

California Carpet Stewardship Program

2022 Annual Report



Submitted to CalRecycle September 1, 2023



Acknowledgments

CARE gratefully acknowledges the many colleagues and stakeholders who have contributed their time and talent to make the California Carpet Stewardship Program successful. We appreciate and thank you for your tireless energy and patience as the Program continues to grow in a dynamic market environment.

- CalRecycle staff members
- California Carpet Advisory Committee members
- CARE staff, both California and national
- CARE contractors: Aprio; Abbie Beane; Buchalter Law Firm; Carr, Riggs & Ingram, LLC; Cascadia Consulting Group; Crowe LLP; Gigantic Idea Studio; Guiding Green LLC; Marketing Collaborative LLC; The Minor Firm; Nichols, Cauley & Associates; Regenerate LLC; White Brenner LLP
- CARE Stewardship Planning Committee (SPC) and Sustainable Fund Oversight Committee (SFOC)
- The Carpet and Rug Institute (CRI)
- Dr. Matthew Realff, Georgia Institute of Technology

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1 Contact Information

CCR 18944(a)(1) Contact information. *Identify the manufacturer or stewardship organization responsible for the annual report submittal.*

Carpet America Recovery Effort (CARE) is a 501(c)(3) organization that serves as the designated Carpet Stewardship Organization (CSO) responsible for managing the California Carpet Stewardship Program and for submitting this annual report. CARE is responsible for implementing the Program in compliance with Carpet Stewardship Law and the approved Stewardship Plan, with regulatory oversight by CalRecycle. The mission of CARE is to advance market-based solutions that increase landfill diversion and recycling of post-consumer carpet, encourage design for recyclability by Carpet Mills, and support Manufacturers in using recycled materials in secondary products. Program contact information is provided below.

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The Carpet Stewardship Program is open to all Carpet Mills (Manufacturers) that make, sell, or distribute carpet products and to distributors that import carpet into California from domestic or international sources. Appendix 11.1 includes a current list of participating Carpet Mills (Manufacturers) with their contact information. The [**Compliant Manufacturers List**](#) is updated quarterly on the CalRecycle website.

2 Executive Summary

CCR 18944(a)(2) Executive Summary. *Provide an evaluation of the effectiveness of the carpet stewardship plan, and anticipated steps, if needed, to improve performance.*

This executive summary chapter includes the following sections:

- 2.1. Introduction & Program Goals
- 2.2. Recycling Rate
- 2.3. Program Evaluation & Performance Improvements
- 2.4. Report Organization

2.1 Introduction & Program Goals

At the end of 2022, the California Carpet Stewardship Program (referred to as the Program) completed 11.5 years of operation. This 2022 Annual Report covers the Program's efforts with regard to its approved Carpet Stewardship Plan 2018–2022, including modifications included in “Chapter 0,” which CalRecycle approved in February 2019. This 2022 Annual Report is the final report submitted under the 2018–2022 Plan; the 2023 Annual Report will align with the new 2023–2027 Plan, approved in April 2023.

This report presents progress in achieving the following Performance Goals stated in the Plan, which responds to the requirements embodied in Assembly Bill 2398, AB 1158, and AB 729—collectively known as California's Carpet Stewardship Law:

1. Increase the recyclability of carpet.
2. Expand and incentivize markets for products made from post-consumer carpet.
3. Increase the reuse of post-consumer carpet.
4. Increase the weight of post-consumer carpet that is recycled.
5. Reduce the disposal of post-consumer carpet.
6. Increase the collection convenience for the recycling of post-consumer carpet and increase the collection of post-consumer carpet for recycling.
7. Increase Processor capacity, including Processor capacity in California.
8. Achieve a 24-percent recycling rate for post-consumer carpet by January 1, 2020, and any other recycling rate established by the Department pursuant to Section 42972.2.

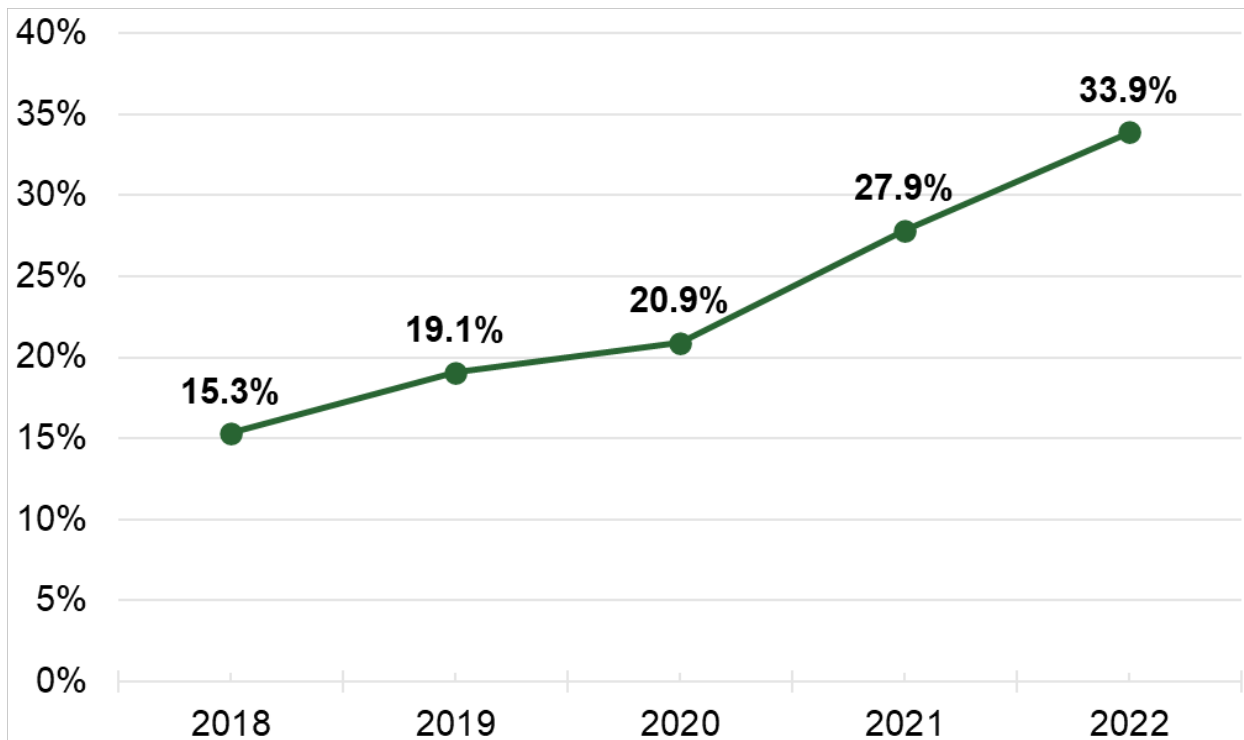
The Program is also committed to the following requirements:

- Provide incentives or grants to state-approved apprenticeship programs for training apprentice- and journey-level installers in proper carpet recycling practices.
- Structure grants and subsidies to incentivize Highest Recyclability.
- Ensure that assessment fee funds shall not be expended on penalties or litigation against the state.
- Ensure that no subsidies are provided for Carpet As Alternative Fuel (CAAF), Kiln fuel, or Waste-to-Energy (WTE).

To bolster carpet collection and recycling in the face of the COVID-19 pandemic's impacts on carpet markets, carpet recycling, the economy, and daily lives in California and beyond, the Program adopted a **COVID-19 Action Plan** on March 30, 2020, which was designed to run during Quarter 2 of 2020. With ongoing adverse health, inflation, and supply-chain impacts from the pandemic during 2021 and 2022, the Program continued these actions, which included enhanced subsidies and other elements.

2.2 Recycling Rate

In 2022, the Program achieved an all-time annual high Recycling Rate of 33.9%, exceeding the 27% Plan goal and reflecting continued annual growth despite the ongoing global pandemic. The Program's highest-ever Yield rate of 79.0% of Gross Collection supports the increased recycling rate, exceeding the Plan's goal of 60% Yield. Figure 2-1 shows the Program's recycling rate growth for the last five years and reflects a continuous upward trend, more than double the rate in 2018 (15.3%). The Program's COVID-19 Action Plan and strategic market development efforts in support of new Processor end-market outlets have supported ongoing growth, even in the face of continued pandemic impacts in 2022.

Figure 2-1. Annual Recycling Rate

2.3 Program Evaluation & Performance Improvements

Table 2-1 on the following pages presents key Program metrics to support evaluation of the effectiveness of the 2018–2022 Plan and the Program’s performance. In 2022, CARE prepared an updated five-year Plan (2023–2027) to continue the Program’s progress going forward. As described in Chapter 3, *Scope*, the Program in 2022 continued its key activities, continued the COVID-19 Action Plan adopted in March 2020, and continued the additional pilot subsidies initiated in 2021 to support performance improvements.

In 2022, CARE substantially expanded its public Drop-off Sites, adding 39 new sites. The Program continued to serve all of California’s 58 counties and met the convenient collection goal of providing at least one site for every 500,000 people in each county. The Program also exceeded its goals for carpet reuse and the number of products made from post-consumer carpet. The Program increased the portion of collected carpet converted to recycled output and reduced carpet disposal. Overall, the Program had a successful 2022, reaching its highest annual Recycling Rate to date of 33.9%—exceeding the annual goal of 27% — and meeting or exceeding nearly all performance goals (see Table 5-1 for a summary by goal).

Table 2-1. Summary of 2022 Program Performance Metrics (see Table Notes on following page for numbered items)

Metric	Unit	Baseline [1]	2020	2021	2022
Carpet Sold in California	Square yards	98,368,555	66,697,484	67,339,933	61,910,759
Assessment Paid (total dollars)	Dollars	\$4.9 million	\$23.4 million	\$23.6 million	\$22.6 million
Assessment (dollars per square yard)	Dollars	\$0.05	\$0.35	\$0.35	\$0.35
Total Program Costs	Dollars	\$1.6 million	\$24.4 million	\$29.8 million	\$31.6 million
Post-Consumer Carpet (PCC) Discards	Pounds	356,811,727	251,480,037	242,780,121	217,232,471
Gross Collection (GC)	Pounds	99,843,424	77,404,937	88,465,787	93,278,385
GC: % of Discards (GC/PCC)	Percent	28.0%	30.8%	36.4%	42.9%
Yield: % of GC (RO/GC) [2]	Percent	27.6%	68.0%	76.4%	79.0%
Recycled Output (RO) [3]	Pounds	27,570,393	52,615,057	67,622,801	73,643,883
Recycling Rate: % of Discards (RO/PCC)	Percent	7.7%	20.9%	27.9%	33.9%
Recycled Fiber Type 1 Processed Output	Pounds	21,690,380	37,461,055	48,958,227	50,513,918
Recycled PC4 (calcium carbonate)	Pounds	N/A	13,230,157	17,064,673	20,320,287
Recycled Carpet Tile	Pounds	293,915	1,158,904	770,086	650,835
Reuse	Pounds	97,552	764,941	829,815	2,158,843
Depolymerization, Filler, Carcass	Pounds	5,745,961	0	0	0
Non-Nylon Tier 2 Manufacturer Output	Pounds	N/A	20,639,844	26,131,185	19,827,927
Nylon 6 Tier 2 Manufacturer Output	Pounds	N/A	9,906,933	12,097,844	23,828,633
Reported Diversion [4]	Pounds	47,200,441	52,615,057	67,663,622	73,643,883
Reported Diversion: % of Discards	Percent	13.2%	20.9%	27.9%	33.9%
Reported Diversion: % of GC	Percent	47.3%	68.0%	76.5%	79.0%

Metric	Unit	Baseline [1]	2020	2021	2022
Carpet As Alternative Fuel (CAAF) [5]	Pounds	0	0	0	0
Kiln [5]	Pounds	0	0	1,200	0
Waste-to-Energy (WTE) [5]	Pounds	15,676,674	0	0	0
Incineration [5]	Pounds	0	0	0	0
Net Diversion [6]	Pounds	77,614,766	67,149,714	79,507,851	84,010,270
Net Diversion: % of GC	Percent	77.7%	86.8%	89.9%	90.1%
Source Reduction (SR), per square yard	Pounds	4.2	4.48	4.11	4.00
Process Waste to Landfill [7]	Pounds	22,228,658	10,255,223	8,957,936	9,268,115
Total PCC Waste Disposal to Landfill [8]	Pounds	279,196,961	184,330,321	163,272,270	133,222,201
Pad Recycling [9]	Pounds	3,158,932	9,334,473	12,661,617	14,310,604

Table Notes: Metric definitions are current as of 2022 but have evolved over time and may have been different in the past.

