

Mattress Product Management

Written Comments Received on California Mattress Stewardship Program Budgets

This page contains stakeholder comments on Mattress Stewardship Program Budgets.

Comments received by CalRecycle on the Mattress Recycling Council's (MRC) 2020 Budget

Commenter	Representing	Comment
Staci Heaton	Rural Counties' Environmental Services Joint Powers Authority	Letter: July 15, 2019
Tchad Robinson	Blue Marble Materials	Letter: July 16, 2019
Ryan Trainer	The Mattress Recycling Council	Letter: July 17, 2019
Doug Kobold	California Product Stewardship Council	Letter: July 19, 2019
Mattress Advisory Committee	Mattress Advisory Committee	Letter: July 19, 2019

CalRecycle requested that public comments on the Budget be sent to mattresses@calrecycle.ca.gov through July 16, 2019.



Rural Counties
Environmental Services
Joint Powers Authority
ESJPA

CHAIR – MICHAEL KOBSEFF, SISKIYOU COUNTY
VICE CHAIR – DENISE CARTER, COLUSA COUNTY
EXECUTIVE DIRECTOR – GREG NORTON

TECHNICAL ADVISORY GROUP (TAG)
TAG CHAIR – JIM MCHARGUE, AMADOR COUNTY
TAG VICE CHAIR – TODD STORTI, BUTTE COUNTY
PROGRAM MANAGER – STACI HEATON

July 15, 2019

Scott Smithline, Director
California Department of Resources Recycling and Recovery
1001 I Street
Sacramento, CA 95814

Transmitted via email to mattresses@calrecycle.ca.gov

RE: Mattress Recycling Council Proposed 2020 Budget and 2018 Annual Report

Dear Mr. Smithline,

On behalf of the Rural County Representatives of California (RCRC's) Environmental Services Joint Powers Authority (ESJPA), I offer comments on the Proposed 2020 Budget of Mattress Recycling Council (MRC), and the 2018 Annual Report. RCRC is an organization of thirty-six rural California counties and our Board is comprised of one elected County Supervisor from each of our member counties. Twenty-four of these counties have formed the Rural Counties' ESJPA to provide assistance to solid waste managers in our member counties. These solid waste managers have been charged with ensuring their respective counties meet state-imposed requirements in order to reduce waste being disposed and increase recycling/re-use efforts for certain products.

As you may know, on August 30, 2018, the California State Auditor released an audit of the mattress recycling program, *California Department of Resources Recycling and Recovery: It Has Not Provided the Oversight Necessary to Ensure That the Mattress Recycling Program Fulfills Its Purpose*. Some of the key findings of the audit were for the program to increase consumer access to disposal opportunities, reduce illegal dumping, and improve fiscal controls. It is within the context of the audit, as well as Assembly Bill 187 by Assembly Members Cristina Garcia and Frank Bigelow that we make the following comments on the Proposed 2020 Budget and 2018 Annual Report.

RCRC and the ESJPA supports efforts to increase consumer access to mattress disposal opportunities, including establishing at least one permanent collection facility available in each county. Currently, the program falls short of that goal.

Anticipated Revenues and Costs of Implementation

We appreciate the increased compensation of \$15 in 2018 to local municipalities for illegal dumping and believe this should incentivize increased participation. Illegal dumping is a

big problem in rural communities and threatens public health, requiring significant investments by landowners and counties to remediate.

On top of China National Sword and the global repercussions of a changing recycling market, transportation costs and service disruptions can make rural collection and participation challenging. MRC may want to consider a higher reimbursement rate for hard to serve rural areas to attract participation and offset higher costs incurred in these areas.

Recommended Funding Level Sufficient to Cover the Plan's Budgeted Costs Over a Multi-Year Period

As correctly noted, recyclers and transporters have very limited resources and we appreciate MRC's efforts for timely reimbursement for services. A sufficient reserve would take into account the cash flow needed for rapid payments to vendors. However, we believe—as noted by the California State Auditor—that a 12-month reserve is excessive. We support efforts like AB 187 to develop a more appropriate reserve requirement, with some flexibility provided to CalRecycle to adjust it as necessary.

Mattress Recycling Charge and Itemization of Costs

We believe it is warranted to dip into MRC's over-amassed reserves to keep the \$10.50 per unit Mattress Recycling Charge the same. Rural jurisdictions would like to see more investment in the Illegally Dumped Mattress Collection Initiative. Addressing illegal dumping was also a component of the State Auditor's findings and recommendations.

Further, we agree with the use of census blocks in the geography analysis because census tracts in rural areas tend to not reflect that a significant portion of a census tract populations is concentrated in one area.

Finally, we appreciate that the analysis does not use straight line mileage in calculating proximity access or convenience between consumers and mattress collection points. In rural areas with higher elevations, it takes longer to travel over shorter distances. These areas typically have numerous geographic features in between, such as mountains and rivers. Road miles are referenced in the Rural County Access when indicating that "78.5% of California's rural population was within a 15-mile drive from MRC's collection network." The Collection Network Spatial Coverage, Sites section indicates a measurement of 15-mile driving distance of the site based upon the population centroid using census Block Groups.

2018 Annual Report

As noted in their Annual Report, MRC is an engaged participant and stakeholder in ESJPA meetings, which are held five times per year. We appreciate the efforts of MRC to establish a permanent collection site in each county and utilizing GIS tools in the future to identify underserved areas. Until then, collection events need to be offered on a regular schedule and conducted during convenient days and times for the consumer, like weekends and early morning or evening hours to accommodate the workday and longer commutes.

