022. On behalf of Director Smithline, I am writing to let you know that based upon your commitments, CalRecycle is willing to delay further implementation of CalRecycle's Enforcement Plan (seeking penalties) for an additional 33 days to allow the revised Plan to be submitted on August 17, 2018 (allowing public consideration at the October 16, 2018, Monthly Meeting).

Director Smithline wanted me to share his concerns that number of the statements in your letter are vague as to the level of detail to be included in the revised Plan. Despite his reservations, in consideration of the potential impacts on carpet recycling in California, he has agreed to the delay noted above. Below we share several general observations about the contents of your letter so you can understand some of our concerns. Please understand that this is not a point-by-point response to your letter.

First, this delay does not in any way indicate whether or not CalRecycle will approve the resubmitted Plan. We will need to see the actual details of how CARE addresses these issues in a resubmitted Plan and assess whether they adequately meet the relevant statutory requirements. Several statements in your request imply that CalRecycle has added new requirements on CARE at the last minute (e.g., "several topics in its RFA implicate novel legal requirements" and "need for coordination and consensus"). As you know, these issues have been discussed for years, and the legal requirements referenced in CalRecycle's May 15, 2018, Request for Approval have been in statute since October 2017, so CARE should have been ready to address them when it originally submitted its Plan.



Second, we are very concerned about your statements in the last full paragraph of the letter regarding confidentially sharing capacity growth projections on a company blinded basis and aggregate basis. As we have discussed many times, while the department is willing to work with CARE on what details must remain confidential as provided for in regulations, there also must be enough in the Plan itself for stakeholders and CalRecycle to understand the rationale for any proposed specific assessment or range of assessment levels. There are limited circumstances where aggregate data must be treated confidentially and we are not aware that those circumstances exist here. In addition, we are concerned that a lack of transparency on this issue will undermine public trust in any decision that we make regarding it.

Third, regarding incentivizing carpet materials with the highest recyclability, it is still unclear whether your approach can meet the statutory requirements, especially given some of the discussions that we have had with you over the last few weeks.

With that being said, we look forward to CARE's revised Plan submission on August 17th.

Sincerely,



Howard Levenson, Ph.D.
Deputy Director