*[1] **Baseline** year is July 2011 through June 2012. All other years are calendar years (January through December).*

*[2] **Yield** reflects the efficiency of converting collected post-consumer carpet in the form of Gross Collection into Recycled Output and will be reported as **Recycling Efficiency Rate** under the Carpet Stewardship Plan 2023–2027.*

*[3] **Recycled Output (RO)** includes Reuse, Recycled Carpet Tile, Fiber, Depolymerization, PC4, Filler, and Carcass.*

*[4] **Reported Diversion** consists of Recycled Output (as defined in Note 3 above), CAAF, Kiln, WTE, and Exports.*

*[5] **CAAF and Kiln** were not subsidized in 2018 and beyond. **WTE and Incineration** have never been subsidized.*

*[6] **Net Diversion** is calculated as Gross Collection minus Process Waste to Landfill.*

*[7] **Process Waste to Landfill** refers to waste generated during processing, also referred to as processing waste.*

*[8] **Total PCC Waste Disposal to Landfill** refers to all PCC waste disposed of in a landfill, inclusive of process waste. It is calculated as the difference between PCC Discards minus Net Diversion; does not count as Recycled Output.*

*[9] **Pad Recycling** is not included in Gross Collection, Recycled Output, or Reported Diversion.*

Per the request of the Advisory Committee, the following supplemental tables are presented. Table 2-2 tabulates the subsidized components that compose the overall Recycled Output. Table 2-3 denotes the additional Program components that are counted toward Diversion yet receive no subsidy. Cushion/Pad is tracked separately and is not included in Gross Collection, Recycled Output, or Reported Diversion. Pad recycling keeps additional material out of the landfill as a co-benefit of the Program.

Table 2-2. Recycled Output by Type (pounds)

Recycled Output (RO) Components	2020	2021	2022
Reuse	764,941	829,815	2,158,843
Recycled Carpet Tile	1,158,904	770,086	650,835
Fiber	37,461,055	48,958,227	50,513,918
PC4	13,230,157	17,064,673	20,320,287
Depolymerization	0	0	0
Filler	0	0	0
Carcass	0	0	0
Total Recycled Output	52,615,057	67,622,801	73,643,883

Table 2-3. Non-Subsidized Diversion by Type and Carpet Cushion/Pad (pounds)

Non-Subsidized Diversion by Type	2020	2021	2022
Carpet As Alternate Fuel (CAAF)	0	0	0
Kiln	0	1,200	0
Waste-to-Energy (WTE)	0	0	0
Exports	0	39,621	0
Pad/Cushion (not counted as Diversion)	9,334,473	12,661,617	14,310,604

2.4 Report Organization

This Annual Report is organized into the following Chapters, following the requirements of the Carpet Stewardship Law:

1. **Contact Information**
2. **Executive Summary**
3. **Scope Changes**, indicating any changes from the approved Stewardship Plan
4. **Collection & Recycling** (called “Program Outline” in Carpet Stewardship Law)
5. **Goals & Activities**, summarizing key Program metrics
6. **Grants** (a new chapter not named in the law, which shifts the subsequent chapter numbering; prior to the 2021 Annual Report, grants were covered in the *Market Development* chapter)
7. **Market Development**
8. **Financing Mechanisms**
9. **Education & Outreach**
10. **Audits**
11. **Appendices**

The *Annual Report Review Checklist* included in Appendix 11.8 lists the statutory and regulatory requirements that this Annual Report addresses and identifies where in the document they are covered.

3 Scope Changes

CCR 18944(a)(3) Scope. *The program described in the stewardship plan accepts and manages all applicable post-consumer carpet.*

(A) Indicate any changes in the program scope from the approved stewardship plan.

(B) Indicate the scope is unchanged, if no changes have occurred during the reporting period.

This Annual Report presents progress on the activities and goals described in the California Carpet Stewardship Program's 2018–2022 Plan, as approved by CalRecycle in February 2019. Following approval of the Plan, to meet the requirements of AB 1158 and advance recycling, the Program incorporated the following additional commitments:

- Provide grants and subsidies structured to incentivize Highest Recyclability.
- Provide incentives or grants to state-approved apprenticeship programs for training apprentice and journey-level carpet installers in proper carpet recycling practices.
- Consider recommendations from the California Carpet Advisory Committee on stewardship plans, plan amendments, and annual reports.
- Ensure that assessment fee funds shall not be expended on penalties or litigation against the state.
- Ensure that subsidies for Carpet As Alternative Fuel (CAAF) and Kiln are discontinued.
- Support as feasible California state agency efforts to revise state procurement rule to support recycling of post-consumer carpet removed from state buildings and to purchase carpet meeting minimum standards for PCC content.

On March 30, 2020, the Program adopted a **COVID-19 Action Plan**, which included cash infusions, enhanced subsidies, and other activities to support carpet recycling. The Program continued these activities throughout 2021 and 2022 as new variants, inflation, and supply chain challenges continued to disrupt markets and businesses.

The COVID-19 Action Plan was a rapid and aggressive approach to stabilize the carpet recycling infrastructure and operations. Based on feedback from the recycling community, it was a huge success and prevented one or more recyclers from

temporarily or permanently closing operations. This action also enabled the strong performance and growth of this Program in 2022.

In 2022, CARE prepared these additional analyses and submissions:

- **Differential Assessment.** CARE submitted a revised Plan Amendment regarding the Differential Assessment approach, which CalRecycle approved. Differential Assessments were initiated in April 2022. CARE assessed the roll-out implementation, including conducting surveys of retailers and Carpet Mills.
- **Processor Capacity.** CARE submitted its 2022 processor capacity goal to CalRecycle January 2022.
- **Annual Weight Survey for Discards.** CARE conducted its annual survey of Carpet Mills regarding the weight of carpet manufactured and submitted the weighted calculation to CalRecycle. The figure for 2022 is an average of 4.00 pounds per square yard.
- **Stewardship Plan Update (2023–2027) for Carpet Stewardship Program.** In 2022, CARE worked to develop an updated five-year Carpet Stewardship Plan for the Program, which was submitted in September 2022, disapproved in November 2022, and approved by CalRecycle after revisions in April 2023.

All reports are publicly available through CalRecycle and were determined to be compliant with accessibility requirements. This 2022 Annual Report is the final yearly report submitted under the 2018–2022 Plan; the 2023 Annual Report will align with the new *Carpet Stewardship Plan 2023–2027*, approved in April 2023.

4 Collection & Recycling (Program Outline)

CCR 18944(a)(4) Program Outline. Describe the carpet stewardship program, including information on the following topics:

(A) Types of collections sites and basic information about recycling facilities in California, e.g., how carpet is collected, number and location of processors, throughput and capacity of recycling facilities.

(B) Include facility name(s) and address(es) for each method of disposition.

This chapter describes the Program’s collection and recycling efforts, including drop-off sites, pick-up service, Collector/Sorters, Processors, Manufacturers, and throughput and disposition of carpet materials. The Carpet Stewardship Laws refer to this section as the “Program Outline.” It includes the following sections:

- 4.1. Collection & Recycling Program Overview
- 4.2. Public Drop-off Sites
- 4.3. Private Pick-up Service
- 4.4. Collector/Sorters
- 4.5. Tier 1 Processors
- 4.6. Tier 2 Manufacturers
- 4.7. Throughout & Disposition

4.1 Collection & Recycling Program Overview

Post-consumer carpet is collected at **public Drop-off Sites** or through **private collection** before being delivered to Collector/Sorters or Processors for sorting and processing for recycling.

Collection in 2022 included the following types. Table 4-1 shows the number of collection points by collection type as of year-end 2022 (Quarter 4).

- **Public Drop-off Sites.** These public sites are primarily located at permitted solid waste and recycling facilities such as transfer stations, construction and demolition (C&D) recovery facilities, landfills, and material recovery facilities (MRFs). Some also offer private onsite pick-up services for flooring retailers. In addition, public Drop-off Sites have been established at carpet retailers and flooring installers.

4. Collection & Recycling (Program Outline)

- **Semi-Public Drop-off Sites**, which are open to flooring professionals and/or will-call customers only. One is located at a Union Training Center in San Leandro, and three are located at Regional Distribution Centers in Union City, Fontana, and Cypress.
- **Private Collection**, including **Onsite Pick-up Service**, offered by Collector/Sorters and independent collectors. Collector/Sorters offer drop-off and private pick-up service throughout California for generators of post-consumer carpet. Many large-volume carpet/pad generators used Collector/Sorter private onsite pick-up services. In addition, independent collectors, including some public Drop-off Sites, provided onsite private pick-up service to additional locations.

Table 4-1. Number of Collection Points as of 2022 (Quarter 4)

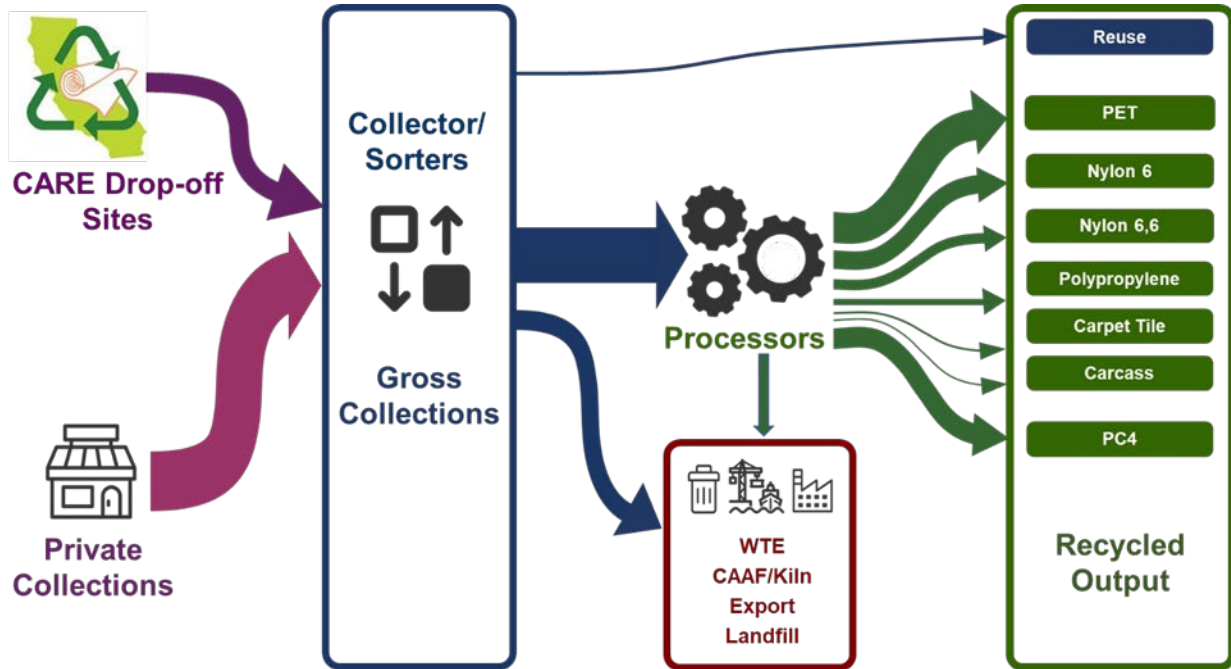
Collection Type	Collection Points
Public Drop-off Sites	131
Semi-Public Drop-off Sites	4
Onsite Private Pick-up Service (serviced by Public Drop-off Sites or independent collectors)	30
Onsite Private Pick-up Service (serviced by Collector/Sorters)	199
Total Collection Points	364

The post-consumer carpet collected is handled through the following Program participants for recycling:

- **Collector/Sorters:** Businesses that provide carpet recycling collection services for retailers, disposal sites, or other sites. *Collector/Sorters* sort received PCC by material type for third-party reuse, or wholesale to Tier 1 Processors for recycling; they do not convert material into Recycled Output. (Sometimes referred to as *CSE for Collector/Sorter Entrepreneur.*)
- **Tier 1 Processors:** Companies that use a process such as shredding, grinding, or shearing to convert discarded whole carpet into finished Recycled Output ready to be used as an input for manufacturing products. Some processors may also function as Collector/Sorters or Tier 2 Manufacturers.
- **Tier 2 Manufacturers:** Businesses that make secondary products with postconsumer carpet content. Manufacturers receive finished (Type 1) Recycled Output from Tier 1 Processors and use this material in the production of finished secondary products.