The section on Rural County Access is confusing. It may be more appropriate to use the CalRecycle definition of rural in Public Resources Code §40184, but we recognize that designations of “rural” change based upon annual tonnages and can only be compared for a given year. For example, based upon 2018 tonnages, there are 28 counties that qualify as rural under PRC §40184. These are different numbers and counties than what is listed in the report. The rural county list in 2017 represents 30 counties. In 2018, Imperial County was added as rural and Napa, Shasta and Yolo exceeded the limit and are not classified as rural for 2018. This fluctuation makes comparison of “rural” participation per year inconsistent.

Moreover, the term “rural” is used inconsistently throughout the 2018 Annual Report. The section on Mattress Discarder Intercept Surveys at Collection Sites (page 134) indicates that “Counties with membership in the Environmental Services Joint Powers Authority (ESJPA) were considered rural.” Most of our members are classified as “rural” under PRC §40184 but not all ESJPA counties qualify.

The use of CalRecycle’s definition of rural in PRC §40184 may provide more consistency with other exemptions but, admittedly, may not fully consider traditional “rural” areas in counties not considered “rural” under CalRecycle’s definition. The increase to 25-mile drive to a collection site can compensate for situations in non-rural counties with low population access. Drive miles are an improvement for rural access rather than straight-line mileage considerations.

Thank you for the consideration of our comments. Should you have any questions, please do not hesitate to contact me (916) 447-4806 or sheaton@rcrcnet.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Staci Heaton", with a stylized flourish at the end.

Staci Heaton
Program Manager

cc: Rural Counties’ Environmental Services Joint Powers Authority Board Members
Ryan Trainer, President, Mattress Recycling Council
The Honorable Cristina Garcia, Member of the California State Assembly
The Honorable Frank Bigelow, Member of the California State Assembly



July 16, 2019

Mr. Scott Smithline
Director
California Department of Resources Recycling and Recovery (CalRecycle)
1001 I Street
Sacramento, CA 95812-4025

RE: Public Comment to California Used Mattress Recovery and Recycling 2020 Program Budget as submitted by
Mattress Recycling Council California, LLC

Dear Director Smithline:

As an owner and President of Blue Marble Materials, the largest contracted mattress recycler in the state program as of 2018, I thank you for the opportunity to provide public comments to clarify multiple apparent mischaracterizations contained in the California Used Mattress Recovery and Recycling 2020 Program Budget ("2020 Budget") as submitted by Mattress Recycling Council California, LLC (MRC) on July 1, 2019.

The 2020 Budget states "The projected 2019 operational expenses (including collection, transportation and recycling) of \$33 million are unusually high due to over \$4.8 million in costs related to clean-up for mattresses abandoned by a former MRC recycler." If these assertions are intended to describe actions by Blue Marble Materials (BMM) then we feel strongly these assertions are a mischaracterization of actual events and are repeated several times throughout the 2020 Budget.

These unnecessary expenses were caused directly by the MRC and, what we believe to be, their unlawful termination of our recycling contract as retribution against BMM for not agreeing to the MRC demands to undermine the state audit that was conducted by the California State Auditor in August 2018. BMM and our representatives received several threatening emails and texts from the MRC.

One such email from the MRC, dated February 13, 2018, which was during the most recent BMM contract negotiation with the MRC, read:

"We [MRC] would like to suspend the audit now and when we reach final signed agreement [with BMM] we want to terminate the audit. As you and I have discussed, we believe there is potential downside for both parties [MRC and BMM]. Happy to work with you and your team on making that happen with all saving face."

A follow-up email dated April 19, 2018, during BMM continued contract negotiations with the MRC, read:

"I am compelled to tell you that based upon what I have learned, your client's [BMM's] ability to move forward successfully as he wants will be severely tested and a worst case scenario is eliminated if the current train stays on the tracks (JLAC audit). My client [MRC] will be hurt, but will still be in business and live to fight another day....Just saying...."



A final text dated May 24, 2019, after the execution of the contract between MRC and BMM, read:

“I need to be able to tell my clients [MRC] something other than you just won’t respond. So if you’re not going to help or you can’t help or [BMM] doesn’t have the ability to do anything about the JLAC audit just tell me that. I just need to hear something directly from you that I can pass on to the client [MRC].”

The audit itself did not specifically mention or harm BMM; however, it did raise several critical concerns with the MRC and their management and oversight of the mattress recycling program. The MRC terminated our contract on September 21, 2019, one month after the California State Auditor released its report.

The mattress recycling legislation grants significant power to the MRC, which BMM believes the MRC abuses and unevenly distributes. Central to BMM’s concern is the seemingly inherent conflict of interest faced by the MRC, which is expected to manage the program in the interest of California stakeholders; however, is governed by the same individuals which govern the mattress industry association (International Sleep Products Association (“ISPA”). Ryan Trainer has been listed as the President of both International Sleep Products Association and Mattress Recycling Council California. Both ISPA and the MRC share the same mailing address in Alexandria, Virginia and Mr. Trainer, the President of the MRC communicates using an ISPA email domain. ISPA has interests in apparent opposition to the interests of California stakeholders. Based on their initial opposition to the mattress recycling legislation, the mattress industry is concerned that program growth will require raising the fee collected at retail to fund the program. The ISPA opposition to the recycling legislation seemed to be based on their concern that raising this fee collected at the point of purchase to fund a large, successful recycling program will hurt the mattress industry’s sales in California. While it is more expensive to landfill mattresses than recycle them, the landfill expenses are paid by California municipalities and ratepayers, not the mattress industry or purchasers.

When faced with competing interests, there is a concern that the MRC prioritizes the interest of the mattress industry over California stakeholders. One apparent example is the MRC decision to use the budget surplus accumulated during the first year to justify reducing the fee at retail, rather than funding crucial program expenses. The MRC actions were opposed by the Mattress Recycling Organization Advisory Committee as well as criticized in the California State Auditor report of August 2018.

We believe the MRC entered into a contract with BMM which it did not intend to honor. There is significant support for this assertion:

1. On May 15, 2018, while BMM was negotiating the most recent contract with the MRC, BMM management had a call with a logistics provider which BMM introduced to the MRC, and which subsequently signed a contract as a vendor supplying services to the mattress recycling program. During this call the owner of the logistics company recounted a conversation he had with Mike O’Donnell, the Managing Director of the MRC. BMM management was so concerned with the topics discussed during this conversation that they summarized the contents of the conversation immediately in an email to BMM investors and board members. The email BMM management sent to their investors and board describe concerning statements made by the MRC against BMM which are consistent with the threats BMM received directly from the MRC and their representatives. The owner of the logistics company, who described a conversation he had recently with Mike O’Donnell of the MRC, had no previous knowledge of the state audit before his conversation with the MRC. The notes of his conversation read:
 - a. “Mike [MRC] is nervous about our [BMM] political ties and mentioned some audit.
 - b. Mike [MRC] is nervous about your [BMM] friends in government that are coming down on MRC.
 - c. Mike said the MRC has shut down other recyclers that made the MRC look bad.



- d. Mike [MRC] is strong-arming BMM to force you to accept the contract terms. They are not going to budge. Once you sign the contract you [BMM] should assume they are going to try to f**k you.
 - e. They [MRC] want you out.”
 2. On July 16th and 18th, approximately one month after BMM signed the most recent contract with the MRC and approximately two month before the contract was terminated, a second logistics contractor which BMM introduced to the MRC, and which the MRC subsequently signed a contract with as a vendor supplying services to the mattress recycling program, began calling BMM employees to communicate their understanding that BMM had lost its recycling contract, and was going out of business. The vendor made job offers to encourage the employees to leave their employment with BMM and to work for the vendor directly. BMM management immediately communicated their concerns directly to the MRC and the disruptive damage these false allegations caused to BMM operations and asked the MRC to discontinue any misrepresentations made to vendors or our employees about our contract. The calls continued for several days while BMM made multiple requests to the MRC to discontinue any false descriptions they had provided to the vendor. The MRC claimed to have no knowledge of the origin of these false claims concerning the BMM contract with the MRC and suggested BMM may have communicated the information themselves to the vendor.

In addition to the apparent unlawfully termination of the BMM contract, it seems after the termination the MRC further prevented BMM from safely and responsibly reallocating the mattresses from BMM warehouses to other program recyclers. BMM made multiple efforts to responsibly reallocate mattresses to other recyclers including making plans with program recyclers to transfer unprocessed mattresses and requesting guidance from CalRecycle. BMM was told by another program recycler, in writing, that the MRC instructed them to not accept any units from BMM. If the MRC is asserting that BMM abandoned mattresses, this would be a mischaracterization which is repeated several times throughout the 2020 Budget.

BMM and the MRC negotiated and agreed to a Closure Plan which would guide the responsible and safe distribution of inventory in the event of a winding down of BMM operations. BMM and the MRC agreed this Closure Plan would be funded from BMM operating profits collected in months 13-36 of the contract term. The MRC terminated the contract with BMM during the fifth month, thus denying BMM the ability to execute the Closure Plan negotiated and agreed to by both parties.

In addition to terminating the BMM contract, the MRC used the termination to justify withholding payment of three months of BMM invoices totaling over \$2.3 million, some of which were already approved by the MRC operations and accounting staffs. As the MRC accurately explains in the 2020 Budget, “...many [MRC recyclers] could experience serious financial distress if MRC were to miss or be late making even a single payment to them for services.” The financial strain inflicted on BMM by the MRC withholding approved invoice payments appears to have been understood by the MRC, but not sufficiently characterized by the MRC in its description of expenses incurred in the 2020 Budget.

If the \$4.8 million in costs related to clean-up for mattresses abandoned by a former MRC recycler mentioned in the 2020 Budget refers to BMM inventory, this statement appears to be a significant mischaracterization of truthful events which appears to be an attempt to shift the due blame and consequences of their actions away from the MRC.

The 2020 Budget also does not accurately represent that many of the units “abandoned” by the MRC were to be contractually recycled by BMM upon the installation of equipment which was already ordered and paid for by BMM. The MRC and BMM negotiated and agreed to a recycling rate for BMM to recycle these units throughout



calendar year 2019, upon the installation of additional equipment which had already been purchased and scheduled for delivery upon termination of the BMM contract. As a result, the expenses listed by the MRC which relate to their handling of these units appears to be significantly greater than the rate to be paid to BMM for recycling the units. This appears to be a significant and unwise waste of program funds.

Furthermore, at the time of its contract termination, BMM was the only contracted program recycler with existing technology to efficiently process pocket coils. With the termination of the BMM contract, the MRC is now expending additional program resources to fund grants to explore new technologies to process these pocket coils, many of which seem to be going into California landfills. These additional costs to California stakeholders, as a result of the seemingly unlawful termination of BMM's contract, are not properly addressed in the 2020 Budget and should be more carefully explored by state leadership.

For any additional information or clarification relating to the abovementioned topics, please feel free to contact Blue Marble Materials (BMM) representative John Gugliotta at Gugliottalow@optionline.net.

Thank you for the opportunity to provide comments in support of this important legislation and program.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tchad Robinson", with a stylized flourish at the end.