Figure 4-1 illustrates the conceptual flow of carpet materials through the Program from collection, through sorting and processing, to the final subsidized Recycled Output category (Reuse; PET; Nylon 6; Nylon 6,6; Polypropylene; Carpet Tile; Carcass; or PC4) or other disposition (WTE, CAAF/Kiln, Incineration, Export, or Landfill). The remainder of this chapter describes the Program’s collection and recycling activities and participants.

Figure 4-1. Carpet Materials Conceptual Flow Diagram



4.2 Public Drop-off Sites

Overview & Benefits of Public Drop-off Sites

The California Program established and has supported public Drop-off Sites since 2012. Public Drop-off Sites are typically located at traditional disposal and recycling facilities such as transfer stations, landfills, material recovery facilities (MRFs), or construction and demolition (C&D) recovery facilities. These locations allow installation contractors (flooring professionals), do-it-yourself (DIY) individuals, and businesses to drop off source-separated and properly prepared post-consumer carpet (PCC) discards for recycling. The Program allows each Drop-off Site to set carpet recycling fees to allow for their respective regional materials handling cost recovery. Through its offerings of no-cost transportation, materials processing, and other benefits to participating Drop-off Sites as noted below, however, the Program strongly encourages sponsored sites to offer reduced tip fees for source-separated carpet to promote landfill diversion.

4. Collection & Recycling (Program Outline)

The Program provides convenient PCC collection for flooring professionals, contractors, and residents and the following benefits and services at no cost to the host facility:

- Collection containers and swap-out service.
- Logistical support and in-depth technical assistance via Program staff, quarterly webinars, sharing best practices, and regular Drop-off Site engagements.
- Signage, regular communications, promotion, customized marketing materials, education, and outreach (see Chapter 9, *Education & Outreach*, for more details).
- Inclusion on the Drop-off Site map on CARE's California Program website, including location, site hours, and other facility details.
- Transportation of PCC to Collector/Sorters.
- Ready access to Micro-Grant funds up to \$15,000 to support carpet recycling via equipment (e.g., container covers, stairs, loaders) and/or site improvements such as all-weather pads and weather covers.
- Opportunity to apply for larger Capital Equipment Grants, typically used for covered collection containers for expanded collection service opportunities.
- Focused promotional campaigns for new Drop-off Sites when they start operations.

Convenient Collection & Drop-off Sites

As of year-end 2022, there were 364 Drop-off Sites and private pick-up service locations in California, as shown in Table 4-1. In 2022, the Program continued to meet its goal of having at least one public Drop-off Site in every county. As such, 100% of the state's population lives within a county with access to one or more public carpet recycling sites. In addition, the Program also reached the goal of establishing at least one public Drop-off Site per 500,000 residents in each county.

Further analysis shows that nearly 94% of carpet retailers in California are located within a 20-mile radius of a public Drop-off Site, and nearly 77% are within a 10-mile radius of a public Drop-off Site. Carpet retailers are a proxy for flooring installers, which handle the vast majority of post-consumer carpet. The Program updates its map of collection sites regularly, and the current [California Public Drop-off Site Map](#) is available online.

The Program again met its goal of having at least one public Drop-off Site in every California county in 2022.

The Program succeeded in reaching the goal of at least one public Drop-off Site per 500,000 residents in each county.

In 2022, a record 39 new public Drop-off Sites were established, as shown in Table 4-2, with 30 in southern California and 9 in northern California. CARE worked hard to ensure the Convenient Collection goal of one public Drop-off Site per 500,000 residents was met, which was a particularly large effort in southern California. This work involved monumental efforts by Program staff, combined with the resourcefulness and willingness of Collector/Sorters and regional haulers. In addition, the following elements greatly aided the Program in reaching all Convenient Collection goals for 2022:

- **CalRecycle Local Assistance and Market Development (LAMD)** outreach support.
- **Adoption incentive**, a financial incentive offered to sites that joined the Program by year-end in areas where Convenient Collection goals were not yet met.
- **Smaller container availability and expansion of hauling services**, which enabled CARE to establish public Drop-off Sites at locations where space constraints prevented placement of traditionally larger containers.
- **Outreach and communications assistance** from the private collection network, including Aquafil, Circular Polymers by Ascend, and Los Angeles Fiber Company helping to establish new public Drop-off Sites or to expand access to all customers at previously private sites.

Two public Drop-off Sites voluntarily left the Program due to staffing issues and/or shifting operational priorities, resulting in a net gain of 37 new public Drop-off Sites. Accordingly, by the end of 2022, the Program sponsored 131 public Dropoff Sites in California, with all 58 counties having at least one operational Program-sponsored public Drop-off Site. In addition, the Program maintained the 4 semi-public Drop-off Sites open to flooring professionals and/or will-call customers.

For more information on the approach, criteria, and decision-making protocol that CARE uses when establishing new public Drop-off Sites and directing post-consumer carpet loads from public Drop-off Sites to CARE Collector/Sorters or Processors, please see [**CARE PROTOCOL: CARE Public Drop-off Site \(DoS\) Selection and Load Routing**](#) on CARE's website and included at an attachment to Appendix 11.10, *CARE Response*

to Advisory Committee Feedback on 2022 Annual Report. This protocol, developed in 2020 and published in 2021, continued to guide CARE’s work on site selection and load routing throughout 2022. CARE remains committed to making periodic updates as market dynamics and needs change over time.

Table 4-2. Public Drop-off Site Counts Over Time

Year	Total Public Drop-off Sites	New Sites	Closed Sites	Net Added	Counties Serviced	Annual % Increase in Sites
2012	6	N/A	0	N/A	6	N/A
2013	6	0	0	0	6	0%
2014	14	+8	0	+8	13	+133%
2015	23	+9	0	+9	23	+64%
2016	33	+10	0	+10	33	+43%
2017	44	+12	-1	+11	41	+33%
2018	53	+11	-2	+9	47	+20%
2019	73	+22	-2	+20	50	+38%
2020	83	+10	0	+10	54	+14%
2021	94	+15	-4	+11	58 (all)	+13%
2022	131	+39	-2	+37	58 (all)	+39%

Table Note: Sutter County is considered serviced, or “covered,” by the Drop-off Site located in Yuba County. Alpine County preferred to establish their Drop-off Site near other services in South Lake Tahoe (El Dorado County). These arrangements were proposed by county representatives and approved by CalRecycle.

In 2022, CARE met the Convenient Collection goal of one public Drop-off Site per 500,000 residents in each of California’s 58 counties. Table 4-3 shows the number of Drop-off Sites needed to meet the convenience goal of one site per 500,000 residents in each county, how many sites were available as of year-end 2022, and any additional sites needed. The convenience goal was met in 2022, and no additional sites were needed. (To calculate Convenient Collection goals related to population, CARE used the Department of Finance’s 2022 population data forecast figures that were available in mid-2022, which the Department later modified. Per CARE’s approved 2023–2027 Plan and at the request of CalRecycle, population data and Convenient Collection goals will be evaluated based on 2020 Census data beginning in 2023.)

Table 4-3. Public Drop-off Sites and Convenient Collection Status by County

County	2022 Population	Drop-off Sites Needed in 2022	Drop-off Sites Actual in 2022	Additional Sites Needed
Alameda	1,638,979	3	4	0
Alpine	1,175	1	1	0
Amador	40,052	1	1	0
Butte	206,932	1	2	0
Calaveras	44,833	1	1	0
Colusa	21,923	1	1	0
Contra Costa	1,149,586	2	2	0
Del Norte	26,604	1	1	0
El Dorado	189,382	1	1	0
Fresno	1,012,350	2	3	0
Glenn	28,685	1	1	0
Humboldt	134,417	1	1	0
Imperial	179,062	1	2	0
Inyo	18,864	1	1	0
Kern	908,513	1	5	0
Kings	151,337	1	1	0
Lake	67,391	1	1	0
Lassen	29,387	1	1	0
Los Angeles	9,792,167	19	19	0
Madera	157,382	1	1	0
Marin	254,590	1	1	0
Mariposa	16,970	1	1	0
Mendocino	89,530	1	1	0
Merced	285,593	1	1	0
Modoc	8,640	1	1	0
Mono	13,159	1	1	0

4. Collection & Recycling (Program Outline)

County	2022 Population	Drop-off Sites Needed in 2022	Drop-off Sites Actual in 2022	Additional Sites Needed
Monterey	434,281	1	2	0
Napa	135,541	1	2	0
Nevada	100,788	1	2	0
Orange	3,149,004	6	7	0
Placer	410,310	1	2	0
Plumas	19,252	1	1	0
Riverside	2,437,925	4	4	0
Sacramento	1,573,364	3	5	0
San Benito	65,804	1	1	0
San Bernardino	2,182,824	4	5	0
San Diego	3,279,493	6	6	0
San Francisco	834,046	1	2	0
San Joaquin	784,420	1	3	0
San Luis Obispo	279,760	1	1	0
San Mateo	739,819	1	2	0
Santa Barbara	443,210	1	3	0
Santa Clara	1,882,601	3	3	0
Santa Cruz	264,883	1	3	0
Shasta	180,225	1	1	0
Sierra	3,190	1	1	0
Siskiyou	43,462	1	2	0
Solano	445,060	1	4	0
Sonoma	480,261	1	4	0
Stanislaus	548,449	1	1	0
Sutter	99,045	1	0	0
Tehama	64,756	1	1	0
Trinity	15,976	1	1	0

4. Collection & Recycling (Program Outline)

County	2022 Population	Drop-off Sites Needed in 2022	Drop-off Sites Actual in 2022	Additional Sites Needed
Tulare	474,950	1	2	0
Tuolumne	53,642	1	1	0
Ventura	829,764	1	1	0
Yolo	222,430	1	1	0
Yuba	82,533	1	1	0
TOTAL	39,028,571	100	131	0

*Table Notes: The **2022 Population** in this table is from the California Department of Finance’s [Report P-2A state and county population estimates for 2022](#) (July 2023). As requested by CalRecycle and confirmed in the 2023–2027 Carpet Stewardship Plan, 2020 U.S. Census data will be the population data source starting in 2023.*

Program staff worked to promote Drop-off Sites with local governments, solid waste task force groups, waste and recycling agencies, facility operators, and selected retailers in multiple counties. Negotiations to establish new Drop-off Sites can take many months (and in a few cases years) to bring online. Factors slowing progress often include, but are not limited to, contract negotiations, pandemic-related issues (work and transportation slowdowns, staffing shortages, redirected priorities, etc.), completion of planned or in-process site improvements, space constraints, general labor limitations, as well as resistance to change.

Program-sponsored Drop-off Sites submit quarterly reports and attend quarterly webinars covering best practices, Program updates, and troubleshooting common issues. In 2022, approximately 240 people attended the quarterly webinars, and the Program received 315 quarterly reports.

The Program manages the dispatch of third-party haulers to pick up PCC from sponsored Drop-off Sites and coordinates the delivery of materials to Collector/Sorters. In 2022, the Program handled 863 container swap service requests (collections of full containers) with third-party haulers. In addition, a number of Drop-off Sites self-haul (where the facility itself provides the container and hauling service instead of a third party) collected PCC to Collector/Sorters for reimbursement by the Program. In 2022, 520 self-haul loads were delivered. The number of container swaps and self-haul loads from Drop-off Sites increased by 59% in 2022 from the previous year. The total Drop-off Site collection program reported 17.1 million pounds of collection, which represents a 34% increase over 2021.

4. Collection & Recycling (Program Outline)

The growing Drop-off Site program requires expanded technical assistance, support, and communications. Program staff provided ongoing technical assistance to existing sites through troubleshooting support in the form of regular calls, emails, and virtual and in-person meetings. Outreach is conducted to Drop-off Sites on a quarterly basis to support relationship-building, consistent feedback systems, and reliable site operations.

Starting in 2021, the Program implemented an outreach plan to supply houses visited by installers, but it was determined that supply houses are not ideal drop-off locations because they are often space-constrained, and installers do not typically bring tear-out carpet when picking up supplies. Despite these limitations, the Program continued to offer carpet recycling information in 2022 through tabling events and collateral materials directed to installers at supply houses. Table 4-4 shows the new sites added in 2022.