Tchad Robinson
President
Blue Marble Materials

cc:

Ryan Trainer
Terry McDonald
Joanne Brasch



July 17, 2019

Mr. Scott Smithline
Director
California Department of Resources Recycling and Recovery (CalRecycle)
1001 I Street
Sacramento, CA 95814

Director Smithline:

I am writing to provide further comments on the 2020 budget that the Mattress Recycling Council California, LLC (MRC) has proposed in light of a letter from Mr. Tchad Robinson of Blue Marble Materials (BMM) to you dated July 16, 2019.

MRC disagrees with Mr. Robinson's characterization of many facts cited in his letter, most of which are irrelevant to MRC's proposed 2020 budget. For example, the commercial dispute between MRC and BMM to which his letter refers is in arbitration and will be resolved there in due course. Furthermore, MRC has kept CalRecycle apprised of how MRC intends to handle the significant quantities of baled mattresses (bales) and loose mattresses and box springs (units) that BMM left in various leased facilities throughout California after MRC terminated its contract with BMM.

MRC disputes Mr. Robinson's complaint (on page 4 of his letter) that the money MRC has budgeted to process the bales and units left behind in BMM's leased facilities "appears to be a significant and unwise waste of program funds." MRC would have incurred similar costs if BMM or another recycler had performed these services. Recycling these units is a cost that is necessary to recycle large quantities of discarded mattresses and box springs that would otherwise have been dumped in California landfills. MRC has and will incur costs for facilities and arranging for the removal, transportation and processing of the bales and units left at BMM's facilities. Therefore, MRC expects that the expenses it will incur under the current arrangements will be in line with the 2020 budget estimate for the same.

I urge CalRecycle to approve MRC's proposed 2020 budget. Please feel free to contact MRC if you have any questions.

Sincerely,

Ryan Trainer
President
Mattress Recycling Council California, LLC

July 19, 2019

CalRecycle Mattress Team
1001 I Street -P.O. Box 4025
Sacramento, CA 95812-4025

Sent via mattresses@calrecycle.ca.gov

SUBJECT: Disapproval of 2018 MRC Annual Report and Approval of the Proposed 2020 Budget

Dear CalRecycle Mattress Team:

The California Product Stewardship Council (CPSC) is a non-profit organization of 200+ California local governments, business partners, interested non-profits and individuals working towards a single mission: To shift California's product waste management system from one focused on government-funded and ratepayer financed to one that relies on producer responsibility in order to reduce public costs and drive improvements in product design. Our goal on having a representative sit on the Advisory Committee is to ensure this program is transparent, cost-effective, convenient to use, well publicized, and ensures appropriate use of feepayer money by the Mattress Recycling Council (MRC).

We commend the MRC on improving the Annual Report compared to 2017 by addressing several areas of concern as expressed by CalRecycle, the Advisory Committee, and in public comment. However, we have ongoing concerns and support the position and comments presented by the Mattress Advisory Committee from their public meeting on July 17, 2019. See attachment 1 as a reference to the list of concerns cited by the Advisory Committee for reasons to recommend disapproval of 2018 MRC Annual Report and approval of the proposed 2020 Budget.

Thank you for the opportunity to provide our comments. We look forward to being very involved in the discussions to ensure the mattress stewardship program works for California stakeholders and fee payers.

Sincerely,



Doug Kobold, Executive Director
California Product Stewardship Council

Attachment 1: List of concerns cited by the Advisory Committee resulting from the public meeting on July 17, 2019

ATTACHMENT 1

Mattress Committee Comments on the 2018 MRC Annual Report and 2020 proposed budget

Waste Hierarchy/Source Reduction/Renovation

1. The report states on page 18 and 28 that 2 mattress renovators were MRC no cost collection sites in 2018 and 4 more have been added so far in 2019. While it is appreciated that MRC has allowed a few renovators to be listed as drop off site, the units amount to a very minimal amount of used beds received. We receive an average of about four (4) mattresses per week from the public in this manner. MRC did not publish information on how many units renovators have received in this manner. The no-cost renovation drop-off should be expanded and promoted.
2. MRC pays a recycler more to destroy a mattress than a renovator can pay for it whole, it is in the best financial interest of the recycler to dismantle it rather than sell it whole to a renovator. On page 28, paragraph 2 states that “MRC does not compensate recyclers when they sell whole mattresses directly to renovators. The recycler instead is paid for the unit by the renovator. This financial arrangement benefits both the recycler and renovator, allowing the renovator to buy whole mattresses and components and incentivized adherence to the waste hierarchy.”
3. The SP2 program for source reduction (p. 26 & 27) seems complex and difficult to assess for quantifiable results. “Lower hanging fruit” to achieve source reduction seems to have been ignored. Simply promoting durability could have yielded quick gains in source reduction. For example, simply noting that “flip” mattresses tend to wear more evenly than “non-flip,” according to Consumer Reports, which claims on its web site to spend over \$80,000 per year testing mattresses, could help.
4. The baseline figure for refurbishing has never been revised. Page 27 of the report states, “According to data CalRecycle has collected from renovators, 150,124 units were renovated in 2016; 263,646 in 2017; and 226,068 in 2018.” These data were based on insufficient reporting by refurbishers, yet it has been used to document that refurbishers have not been “harmed” by any MRC-led recycling efforts. Until these numbers are revised or disavowed, they are still a dangerously misdirecting data point. The statement on page 28, “therefore, the Program (sic) has not undermined renovators” is not justified by the statement regarding how many pounds of material were purchased.
5. The statement at the bottom of page 31 appears to be incorrect. California does not consider biomass burning to be the same as “recycling.”
6. Page 20 of the report details the Commercial Volume Pickup Program (CVP) and shows how MRC plans to target hotels, motels and educational institutions. It further states “In order to not undermine mattress renovation, MRC is communicating with renovators regarding the CVP Programs.” It would be helpful for MRC to contract with renovators to help with the large volume pick up locations and advised that most renovators would pick up these units for free, saving Californian’s money.