Table 4-4. New Public Drop-off Sites Added in 2022

Count	County	City	Facility Name
1	Contra Costa	Richmond	Golden Bear Transfer Station
2	Fresno	Fresno	Central Floor Supply
3	Kern	Bakersfield	Keller Bakersfield
4	Kern	Delano	McFarland-Delano Transfer Station
5	Los Angeles	Artesia	V&S Carpet and Flooring
6	Los Angeles	Commerce	Carpet Manufacturers Warehouse ®
7	Los Angeles	Commerce	Eastern Impressions/Cristal Materials
8	Los Angeles	Compton	HM Flooring Group
9	Los Angeles	Gardena	American Waste Transfer Station
10	Los Angeles	Gardena	California Waste Services LLC
11	Los Angeles	Inglewood	Crenshaw Carpet
12	Los Angeles	Lancaster	Lancaster Flooring, Inc.
13	Los Angeles	Lomita	Maxwell Brothers Flooring America
14	Los Angeles	Long Beach	Bel-Art Transfer Station – Republic Services
15	Los Angeles	Long Beach	Carpet & Linoleum City
16	Los Angeles	Los Angeles	CWS-DTLA
17	Los Angeles	Los Angeles (Van Nuys)	DFS Flooring, LP
18	Los Angeles	South Gate	South Gate Transfer Station
19	Los Angeles	Wilmington	Falcon Transfer Station – Republic Services

4. Collection & Recycling (Program Outline)

Count	County	City	Facility Name
20	Nevada	Grass Valley	McCourtney Road Transfer Station
21	Orange	Brea	Magic Carpet
22	Orange	Cypress	B&B Carpets and Flooring
23	Orange	Huntington Beach	Michael's Carpet
24	Orange	Orange	California Cushion Co. Inc.
25	Orange	Santa Ana	Eastern Impressions/Dimax Fiber Recovery
26	Riverside	Corona	Carpet In Warehouse
27	Riverside	Palm Desert	Flooring Innovations
28	Riverside	Perris	Keller Interiors (Perris Location)
29	Sacramento	Sacramento	Keller Interiors – Sacramento
30	San Diego	Carlsbad	Palomar Transfer Station, Inc.
31	San Diego	San Diego	Keller San Diego
32	San Diego	Santee	Sycamore Landfill
33	San Francisco	San Francisco	Smart Demolition & Excavation Inc.
34	San Joaquin	Stockton	Keller Stockton
35	San Mateo	San Carlos	Shoreway Environmental Center
36	Solano	Benicia	BJM Installers – Benicia
37	Solano	Benicia	Keller Benicia
38	Sonoma	Petaluma	Tri-County Design (BJM)
39	Tulare	Tulare	Keller Tulare

Additional highlights and metrics for the Program’s public Drop-off Sites include:

- As in prior years of the COVID-19 pandemic, the ability to provide service and operate the Program remained uninterrupted in 2022. The Program worked to understand the unique circumstances and operational challenges of each Drop-off Site and offered technical assistance and support.
- Drop-off Sites experienced varying challenges due to the continuing pandemic. Some reported little effect, while others were forced to temporarily slow or shut down operations, and/or reallocate staff resources to maintain operations. Program staff were supportive and responsive to individual Drop-off Site needs. The volume of PCC collection varied by Drop-off Site during the pandemic, with some experiencing significant decreases in carpet collection, while others remained consistent or increased in volume.

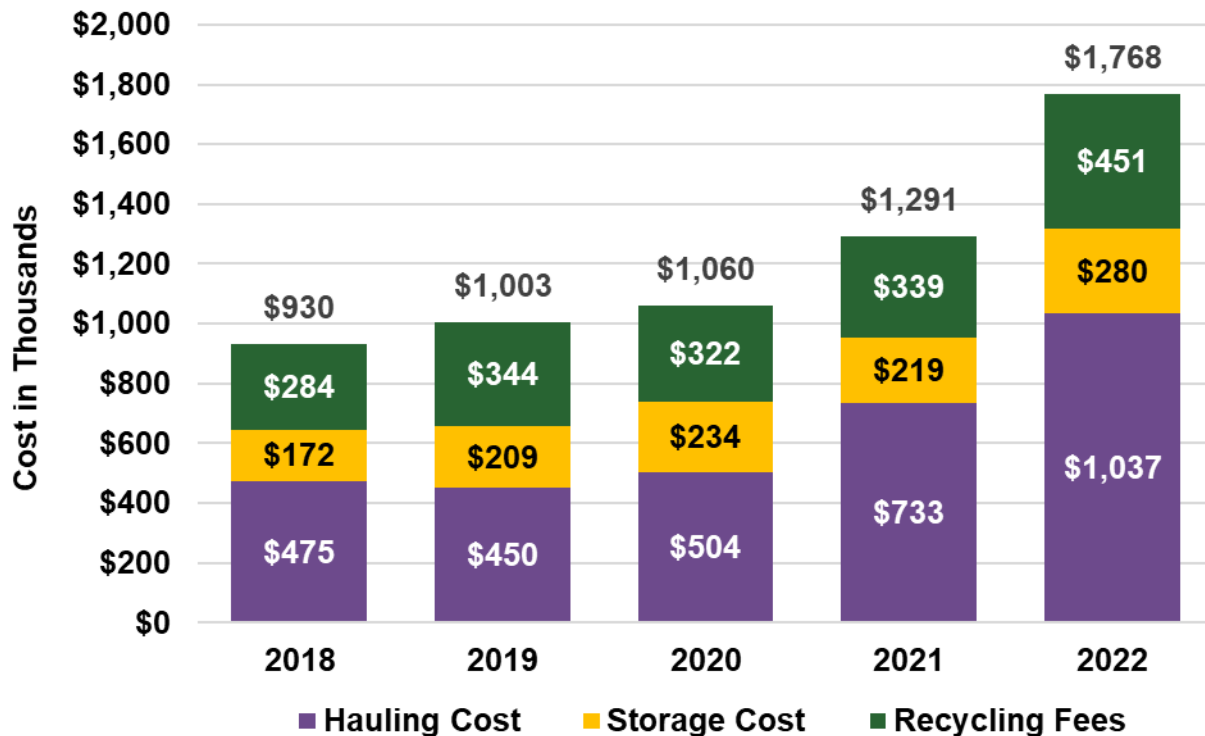
4. Collection & Recycling (Program Outline)

- Total costs for hauling, storage, and carpet recycling fees were \$1.8 million in 2022, a 37% increase from 2021.
- The overall average unit cost remained relatively constant at \$0.10 per pound collected. The average cost per pound is more than double for rural versus urban sites.
- In 2022, private collection sites handled approximately 78% of all Gross Collection pounds, and 22% was collected through Program-sponsored public Drop-off Sites.

Program-sponsored public Drop-off Sites reported 17.1 million pounds of collection in 2022, a 34% increase over the prior year.

Figure 4-2 shows the rising costs of hauling, storage, and carpet recycling for public Drop-off Sites in recent years. In 2022, hauling represented 59% of those costs; storage was 16%; and carpet recycling fees were 26%. Hauling costs exceeded \$1 million for the first time in 2022, a 41% increase from the prior year.

Figure 4-2. Hauling, Storage, and Carpet Recycling Costs for Public Drop-off Sites



Challenges & Successes of Recruiting & Retaining Drop-off Sites

As requested by the Advisory Committee, the following section contains more information on challenges and successes related to the recruitment and retention of Dropoff Sites and is intended to share lessons learned to support continuous improvement of collection. Recycling programs for active carpet collection can be challenging, successful, or both, driven by various factors influencing participation, efficiency, and overall program effectiveness. The following outlines common challenges and successes associated with recruiting active carpet collection recycling sites and improving the collection program.

Challenges

- **Logistical Complexities.** Setting up recycling sites requires careful planning to ensure efficient transportation, storage, and processing of collected carpets. The logistics can be complex, involving coordination with multiple stakeholders such as collection site owners, transportation companies, and recycling facilities.
- **Site Engagement.** Convincing businesses and individuals to become active collection sites can be challenging. Some may resist due to space, liability, or inconvenience concerns. Overcoming these barriers requires effective communication and education about the benefits of recycling and its positive impact on the environment and community.
- **Awareness and Education.** Lack of awareness about carpet recycling and its environmental benefits can hinder recruitment efforts. Education campaigns are essential to inform the public about the importance of recycling carpets, the process involved, and the potential for creating a circular economy.
- **Quality Control.** Ensuring the quality of collected carpets is crucial. Contaminants such as dirt, debris, or other non-recyclable materials can reduce the efficiency of the recycling process. Maintaining high-quality collections requires ongoing monitoring and education of site managers and participants.
- **Economic Viability.** The economic feasibility of carpet recycling can be a challenge. If recycling costs outweigh the monetary value of recycled materials, the costs can discourage both collection site operators and recycling companies. Finding ways to make recycling more cost-effective can help address this barrier.

Successes

- **Environmental Impact.** One of the most significant successes of active carpet collection recycling sites is the positive environmental impact. Recycling carpet diverts waste from landfills, reduces resource consumption, and decreases the need for new carpet production, which can involve resource-intensive processes.

4. Collection & Recycling (Program Outline)

- **Community Engagement.** Successful recycling programs foster a sense of community engagement and responsibility. Individuals and businesses participating in recycling feel a sense of pride in their contribution to sustainability, which can lead to increased overall participation.
- **Partnerships.** Collaborations with local governments, businesses, and nonprofits can significantly enhance the success of carpet recycling programs. Partnering with waste management companies and recycling facilities can streamline the collection process and reduce operational challenges.
- **Incentive Programs.** Implementing incentive programs, such as discounts on new carpets or other rewards, can encourage more businesses and individuals to become active collection sites. These programs can enhance motivation to participate and help overcome initial hesitations.
- **Innovation in Recycling Technology.** Advancements in recycling technology have made it more feasible to process and recycle carpets efficiently. Innovative techniques, such as separating carpet components for specialized recycling, can improve the overall viability of carpet recycling programs.
- **Job Creation.** Successful carpet recycling programs can lead to job creation within the recycling industry, from collection site management to recycling facility operations. Such efforts contribute to local economic growth and sustainability.

In summary, the challenges and successes of recruiting active carpet collection recycling sites are intertwined with logistics, awareness, education, economic viability, and partnerships. Overcoming these challenges through effective communication, education, incentives, and technological advancements can lead to successful carpet recycling programs with significant environmental and community benefits.

4.3 Private Pick-up Service

Private PCC recycling pick-up service is offered to commercial businesses, primarily at carpet retailers and flooring contractors. Carpet is collected using container pick-up service offered by a Collector/Sorter or Program-sponsored Drop-off Site (local waste/recycling hauler). These retail and flooring contractor businesses provide installation and PCC tear-out services for their customers purchasing new carpet or other flooring. Installation contractors may return PCC tear-out to the retailer for recycling or, in the case of flooring contractors (such as installers for big-box retailers, large multi-family flooring specialists, or union or non-union commercial flooring contractors) to their warehouse or workshop location. To provide more information for convenient collection analysis, the Program requires Collector/Sorters to report monthly on the number of sites to which they provide regular ongoing service.

4. Collection & Recycling (Program Outline)

As of year-end 2022, 199 businesses and contractors received regular PCC recycling pick-up service statewide from a Collector/Sorter, and 30 businesses received regular pick-up service from an independent collector. Each service provider negotiates rates and container service types directly with each private generator of tear-out carpet, generally based upon volume, spatial constraints, and transport distances. Due to the Program’s collector subsidy support, this container recycling service is generally priced lower than regular disposal services. Recognizing the customized, economical, and convenient onsite services that Collector/Sorters provide, the Program strives to avoid setting up services that might undermine their respective private collection networks. Table 4-5 shows the number of private sites by county for those counties with private sites reported.

Table 4-5. Count of Private Sites by County in 2022

County	Private Collection Sites
Alameda	15
Calaveras	1
Colusa	1
Contra Costa	3
El Dorado	2
Fresno	7
Kern	2
Lassen	1
Los Angeles	33
Modoc	1
Monterey	1
Nevada	3
Orange	25
Placer	7
Riverside	12
Sacramento	20
San Bernardino	11
San Diego	23
San Francisco	1
San Joaquin	4
San Luis Obispo	1
San Mateo	4
Santa Barbara	1

County	Private Collection Sites
Santa Clara	7
Santa Cruz	1
Solano	2
Sonoma	2
Stanislaus	1
Sutter	4
Ventura	3
Total	199

Table Note: Counties **not** listed do not have reported private carpet collection sites.

4.4 Collector/Sorters

Collector/Sorters, also called CSEs (for Collector/Sorter Entrepreneurs), are a valuable and important participant in the carpet recycling process. These entities collect used carpet (and pad) and sort it by fiber type in preparation to sell/transfer to Processors, which then recycle the material into usable Recycled Output. Collector/Sorters collect used carpet in three ways, generally as a fee for service: 1) CSEs may place a trailer or container at a Dropoff Site; 2) CSEs may accept carpet drop-offs at their locations; 3) CSEs may provide pick-up service from a private pick-up site, such as a retailer or other flooring professional.