Research Studies and Collaboration

1. All studies and results from pilot project funded by CA fee money should be made public. It’s important the Committee sees this information to review the effectiveness of the Plan and accuracy of the annual report and proposed budget.
2. There is no data on the surveys to local jurisdictions and haulers and Committee members and their companies have not been contacted about the survey. Survey results, including sampling methods, should be included.
3. There was significant study of whether shredding prior to processing is a net benefit or a detriment to high capture rates (measuring the percent of marketable commodities separated and ready for market, rather than sent to landfills as residual, following processing). Page 93 references the study of this matter, and page 95 provide some general conclusions, but what were the specific results of those studies? The AC believes all studies funded by CA fee money should be made public with clear explanation of how the study will impact the program.
4. Market trends for bed-in-a-box and foam mattresses should be addressed and quantified.
5. The annual report should have shown more progress in establishing new partnerships, research opportunities, and in exploring business development opportunities;
6. The information provided on page 97 of the report is discouraging. Besides offering delivery of commodities for feedstock, MRC could provide the following assistance to incentivize companies to develop markets for mattresses to fund test runs of their products using recycled mattress commodities, help promote their product if they make their product out of recycled California mattresses, and pay for financial and business planning consultants to help these companies see opportunities for expansion using recycled mattress commodities
7. There is insufficient specificity on how the MRC is contributing to the foam recycling effort, apart from providing “knowledge of mattress recycling infrastructure.” MRC could assist further by funding testing, pilot projects, or

experiments. Similarly, with the PURESmart effort (page 99), MRC could do more than “monitor” progress on this matter and on pyrolysis (page 100).

Market Development

1. The annual report should have shown more progress in establishing new partnerships and research opportunities and in exploring business development opportunities with geotextile, insulation, and fiber-reinforced concrete industries. Page 80
2. The subcommittee was hoping to find examples of follow up on the recommendations of the Georgia Tech report, support for the Rutgers University ongoing project testing feasibility of mixed blend fibers from recycled clothing in geotextile applications, and partnership with the NC State University project with Carpet America Recover Effort (CARE) is exploring recycled carpet fiber in nonwovens.
3. The information provided on page 97 of the report is discouraging. The MRC “is seeking to fund development of” this type of work, but “MRC has unfortunately been unsuccessful in finding potential contractors for this type of work.” Besides offering delivery of commodities for feedstock, MRC could provide the following assistance to incentivize companies to develop markets for mattresses to fund test runs of their products using recycled mattress commodities, help promote their product if they make their product out of recycled California mattresses, and pay for financial and business planning consultants to help these companies see opportunities for expansion using recycled mattress commodities. It is unclear if the MRC partnered with other leading organizations, such as:
 - a. US Fabrics, a national geosynthetics products company specializing in geotextiles, geogrids, and geomembranes for construction;
 - b. Triumph Geosynthetics, Inc., a California based firm offering a variety of nonwoven geotextiles primarily used in subsurface drainage, soil separation and rock slope protection;
 - c. Pacific Soil Stabilization, which sells geotextile, geogrid and erosion control products for construction and landscaping;
 - d. BOOM Environmental Products, which makes oil containment booms, silt curtains, and spill containment pallets from 100% post-consumer recycled polyester; and
 - e. Propex, which manufactures geotextile slope stabilization products.
4. Other efforts at collaborative work to develop markets have also previously been identified as a priority but are insufficiently reported in 2018. For example, the report notes (page 97) that MRC joined the REMADE Institute, but did the MRC join the Sustainable Furnishings Council? Working with existing testing organizations, such as mattressclarity.com and mattressadvisor.com could yield evaluations and promotions of durability based on quality of materials and multi-night sleep tests.
5. On pages 98 and 99, possibilities with foam are mentioned, but there is insufficient specificity on how the MRC is contributing to the effort, apart from providing “knowledge of mattress recycling infrastructure.” Could the MRC assist further by funding testing, pilot projects, or experiments? Similarly, with the PURESmart effort (page 99), could the MRC do more than just “monitor” progress on this matter and on pyrolysis (page 100).

Metrics/Data

1. The Annual Report notes a 3% increase in units sold in CA, an 11.2% increase in units recycled, yet the renovation decreased by 14%. It is odd that from 2016 when approximately 6 renovators reported to 2018 when 34 renovators reported (a 550% increase) the amount of mattresses renovated from 2017-2018 would drop by 31%. Although the data in the report was corrected, the revised data still shows a decrease in renovated units from 263K to 226K, a 14% decrease.
2. MRC still does not report a diversion rate, including an estimate of the total mattresses disposed, which is crucial to determining the effectiveness of the program.
3. The mattress landfill baseline number is another flawed metric that is not addressed in the MRC’s Annual Report but has been noted in the past and should be re-set or specifically disavowed in the annual report. Apparently, landfills reported 370,000 mattresses landfilled last year. Obviously, not all landfills are counting all mattresses disposed. If that were the real number of mattresses disposed, there would be no point in doing any outreach promoting mattress recycling, because less than 10% (based on the state population and the average longevity of mattresses) of all the mattresses in the state would be going somewhere other than landfills already. Instead, the MRC increased the outreach budget 158% (page 104), acknowledging more work is still needed to divert mattresses from landfills.
4. Page 107 notes CalRecycle billed \$777,095 to the MRC for oversight expenses. Given that this is such a substantial cost, an increase of 74% over 2017 billing, and projected to rise in 2019 to nearly \$1 million (page 109), some explanation seems necessary. Data on number of stores visited by CalRecycle staff, CalRecycle staff hours at retail

locations, CalRecycle staff hours reviewing MRC reports, quantification of enforcement actions taken by CalRecycle staff, and related specificity seems warranted.