Sixteen Collector/Sorters were registered to participate in the California Program during 2022, the same as in 2021. Table 4-6 lists Collector/Sorters requesting funds at least once during each reporting quarter, with “Yes” indicating that funds were requested and received for sorted and shipped PCC, and “No” indicating that no funds were requested or received during the period. (Addresses for these facilities are included in Appendix 11.3) Ten Collector/Sorters requested funding during 2022. Eight participating Collector/Sorters also function as Tier 1 Processors, noted with a “(P)” after their names in the table below. It should be noted that pure CSEs, which function only as a Collector/Sorter and provide no further processing, continued to receive a legacy reporting subsidy of \$1,000 per month in 2022. Subsidies are described in Chapter 8, *Financing Mechanisms*.

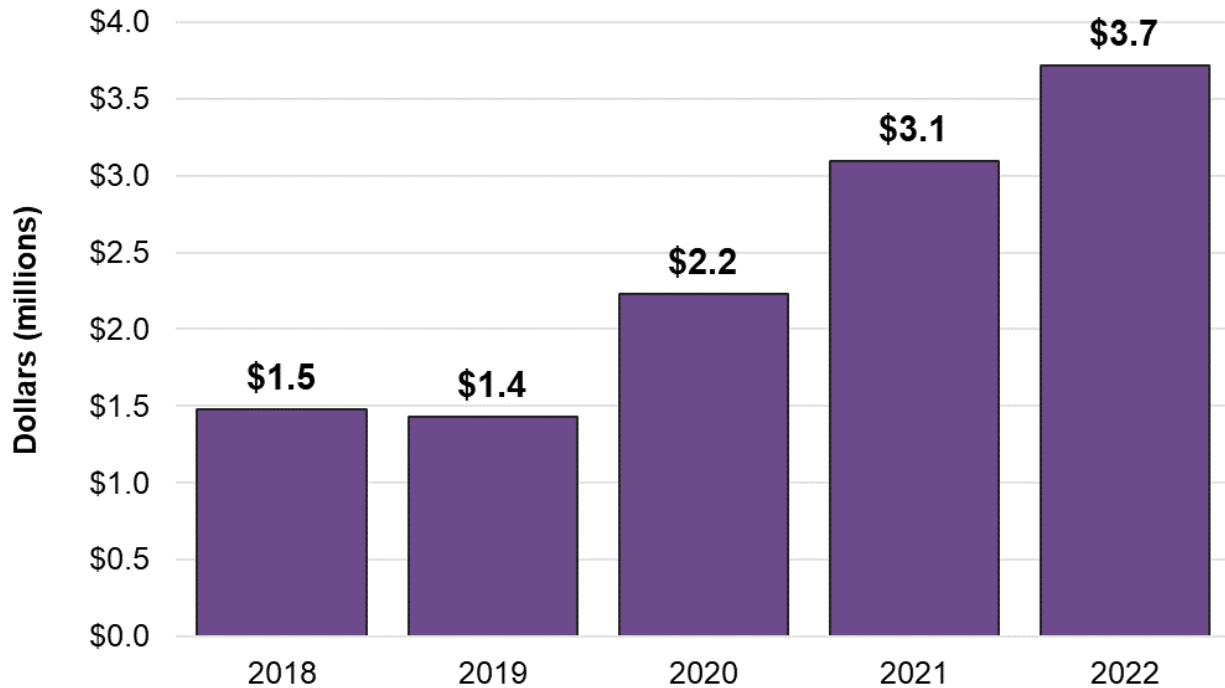
Table 4-6. Collector/Sorters Reporting in 2022

ID	Company	City	State	Q1	Q2	Q3	Q4
1	Aquafil Carpet Recycling, LLC	Chula Vista	CA	Yes	Yes	Yes	Yes
2	Carpet Recycling Resources (P)	Santa Clara	CA	No	No	No	No
3	Certified Blue Recycling, Inc.	San Leandro	CA	N/A	N/A	No	No
4	Circular Polymers by Ascend (P)	Lincoln	CA	Yes	Yes	Yes	Yes
5	Construction & Demolition Recycling, Inc. (CDR, Inc.)	South Gate	CA	No	No	No	No
6	Eastern Impressions—Compton	Irvine	CA	Yes	Yes	Yes	Yes
7	Eastern Impressions—Santa Ana	Buena Park	CA	Yes	Yes	Yes	Yes
8	GISCA, LLC (P)	Palm Springs	CA	No	No	No	No
9	Gone Green Recycling, LLC	Sparks	NV	Yes	Yes	No	No
10	GreenWaste Carpet Recycling	San Jose	CA	Yes	Yes	Yes	Yes
11	Interface, Inc. (P)	LaGrange	GA	No	No	No	No
12	Los Angeles Fiber Company (P)	Vernon	CA	Yes	Yes	Yes	Yes
13	Phoenix Group, LLC	El Dorado Hills	CA	Yes	No	No	Yes
14	Shaw Industries Group, Inc. (P)	Dalton	GA	Yes	Yes	Yes	Yes
15	Tarkett USA (P)	Dalton	GA	No	No	No	No
16	Upstream Textiles	Placentia	CA	Yes	Yes	Yes	Yes

Table Notes: Participants listed as N/A denotes they were not an active participant during the time period shown. “(P)” after the company name indicates those Collector/Sorters that also function as Processors, which are included in Table 4-7.

In 2022, the Program paid out \$3.7 million to Collector/Sorters as subsidies, up from \$3.1 million in 2021 (see Figure 4-3). The COVID-19 Action Plan contributed to these increases in 2020 through 2022.

Figure 4-3. Collector/Sorter (CSE) Payouts Over Time (millions of dollars)



To be considered a qualifying recipient for potential subsidy funding, Collector/Sorters (like other Program participants) are required to be CARE members in good standing and sign a CSE agreement. Under the agreement, qualified recipients are subject to program reporting, Agreed Upon Procedures (AUP) review, best management practices, and documentation requirements. Collector/Sorters that are also Tier 1 Processors track and report their collections and processing activities separately.

4.5 Tier 1 Processors

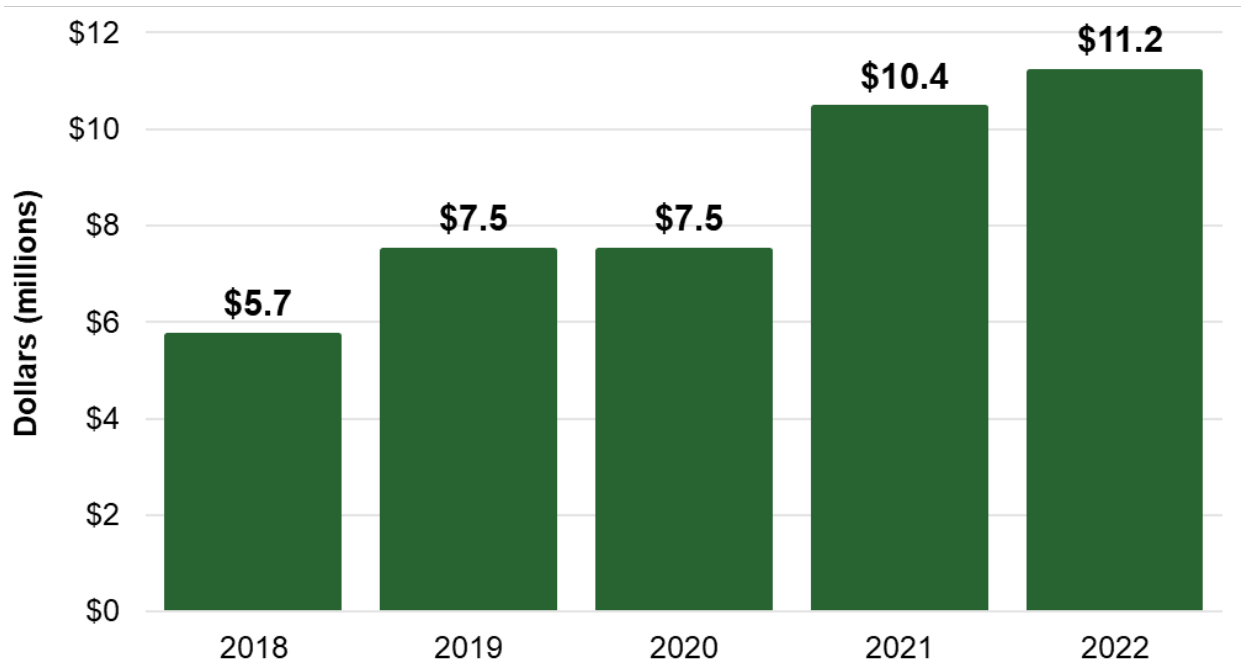
Tier 1 Processors receive source-separated PCC discards, de-manufacture (that is, process), and convert the materials into Recycled Output for use in the manufacturing of secondary products. Some Tier 1 Processors also function as Tier 2 Manufacturers and/or Collector/Sorters. In 2022, 14 Processors were registered with the Program, including 8 active Processors that received funds during the year and 6 inactive Processors that did not request or receive funds. Table 4-7 lists Processor participants requesting funds at least once during each reporting quarter, with “Yes” indicating that funds were requested and received for PCC processed and shipped, and “No” indicating that no funds were requested or received during the period.

Table 4-7. Tier 1 Processors Reporting in 2022

ID	Company	City	State	Q1	Q2	Q3	Q4
1	Aquafil Carpet Recycling #2	Woodland	CA	Yes	Yes	Yes	Yes
2	Aquafil Carpet Recycling, LLC	Phoenix	AZ	Yes	Yes	Yes	Yes
3	Aquafil Recycling #1, Inc.	Phoenix	AZ	Yes	Yes	Yes	Yes
4	Carpet Recycling Resources	Santa Clara	CA	No	No	No	No
5	Circular Polymers by Ascend	Lincoln	CA	Yes	Yes	Yes	Yes
6	Columbia Recycling Corp.	Dalton	GA	No	No	No	No
7	GISCA, LLC	Palm Springs	CA	No	No	No	No
8	Gold Pond Corp.	Dalton	GA	No	No	No	No
9	Interface, Inc.	LaGrange	GA	No	No	No	No
10	Los Angeles Fiber Company	Vernon	CA	Yes	Yes	Yes	Yes
11	PRET Advanced Materials, LLC	Johnsonville	SC	Yes	No	Yes	Yes
12	Shaw Industries Group, Inc.	Dalton	GA	Yes	Yes	Yes	Yes
13	Tarkett USA	Dalton	GA	No	Yes	No	No
14	Wetsel Oviatt Recycling	Elk Grove	CA	No	No	No	No

In 2022, the Program paid out \$11.2 million to Tier 1 Processors as subsidies, an increase from \$10.4 million in 2021 (see Figure 4-4). Subsidies are described in Chapter 8, *Financing Mechanisms*. Tier 1 Processors that are also Collector/Sorters track and report their collections and processing activities separately.

Figure 4-4. Tier 1 Processor Payouts Over Time (millions of dollars)



Processor Capacity

The Program defines **Capacity** as the estimated maximum volume of carpet discards that can be processed by participating Tier 1 Processors in the marketplace. This measurement is based on self-reported figures and permitted capacity figures. While capacity is often measured in tons per year, it is shown here in pounds for consistency with other reporting. The Program continues to work to increase California’s in-state capacity for collections, recycling, and secondary manufacturing. In 2022, 73% of the total subsidies were paid to California-based operators, compared to 72% in 2021. In addition to subsidies, grant funds are designed to incentivize California-based projects, as described in Chapter 6, *Grants*.