Mattress Recycler Dispute

1. As noted on page 61, there was a major interruption in the diversion of mattresses in 2018. The Annual Report references efforts to make progress and updates provided to CalRecycle, but does not provide quantifications. According to newspaper reports, baled and loose mattresses stranded following the dissolution of a business relationship between MRC and the company that was previously their major recycler (page 60) were significant enough to alter data.
2. The report states the recovery rate (the amount of mattress material incoming at recycling facilities that was then outgoing as commodities) increased from 59% to 65% (pages 59 and 63) but it is unclear if this calculation includes the 250,000 mattresses mentioned in the mattress recycler dispute.
3. If the abandoned mattresses in the annual report are those of Blue Marble Materials, there has been a possible mischaracterization of events that should be addressed publicly.

Green Design

1. Page 95 describes interest in Lean Manufacturing Assessment of MRC Recyclers and Pocket Coil Separation Project, these efforts are aimed at the end-of-life and do not address green design, which is the responsibility of the producers. The Report does not address what is being done upstream in the mattress lifecycle to ensure recyclability.
2. No mention of incentivizing use of preferred fibers and materials in the manufacturing process to reduce the lifecycle impacts associated with raw material sourcing.



CALIFORNIA MATTRESS RECYCLING ADVISORY COMMITTEE

Helping to answer the question of what to do with that old mattress!

July 19, 2019

Ms. Heather Beckner
Ms. Nikki Castagneto
CalRecycle 1001 I Street -P.O. Box 4025
Sacramento, CA 95812-4025

Subject: Recommendation of Disapproval of the 2018 MRC Annual Report and Approval of the MRC 2020 Program Budget

Ms. Beckner & Ms. Castagneto,

The California Mattress Recycling Advisory Committee (Committee) thanks you for the opportunity to comment on both the 2018 Mattress Recycling Council (MRC) Annual Report (Report) and 2020 Program Budget (Budget) related to the California Mattress Recycling Program (Program). While individual Committee members may have comments specific to their industry sector or specific to their organization, they may choose to share them separately. The comments below combine the views of this diverse body and present the unified perspective of the entire Committee. Some notable improvements in the 2018 Report as compared to the 2017 report include:

1. Compiling a more thorough and accessible report document;
2. Engaging local jurisdictions in curbside pick-up programs;
3. New hire to manage and expand the Commercial Volume Pickup (CVP) program;
4. Direct retailer to recycler transportation to avoid double-handling of mattresses;
5. Expansion of collection sites by adding no-cost drop-off at renovation facilities, introducing new collection collaborations and temporary events with other stewardship programs.

While we are pleased to see MRC's efforts to address some of the concerns of the Committee and CalRecycle from last year, but there are still a number of outstanding improvements necessary for an effective program. The Committee recommends disapproval of the 2018 MRC Annual Report and Approval of the 2020 MRC Proposed Budget. A list of specific comments and concerns is attached below, but the general comments we would like to highlight are as follows:

Adherence to the waste hierarchy: The committee noted the inclusion of the waste hierarchy in the 2018 Annual Report, however discussing it does not ensure prioritization. Recycling is still heavily prioritized over renovation throughout the Report- that is our issue. While a handful



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of renovators have been added as no-cost collection sites under MRC's program, there is little or no evidence that MRC is following up with the success of these sites or working on ways to increase participation. In order to be compliant with Section 42985 (a)(2) of the Public Resources code, MRC should be coordinating their efforts with renovators at a greater scale by offering collected mattresses to renovators before recyclers. Additionally, the amount MRC pays recyclers is more than double what renovators can pay for a whole mattress, undermining the renovation industry's ability to compete with recycling. If MRC were to pay a portion or 50% of the recyclers fee for whole units that are sold to renovators which would allow a renovator to get more units and save the state money.

Transparency of research studies: As stated in previous comments, the Committee would like to see the results of the studies funded by CA fee money. Considering these studies account for a significant portion of the budget, and their potential importance in informing MRC's programmatic efforts, the Committee feels strongly that these results are made public. While many studies are briefly discussed and given general conclusions, it is essential to see the complete data and findings of studies funded by California fee money.

Shortcomings of market development: The Committee recognizes MRC's efforts on market development, but there is much more needed on this crucial front. Joining REMADE is an important step in this process but fostering partnerships with a variety of other organizations will be crucial. As seen in other industries, manufacturers need technical assistance to incorporate recycled material in their products and MRC can play a role to expand markets.

Failure to include appropriate metrics and data: The lack of a diversion percent measurement still makes the program's effectiveness hard to judge. As discussed in several Committee meetings, the MRC needs to extrapolate a disposal calculation in order to create a metric of diversion capturing recycled volume as a percentage of total mattresses disposed. While the Annual Report reports an increase in its recycling rate from 59% to 65%, a diversion rate is necessary to assess the broader goals of SB 254.

Obscurity on mattress recycler dispute: While the stated mattress recycler dispute was significant enough to modify MRC's data, it is not apparent whether or not it is accounted for in the reported recovery rate.