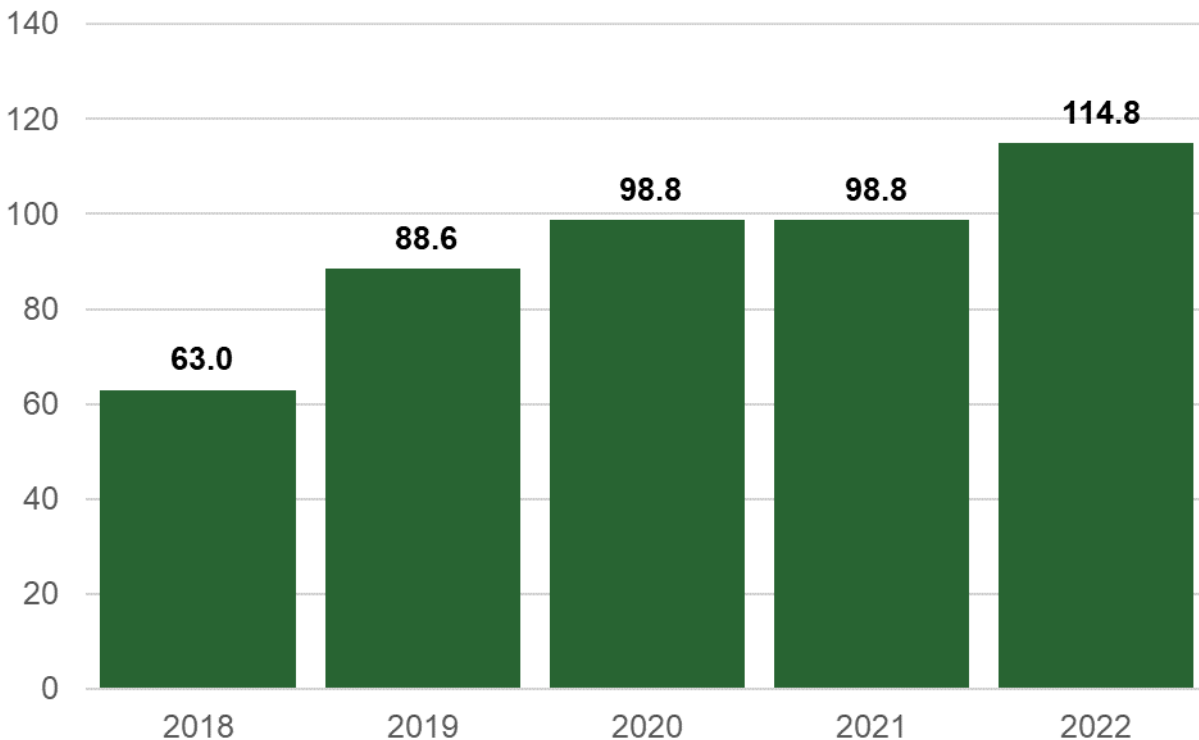
As shown in Figure 4-5, the maximum available capacity in California reported for year-end 2022 was 114.8 million pounds, up from 2021. A variety of factors can affect the maximum capacity of any given facility. Examples include processes employed; utility rates (some facilities must shut down during peak demand to avoid excessive electricity costs); mechanical reliability of processing equipment; number of labor shifts per day; market dynamics; availability and nature of the feedstock (e.g., residential cut

pile versus commercial loop); and pandemic-related shutdowns, illness, supply chain delays, and limited labor availability.

Capacity varies as Collector/Sorters, Tier 1 Processors, and Tier 2 Manufacturers enter or leave the market and expand or downsize their operations. California has continued to benefit from the growth and strategic capacity expansion efforts of two successful companies that are Collector/Sorters, Processors, and Manufacturers: Circular Polymers by Ascend and Los Angeles Fiber Company/Reliance Carpet Cushion. The Program has supported these companies with capital equipment and capacity expansion grant funding. Aquafil’s Woodland facility shut down in early 2022 for a variety of reasons including failure to analyze and understand feedstock availability and composition sufficiently.

As stated in the 2023–2027 Plan approved in April 2023, CARE has evaluated current processor capacity with regard to capacity required to achieve the Recycling Rate goals from 2023 to 2027. Based on CARE’s modeling, the current capacity available from California processors is sufficient to accommodate the pounds of Recycled Output required to achieve the Recycling Rate goals from 2023 to 2027. CARE will continue to monitor capacity and work with recyclers to expand processor capacity when needed.

Figure 4-5. Processor Capacity in California Over Time (millions of pounds)



4.6 Tier 2 Manufacturers

Used carpet may be recycled to make new carpet or as a feedstock component in the manufacture of other products. Tier 2 Manufacturers use Recycled Output processed from the carpet fiber or carpet backing and incorporate it into new or existing products. During 2022, there were 25 registered, and 10 active, Tier 2 Manufacturers producing a variety of products, including broadloom carpet and carpet tile, carpet cushion/underlayment, building insulation, water heater blankets, bedding, pellets, plastic automotive components, packaging insulation, erosion control products, lightweight aggregate, absorbency products, and a variety of cement-related products, as described in Chapter 7, *Market Development*. Table 4-8 lists participants requesting funds at least once during each reporting quarter for active manufacturing and PCC containing product sales, with “Yes” indicating that funds were requested and received, and “No” indicating that no funds were requested or received during the period.

Table 4-8. Tier 2 Manufacturers Reporting in 2022

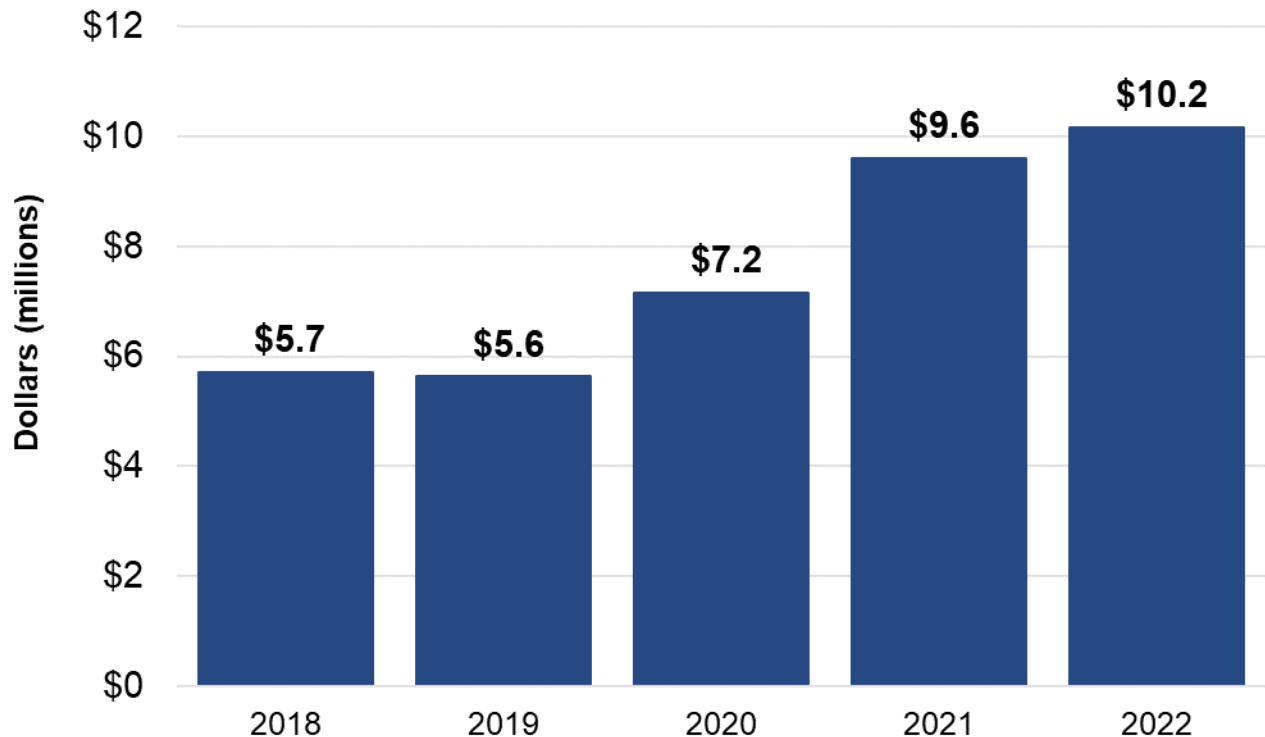
ID	Company	City	State	Q1	Q2	Q3	Q4
1	American Fiber Cushion	Dalton	GA	No	No	No	No
2	Aquafil Carpet Recycling	Phoenix	AZ	Yes	Yes	Yes	Yes
3	Aquafil Carpet Recycling #2	Woodland	CA	No	No	No	No
4	Aquafil USA, Inc.	Cartersville	GA	No	No	No	No
5	Arropol Chemicals	Dalton	GA	No	No	No	No
6	Bonded Logic	Chandler	AZ	No	No	No	No
7	Bro-Tex	St. Paul	MN	No	No	No	No
8	Carpet Recycling Resources	Santa Clara	CA	No	No	No	No
9	Chasen	Irvington	NJ	Yes	Yes	No	No
10	Circular Polymers by Ascend	Lincoln	CA	Yes	Yes	Yes	Yes
11	Columbia Recycling Corp.	Dalton	GA	No	No	No	No
12	GC Products, Inc.	Lincoln	CA	No	No	No	No
13	GeoHay, LLC	Inman	SC	Yes	Yes	Yes	Yes
14	KMI Group	Kenton	TN	No	No	No	No
15	Leggett & Platt	Fort Worth	TX	Yes	Yes	Yes	Yes
16	Manassas Polymers	Calhoun	GA	No	No	No	No

4. Collection & Recycling (Program Outline)

ID	Company	City	State	Q1	Q2	Q3	Q4
17	MP Global Products LLC	Norfolk	NE	Yes	Yes	Yes	Yes
18	PRET Advanced Materials, LLC	Johnsonville	SC	Yes	Yes	Yes	Yes
19	Reliance Carpet Cushion	Vernon	CA	Yes	Yes	Yes	Yes
20	Rise Composite Technologies	Mankato	MN	Yes	Yes	Yes	Yes
21	San Pallets, LLC	Troy	OH	No	No	No	No
22	Shaw Industries Group, Inc.	Dalton	GA	No	No	No	No
23	Sustainable Polymer Systems, LLC	Miramar Beach	FL	No	No	No	No
24	United Fibers, LLC	Chandler	AZ	No	No	No	No
25	Wetsel Oviatt Recycling	Elk Grove	CA	Yes	No	No	No

Tier 2 Manufacturer payouts totaled \$10.2 million in 2022, up from \$9.6 million in 2021 (see Figure 4-6). Subsidies are described in Chapter 8, *Financing Mechanisms*. For a summary of all pounds and subsidies paid to Collector/Sorters, Tier 1 Processors, and Tier 2 Manufacturers, see Table 8-3.

Figure 4-6. Tier 2 Manufacturer Payouts Over Time (millions of dollars)



4.7 Throughput & Disposition

In 2022, the Program handled 93.3 million pounds of Gross Collection, and 73.6 million pounds were recycled (Recycled Output). Yield in 2022 was 79%, exceeding the annual goal of 60%. (Note that *Yield* is called *Recycling Efficiency Rate* in the new 2023–2027 Stewardship Plan.) Table 4-9 shows throughput and disposition for carpet collection by quarter, including reuse, recycling, energy recovery, exports, and disposal. These figures are based on data from Collector/Sorters, Tier 1 Processors, Tier 2 Manufacturers, and Carpet Mills submitted to an independent accounting firm (Aprio) and do not reflect any disposition activities occurring outside the Program.

The Program seeks to manage PCC in alignment with the solid waste management hierarchy described in the 2018–2022 Plan, prioritizing Source Reduction, Reuse, and Recycling, followed by CAAF or Kiln, then WTE, and Disposal as a last resort.

Table 4-6, Table 4-7, and Table 4-8 list the Collector/Sorters (CSEs), Tier 1 Processors, and Tier 2 Manufacturers that participated, or were considered eligible to participate, in the Program in 2022. Appendix 11.3 provides facility names and addresses for these methods of disposition.

Each Program participant must record the disposition facilities used, including facility names, addresses, and quantities. Data veracity is confirmed through Agreed Upon Procedures (AUPs) conducted regularly with participants by the Program’s independent accounting firm. The Program has access to these confidential records through periodic reviews and requires regular reporting, recordkeeping, proper management practices, and random site visits to review operations and conduct sampling.

Table 4-9. Throughput and Disposition in Pounds per Quarter in 2022

Throughput and Disposition	Q1	Q2	Q3	Q4	2022 (Year)
Gross Collection (Throughput)	20,485,890	24,338,083	24,690,472	23,763,940	93,278,385
Gross Collection – by Collector/Sorters	2,360,365	2,380,260	2,072,053	2,357,741	9,170,419
Gross Collection – Processors	18,125,525	21,957,823	22,618,419	21,406,199	84,107,966
Recycled Output	18,055,073	18,782,859	18,009,518	18,796,433	73,643,883
Recycled Output Yield %	88%	77%	73%	79%	79%
Inventory Whole Carpet + Processed					
Beginning Inventory	14,326,615	10,818,172	10,973,613	12,258,805	14,326,615
Ending Inventory	10,857,674	10,973,613	11,908,947	11,320,298	11,320,298
Reported Diversion	18,055,073	18,782,859	18,009,518	18,796,433	73,643,883
Reuse (Recycled Output, RO)	528,570	533,040	344,271	752,962	2,158,843
Recycled Carpet Tile (RO)	160,954	236,695	117,600	135,586	650,835
Fiber / Depolymerization (RO)	12,713,702	12,769,037	12,413,475	12,617,704	50,513,918
PC4 (RO)	4,651,847	5,244,087	5,134,172	5,290,181	20,320,287
Filler (RO)	0	0	0	0	0
Carcass (RO)	0	0	0	0	0
CAAF	0	0	0	0	0
Kiln	0	0	0	0	0
WTE	0	0	0	0	0
Exports (outside of the United States)	0	0	0	0	0
Carpet Cushion/Pad	3,636,336	3,622,602	3,613,550	3,438,116	14,310,604
Out-of-State (United States outside California)	2,686,168	2,645,959	2,506,643	2,781,491	10,620,261
Disposal	2,664,568	2,476,646	2,227,429	1,899,472	9,268,115
Process Waste to Landfill	2,664,568	2,476,646	2,227,429	1,899,472	9,268,115
Incineration	0	0	0	0	0

5 Goals & Activities

CCR 18944(a)(5) Description of goals and activities based on the stewardship plan. State goals from the approved plan, the baseline from which goals were measured, and report on achievement during the reporting period.