Lack of considerations of Green Design: The Annual Report focuses on the end-of-life management of mattress materials, including the SR2 program, but fails to address possible upstream solutions. While this is ultimately the responsibility of producers to incorporate such designs, the Committee would like to see MRC working with mattress producers on incorporating such efforts in their design and sourcing.



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The Committee has the following recommendations for 2019 Annual Report:

1. 75% recovery rate goal next year seems very attainable, and the MRC might need to consider raising its goal to a figure in the 80s, comparable to the rate reported by the major recycler in Wisconsin.
2. Expand no-cost collection network for renovators.
3. Expand the curbside pick-up program in local jurisdictions.
4. Extrapolate a diversion rate for mattresses.
5. Describe how the MRC is engaging producers to design for recyclability and use preferred fibers

Thank you again for the opportunity to comment on the 2018 Annual Report and 2020 Program Budget. The Advisory Committee is pleased to have the unique opportunity to provide insight and guidance on the Program and we appreciate CalRecycle's consideration of our collective and diverse views.

Respectfully,

Terry McDonald, Chair
St. Vincent de Paul Society of Lane Co., Inc.

Joanne Brasch, Vice-Chair
California Product Stewardship Council

David Goldstein
Diversion & Commodity Markets
Subcommittee Chair
Ventura County

Jim McHargue
Illegal Dumping Subcommittee Chair
Amador County

Rebecca A. Rasmussen
Outreach & Program Marketing
Subcommittee Chair
Office of Mayor Eric Garcetti, City of Los Angeles

Bani Behniwal
Californians Against Waste

Don Franco
Gateway Mattress Co., Inc.

Chris Gibson
Recology

Robert McGowan
Pacific Central Region at Mattress Firm Inc.

Veronica Pardo
California Refuse Recycling Council

Tchad Robinson
Blue Marble Materials

Jo Zientek
Santa Clara County



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Attachment 1

Mattress Committee Comments on the 2018 MRC Annual Report and 2020 proposed budget

Waste Hierarchy/Source Reduction/Renovation

1. The report states on page 18 and 28 that 2 mattress renovators were MRC no cost collection sites in 2018 and 4 more have been added so far in 2019. While it is appreciated that MRC has allowed a few renovators to be listed as drop off site, the units amount to a very minimal amount of used beds received. We receive an average of about four (4) mattresses per week from the public in this manner. MRC did not publish information on how many units renovators have received in this manner. The no-cost renovation drop-off should be expanded and promoted.
2. MRC pays a recycler more to destroy a mattress than a renovator can pay for it whole, it is in the best financial interest of the recycler to dismantle it rather than sell it whole to a renovator. On page 28, paragraph 2 states that “MRC does not compensate recyclers when they sell whole mattresses directly to renovators. The recycler instead is paid for the unit by the renovator. This financial arrangement benefits both the recycler and renovator, allowing the renovator to buy whole mattresses and components and incentivized adherence to the waste hierarchy.”
3. The SP2 program for source reduction (p. 26 & 27) seems complex and difficult to assess for quantifiable results. “Lower hanging fruit” to achieve source reduction seems to have been ignored. Simply promoting durability could have yielded quick gains in source reduction. For example, simply noting that “flip” mattresses tend to wear more evenly than “non-flip,” according to Consumer Reports, which claims on its web site to spend over \$80,000 per year testing mattresses, could help.
4. The baseline figure for refurbishing has never been revised. Page 27 of the report states, “According to data CalRecycle has collected from renovators, 150,124 units were renovated in 2016; 263,646 in 2017; and 226,068 in 2018.” These data were based on insufficient reporting by refurbishers, yet it has been used to document that refurbishers have not been “harmed” by any MRC-led recycling efforts. Until these numbers are revised or disavowed, they are still a dangerously misdirecting data point. The statement on page 28, “therefore, the Program (sic) has not undermined renovators” is not justified by the statement regarding how many pounds of material were purchased.
5. The statement at the bottom of page 31 appears to be incorrect. California does not consider biomass burning to be the same as “recycling.”
6. Page 20 of the report details the Commercial Volume Pickup Program (CVP) and shows how MRC plans to target hotels, motels and educational institutions. It further states “In order to not undermine mattress renovation, MRC is communicating with renovators regarding the CVP Programs.” It would be helpful for MRC to contract with



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renovators to help with the large volume pick up locations and advised that most renovators would pick up these units for free, saving Californian's money.

Research Studies and Collaboration

1. All studies and results from pilot project funded by CA fee money should be made public. It's important the Committee sees this information to review the effectiveness of the Plan and accuracy of the annual report and proposed budget.
2. There is no data on the surveys to local jurisdictions and haulers and Committee members and their companies have not been contacted about the survey. Survey results, including sampling methods, should be included.
3. There was significant study of whether shredding prior to processing is a net benefit or a detriment to high capture rates (measuring the percent of marketable commodities separated and ready for market, rather than sent to landfills as residual, following processing). Page 93 references the study of this matter, and page 95 provide some general conclusions, but what were the specific results of those studies? The AC believes all studies funded by CA fee money should be made public with clear explanation of how the study will impact the program.
4. Market trends for bed-in-a-box and foam mattresses should be addressed and quantified.
5. The annual report should have shown more progress in establishing new partnerships, research opportunities, and in exploring business development opportunities;
6. The information provided on page 97 of the report is discouraging. Besides offering delivery of commodities for feedstock, MRC could provide the following assistance to incentivize companies to develop markets for mattresses to fund test runs of their products using recycled mattress commodities, help promote their product if they make their product out of recycled California mattresses, and pay for financial and business planning consultants to help these companies see opportunities for expansion using recycled mattress commodities
7. There is insufficient specificity on how the MRC is contributing to the foam recycling effort, apart from providing "knowledge of mattress recycling infrastructure." MRC could assist further by funding testing, pilot projects, or experiments. Similarly, with the PReSmart effort (page 99), MRC could do more than "monitor" progress on this matter and on pyrolysis (page 100).

Market Development

1. The annual report should have shown more progress in establishing new partnerships and research opportunities and in exploring business development opportunities with geotextile, insulation, and fiber-reinforced concrete industries. Page 80



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2. The subcommittee was hoping to find examples of follow up on the recommendations of the Georgia Tech report, support for the Rutgers University ongoing project testing feasibility of mixed blend fibers from recycled clothing in geotextile applications, and partnership with the NC State University project with Carpet America Recover Effort (CARE) is exploring recycled carpet fiber in nonwovens.
3. The information provided on page 97 of the report is discouraging. The MRC “is seeking to fund development of” this type of work, but “MRC has unfortunately been unsuccessful in finding potential contractors for this type of work.” Besides offering delivery of commodities for feedstock, MRC could provide the following assistance to incentivize companies to develop markets for mattresses to fund test runs of their products using recycled mattress commodities, help promote their product if they make their product out of recycled California mattresses, and pay for financial and business planning consultants to help these companies see opportunities for expansion using recycled mattress commodities It is unclear if the MRC partnered with other leading organizations, such as:
 - a. US Fabrics, a national geosynthetics products company specializing in geotextiles, geogrids, and geomembranes for construction;
 - b. Triumph Geosynthetics, Inc., a California based firm offering a variety of nonwoven geotextiles primarily used in subsurface drainage, soil separation and rock slope protection;
 - c. Pacific Soil Stabilization, which sells geotextile, geogrid and erosion control products for construction and landscaping;
 - d. BOOM Environmental Products, which makes oil containment booms, silt curtains, and spill containment pallets from 100% post-consumer recycled polyester; and
 - e. Propex, which manufactures geotextile slope stabilization products.
4. Other efforts at collaborative work to develop markets have also previously been identified as a priority but are insufficiently reported in 2018. For example, the report notes (page 97) that MRC joined the REMADE Institute, but did the MRC join the Sustainable Furnishings Council? Working with existing testing organizations, such as mattressclarity.com and mattressadvisor.com could yield evaluations and promotions of durability based on quality of materials and multi-night sleep tests.
5. On pages 98 and 99, possibilities with foam are mentioned, but there is insufficient specificity on how the MRC is contributing to the effort, apart from providing “knowledge of mattress recycling infrastructure.” Could the MRC assist further by funding testing, pilot projects, or experiments? Similarly, with the PReSmart effort (page 99), could the MRC do more than just “monitor” progress on this matter and on pyrolysis (page 100).



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Metrics/Data

1. The Annual Report notes a 3% increase in units sold in CA, an 11.2% increase in units recycled, yet the renovation decreased by 14%. It is odd that from 2016 when approximately 6 renovators reported to 2018 when 34 renovators reported (a 550% increase) the amount of mattresses renovated from 2017-2018 would drop by 31%. Although the data in the report was corrected, the revised data still shows a decrease in renovated units from 263K to 226K, a 14% decrease.
2. MRC still does not report a diversion rate, including an estimate of the total mattresses disposed, which is crucial to determining the effectiveness of the program.
3. The mattress landfill baseline number is another flawed metric that is not addressed in the MRC's Annual Report but has been noted in the past and should be re-set or specifically disavowed in the annual report. Apparently, landfills reported 370,000 mattresses landfilled last year. Obviously, not all landfills are counting all mattresses disposed. If that were the real number of mattresses disposed, there would be no point in doing any outreach promoting mattress recycling, because less than 10% (based on the state population and the average longevity of mattresses) of all the mattresses in the state would be going somewhere other than landfills already. Instead, the MRC increased the outreach budget 158% (page 104), acknowledging more work is still needed to divert mattresses from landfills.
4. Page 107 notes CalRecycle billed \$777,095 to the MRC for oversight expenses. Given that this is such a substantial cost, an increase of 74% over 2017 billing, and projected to rise in 2019 to nearly \$1 million (page 109), some explanation seems necessary. Data on number of stores visited by CalRecycle staff, CalRecycle staff hours at retail locations, CalRecycle staff hours reviewing MRC reports, quantification of enforcement actions taken by CalRecycle staff, and related specificity seems warranted.

Mattress Recycler Dispute

1. As noted on page 61, there was a major interruption in the diversion of mattresses in 2018. The Annual Report references efforts to make progress and updates provided to CalRecycle, but does not provide quantifications. According to newspaper reports, baled and loose mattresses stranded following the dissolution of a business relationship between MRC and the company that was previously their major recycler (page 60) were significant enough to alter data.
2. The report states the recovery rate (the amount of mattress material incoming at recycling facilities that was then outgoing as commodities) increased from 59% to 65% (pages 59 and 63) but it is unclear if this calculation includes the 250,000 mattresses mentioned in the mattress recycler dispute.



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3. If the abandoned mattresses in the annual report are those of Blue Marble Materials, there has been a possible mischaracterization of events that should be addressed publicly.

Green Design

1. Page 95 describes interest in Lean Manufacturing Assessment of MRC Recyclers and Pocket Coil Separation Project, these are efforts are aimed at the end-of-life and do not address green design, which is the responsibility of the producers. The Report does not address what is being done upstream in the mattress lifecycle to ensure recyclability.
2. No mention of incentivizing use of preferred fibers and materials in the manufacturing process to reduce the lifecycle impacts associated with raw material sourcing.