This chapter describes the goals included in the approved Carpet Stewardship Plan 2018–2022, including the addition of Chapter 0, in Section 5.1. (This report marks the final year of reporting under the 2018–2022 Plan, as the 2023 Annual Report will align with the 2023–2027 Plan approved in April 2023.)

The remainder of the chapter describes efforts to increase these numbers, along with relevant measurement methods, assumptions, conversion factors, and data sources. This Annual Report covers progress toward achievement of all Program goals in the approved stewardship Plan, and it demonstrates progress over time in increasing source reduction, reuse, and recycling, while decreasing CAAF, Kiln, WTE, and landfill disposal of post-consumer carpet. This chapter includes the following sections:

- 5.1. Performance Goals, Baseline, and Status in 2022
- 5.2. Carpet Sales
- 5.3. Carpet Discards
- 5.4. Increasing Source Reduction
- 5.5. Increasing Gross Collection
- 5.6. Disposition of Post-Consumer Carpet
- 5.7. Increasing Recyclability
- 5.8. Increasing Recycled Output
- 5.9. Increasing Overall Diversion
- 5.10. Environmental Impacts
- 5.11. Increasing Market Growth of Secondary Products
- 5.12. Creating Green Jobs
- 5.13. Measurement Methodology & Data Sources

5.1 Performance Goals, Baseline, and Status in 2022

CCR 18944(a)(5)(B) Information on goals shall be accompanied by supporting information covering, but not be limited to the following topics:

1. Report describes the measurement methodology, assumptions, conversion factors, and data sources.
2. Report demonstrates that over time source reduction, reuse, and recycling increased, while environmentally safe transformation and land disposal decreased.
3. Report covers progress toward achievement of all goals in the approved stewardship plan.

For each of the following goals, this report identifies progress and efforts to meet the goal in the 2022 reporting period, along with the baseline for measurement from the 2018–2022 Plan where applicable:

1. Increase the recyclability of carpet.
2. Expand and incentivize markets for products made from post-consumer carpet.
3. Increase the reuse of post-consumer carpet.
4. Increase the weight of post-consumer carpet that is recycled.
5. Reduce the disposal of post-consumer carpet.
6. Increase the collection convenience for the recycling of post-consumer carpet and increase the collection of post-consumer carpet for recycling.
7. Increase Processor capacity, including Processor capacity in California.
8. Achieve a 27-percent Plan recycling rate for post-consumer carpet for 2022, and any other recycling rate established by the Department pursuant to Section 42972.2.

Table 5-1 shows the baseline, 2022 annual goal, and actual performance for the major Program goals.

Table 5-1. Summary of Program Performance Goals, Baseline, and 2022 Status

Performance Goal	Baseline	2022 Annual Goal	2022 Actual	Annual Result
#1: Increase recyclability of carpet	28% Yield	60% Yield	79% Yield	Exceeded goal
#2: Expand and incentivize markets for products made from post-consumer carpet (PCC)	<ul style="list-style-type: none"> • 25 products • 9 vendors • 4 in California (2016 baseline) 	<ul style="list-style-type: none"> • 40 products • 14 vendors • 7 in California 	<ul style="list-style-type: none"> • 100 products • 23 vendors • 9 in California 	Exceeded goals
#3: Increase reuse of post-consumer carpet	98,000 pounds	2 million pounds of Reuse	2,158,843 pounds (2.2 million pounds)	Exceeded goal
#4: Increase weight of post-consumer carpet that is recycled	28 million pounds	84 million pounds of Recycled Output (27% Recycling Rate)	73,643,883 pounds (74 million pounds, 33.9% Recycling Rate)	Reached 88% of RO pounds goal, despite 27% decline in Sales from Plan's projection of 85 million square yards. (Exceeded Recycling Rate goal, in #8.)
#5: Reduce the disposal of post-consumer carpet	329 million pounds (92% of discards were disposed)	-28% reduction (238 million pounds)	-60% reduction (133 million pounds)	Exceeded goals

Performance Goal	Baseline	2022 Annual Goal	2022 Actual	Annual Result
#6: Provide for increasing and reasonably convenient collection opportunities in each county	<ul style="list-style-type: none"> • 0 Program-supported Drop-off Sites • No baseline data available on private collection 	<ul style="list-style-type: none"> • 1 site per county minimum • 1 site per 500,000 people in each county 	<ul style="list-style-type: none"> • All 58 counties served • 131 public sites • 199 private sites 	Met goals: <ul style="list-style-type: none"> • Met or exceeded 1 site per county • Met 1 site per 500,000 people
#7: Increase processor capacity, including capacity in California	No baseline data available on capacity	16.0 million additional pounds, in California, on the 2021 base of 98.8 million pounds (<i>from annual Capacity Goal</i>)	<ul style="list-style-type: none"> • 16.0 million additional pounds in California • 114.8 million pounds total in California 	Met goals
#8: Achieve 27% recycling rate for PCC by December 31, 2022	8% Recycling Rate	27% Recycling Rate	33.9% Recycling Rate	Exceeded goal

Table Notes: The baseline year refers to the Program start year of July 1, 2011–June 30, 2012, unless otherwise noted. Baselines are as stated in the 2018–2022 Stewardship Plan unless otherwise noted. Processor Capacity (Goal #7) was established in a separate annual submittal to CalRecycle, [CARE Capacity Goal – 2022](#), in January 2022.

Table 2-1, Summary of 2022 Program Performance Metrics, beginning on page 5, presents performance data for 2022, the two prior years, and the 2011/2012 baseline year. The following sections describe key metrics for 2022 regarding *Carpet Sales*, *Carpet Discards*, *Increasing Source Reduction*, *Increasing Gross Collection*, and *Disposition of Post-Consumer Carpet*.

5.2 Carpet Sales

CCR 18944(a)(5)1. Amount of carpet sold by square yards and pounds, in the state during the reporting period that is covered under the approved stewardship plan. A stewardship organization with more than one manufacturer may use average weight.

Sales of carpet in California total 61.9 million square yards in 2022. These figures are reported from Carpet Mills registered with CARE to an independent accounting firm. As shown in Table 2-1, carpet sales in California have decreased since the start of the Program. Sales dropped substantially from pre-pandemic levels (80.6 million in 2019) and decreased 8% from 2021 (67.3 million).

CARE conducts an annual confidential industry survey to compute the average weight of broadloom (residential and commercial) carpet and carpet tiles sold in the United States. The average carpet weight in 2022 was estimated at a weighted average of 4.00 pounds per square yard. Applying the average weight to Sales in square yards results in estimated Sales of 248 million pounds.

5.3 Carpet Discards

CCR 18944(a)(5)2. Amount (pounds) of post-consumer carpet that is available for collection.

Discards of post-consumer carpet (PCC) were estimated at 217 million pounds in 2022, using the Discards calculation methodology presented in the approved 2018–2022 Plan. This methodology is being reconsidered in a separate Discards Study, which was on hold while the new 2023–2027 Plan was under development. Because agreement was not reached on an updated methodology prior to CalRecycle’s December 2021 workshop on Program goals for the new Plan, the new 2023–2027 Plan (approved in April 2023) continues the existing methodology. It remains to be determined when, whether, and how this fundamental metric of the Program may be revised, as such a

recalculation would change the baselines upon which statutory and regulatory recycling rate goals are set.

The 2022 calculation is based on the following formula and variables, with values shown in Table 5-2:

$$S * R * P * (1 + D + DS)$$

S = Sales: Carpet sales (square yards) in California for the reporting period. Sales data comes from the independent accounting firm Aprio, which collects the confidential sales data from the Carpet Mills registered with CARE.

R = Replacement: Percentage of carpet that is replacement—that is, carpet replacing existing carpet. This rate is derived as the weighted average from the residential and commercial sectors and is reported by Market Insights, LLC.

P = Density: Average weight of carpet per square yard. CARE gathers and analyzes raw industry data (via a confidential Carpet Mill survey) to calculate the weighted averages of pounds per square yard of carpet tile and broadloom carpet used in the commercial and residential sectors.

D = Demolition: Pounds of carpet from demolition projects that were not replaced. *D* is converted to pounds by multiplying the percentage by the product of $S * R * P$ —that is, applying the demolition percentage to the replacement quantity by weight. The demolition data are gathered by Market Insights, LLC. Note that demolition represents the teardown of a building. The actual volume of carpet resulting from this process is estimated.

DS = Deselection: Pounds of carpet removed but not replaced by carpet—that is, the removal of carpet for the replacement by another flooring material. Deselection ($DS = \text{Replacement in pounds} * \text{Deselection rate}$) is estimated based on review of historical trend data.

Table 5-2. Discards Methodology Variables, 2022

Variable	Description	Value	Source
S	Sales (square yards)	61,910,759	Accounting firm (Aprio, LLP)
R	Replacement rate (%)	0.86	Market Insights, Inc.
P	Average weight of carpet per square yard (pounds)	4.00	CARE/Aprio annual industry survey
D	Pounds of carpet from demolition projects not replaced (%)	0.012	Market Insights, Inc.
DS	Deselection: Pounds of carpet removed but not replaced by carpet (%)	0.008	Market Insights, Inc.
Discards	$S * R * P * (1 + D + DS)$	217,232,471	Aprio calculation

5.4 Increasing Source Reduction

CCR 18944(a)(5)3. Amount (pounds) of carpet source reduced, if measureable.

Source reduction is defined as the result of using less product or material in manufacturing and use of carpet (also known as dematerialization or light-weighting) and/or reducing the amount of discarded carpet generated. In 2022, source reduction was estimated at 4.00 pounds per square yard of carpet that is source-reduced, a decrease from 4.11 pounds per square yard in 2021. Reuse, which avoids new carpet purchases, totaled 2.2 million pounds in 2022, exceeding the Program goal of 2 million.

Upstream source reduction efforts such as reduced waste in manufacturing and increased durability are not quantified. Carpet Mills are developing innovative approaches to sustainability that will have positive impacts on carpet recycling efforts and source reduction in years ahead.

Examples include innovations in carpet backing systems that facilitate separation of materials for recycling and reduce weight per square yard. Use of digital samples and virtual preview tools can reduce the need for manufacturing product samples. For example, several Carpet Mills offer a virtual experience that allows customers to upload

a photo of their room and overlay various carpet patterns to help select a product without physical carpet samples shipments.

Nearly all U.S. Carpet Mills have dedicated efforts to minimize the environmental impact of carpet manufacturing and reduce reliance on natural resources to make new carpet. Carpet Mills were requested to provide a copy of their [Source Reduction and Sustainability Reports](#); responses are posted on CARE's website.

5.5 Increasing Gross Collection

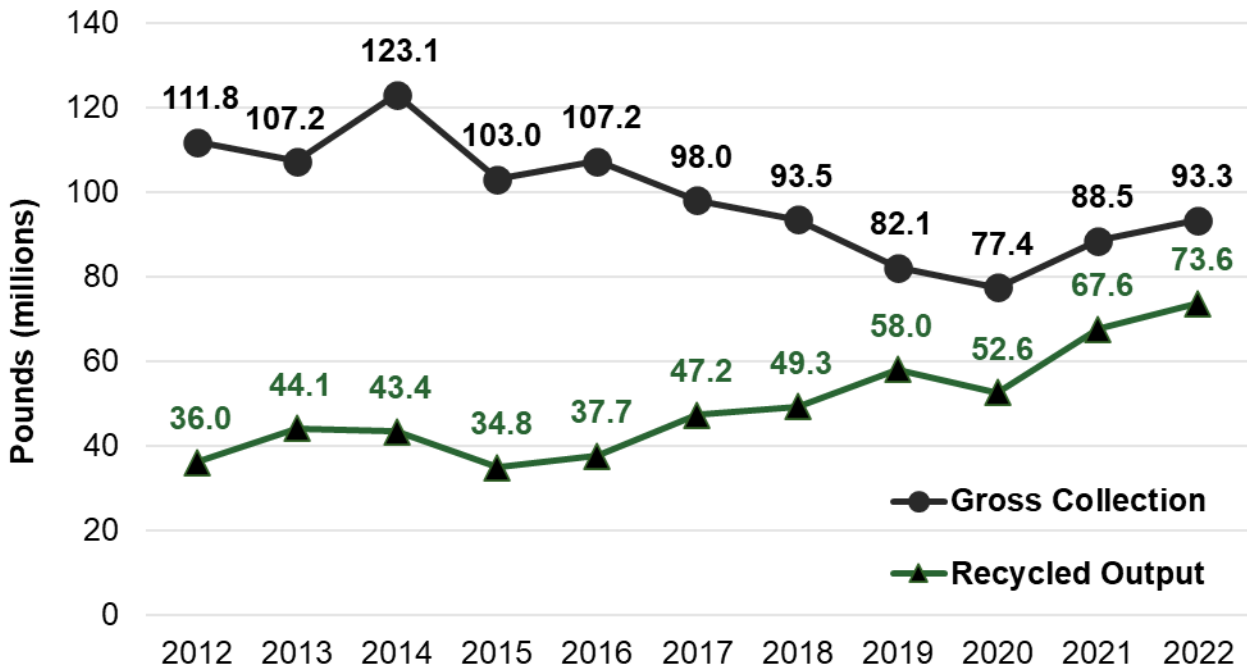
CCR 18944(a)(5)4. Amount (pounds) of post-consumer carpet collected, by weight, during the reporting period.

Gross Collection, as reported by Collector/Sorters, totaled 93.3 million pounds of post-consumer carpet in 2022, a 5% increase from 2021. Gross Collection is the California post-consumer carpet pounds—both broadloom and carpet tile—collected by Collector/Sorters and Processors as reported to the Program. Gross Collection in 2022 included the following:

- Recycled Output (73.6 million pounds).
- Reuse (2.2 million pounds, included in Recycled Output above).
- Carpet As Alternative Fuel (CAAF), Kiln, and Waste-to-Energy (WTE), all zero in 2022.

Gross Collection also included some unrecyclable PCC or carpet processing waste that was sent to landfill (9.3 million pounds) for disposal. Figure 5-1 shows trends over time in Gross Collection and Recycled Output.

Figure 5-1. Gross Collection and Recycled Output Over Time



*Figure Notes: **Gross Collection** applies a new calculation methodology beginning in 2017 to avoid potential double-counting of pounds shipped domestically and reported by participating processors. Data previously reported for prior years are unchanged.*

5.6 Disposition of Post-Consumer Carpet

CCR 18944(a)(5)5. Disposition, that is, amounts reused, recycled, incinerated for energy recovery or disposed of in a landfill; of collected post-consumer carpet, by pounds, during the reporting period.

Disposition identifies how the Program's Gross Collection of post-consumer carpet was handled. These quantities are included in Table 2-1, Table 2-2, and Table 2-3. In 2022, disposition of post-consumer carpet included the following:

- **Reuse:** 2,158,843 pounds (counted as part of Recycled Output).
- **Recycled Output (RO):** 73,643,883 pounds, includes the following (plus Reuse):
 - **Recycled Carpet Tile:** 650,835 pounds.
 - **Fiber / Depolymerization:** 50,513,918 pounds.

- **PC4:** 20,320,287 pounds.
- **Filler:** zero in 2022.
- **Carcass:** zero in 2022.
- **Reported Diversion:** 73,643,883 pounds, includes Recycled Output (which includes Reuse) plus the following:
 - **Carpet As Alternative Fuel (CAAF):** zero in 2022.
 - **Kiln:** zero in 2022.
 - **Waste-to-Energy (WTE):** zero in 2022.
 - **Exports** to customers outside of the United States: zero in 2022.
- **Shipments** to U.S. customers outside of California: 9,067,101 pounds.
- **Disposal** of unrecyclable PCC or carpet processing waste:
 - **Landfill:** 9,268,115 pounds (process waste to landfill).
- **Net Diversion:** 84,010,270 pounds, calculated as Gross Collection minus unrecyclable PCC and carpet processing waste that ultimately goes to landfill.

Section 4.7 provides additional information on the Program's disposition of post-consumer carpet, and the carpet solid waste management hierarchy is described in the 2018–2022 Plan. The hierarchy prioritizes Source Reduction, Reuse, and Recycling.

Table 4-6, Table 4-7, and Table 4-8 list the Collector/Sorters (CSEs), Tier 1 Processors, and Tier 2 Manufacturers that participated, or were considered eligible to participate, in the Program in 2022. Appendix 11.3 provides facility names and addresses for these methods of disposition.

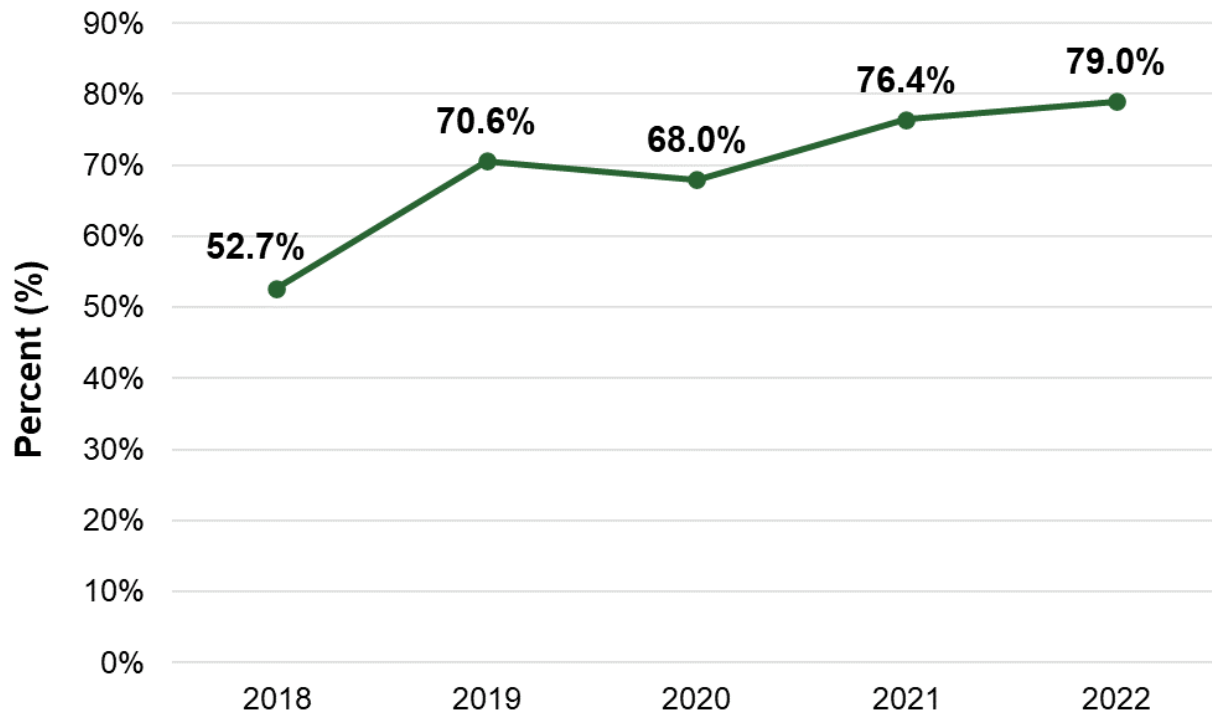
5.7 Increasing Recyclability

CCR 18944(a)(5)6. Describe efforts to increase recyclability of carpets.

The Program tracks progress in increasing the recyclability of carpet using its *Yield* metric, calculated as the portion of *Gross Collection* converted into *Recycled Output*, expressed as a percentage of *Gross Collection*. (Note that the Yield metric is called *Recycling Efficiency Rate* in the new 2023–2027 Stewardship Plan.) Yield serves as the primary metric used to measure changes in recyclability, which refers to how easily carpets can be separated into their component parts and ultimately recycled. As Yield increases, a higher percentage of Gross Collection is converted into Recycled Output, indicating an increase in overall recyclability of post-consumer carpet collected.

Figure 5-2 indicates an increase in Yield to 79% in 2022. Increased Yield is driven primarily by improvements in collection and processing efficiency, technological innovations improving Recycled Output performance, and development of new secondary products.

Figure 5-2. Percent of Gross Collection Converted to Recycled Output (Yield)



5.8 Increasing Recycled Output (Including Reuse)

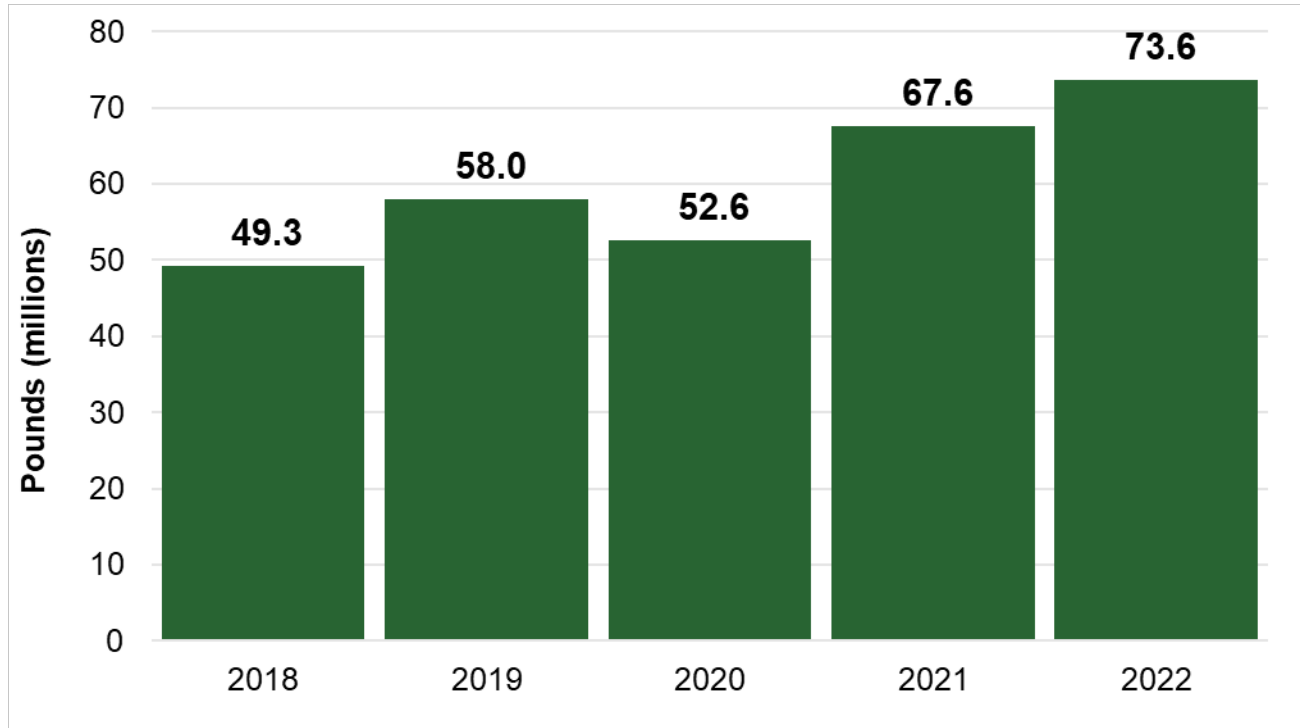
CCR 18944(a)(5)7. Describe efforts to increase recycling of post-consumer carpet.

Recycled Output includes the portion of Gross Collection after processing that is shipped and sold as material to be used in manufacturing new or secondary products made with post-consumer recycled carpet content. As shown in Table 2-2, Recycled Output is calculated as the sum of all Type 1 and Type 2 Recycled Outputs, plus Reuse. Figures for 2022 are included below:

- **Reuse:** 2,158,843 pounds.
- **Fiber** (Recycled Fiber Type 1 Processed Output): 50,513,918 pounds.
- **Recycled PC4:** 20,320,287 pounds.
- **Recycled Carpet Tile:** 650,835 pounds.
- **Depolymerization, Filler, and Carcass:** zero in 2022.
- **Recycled Output (RO):** 73,643,883 pounds (includes all of the above):

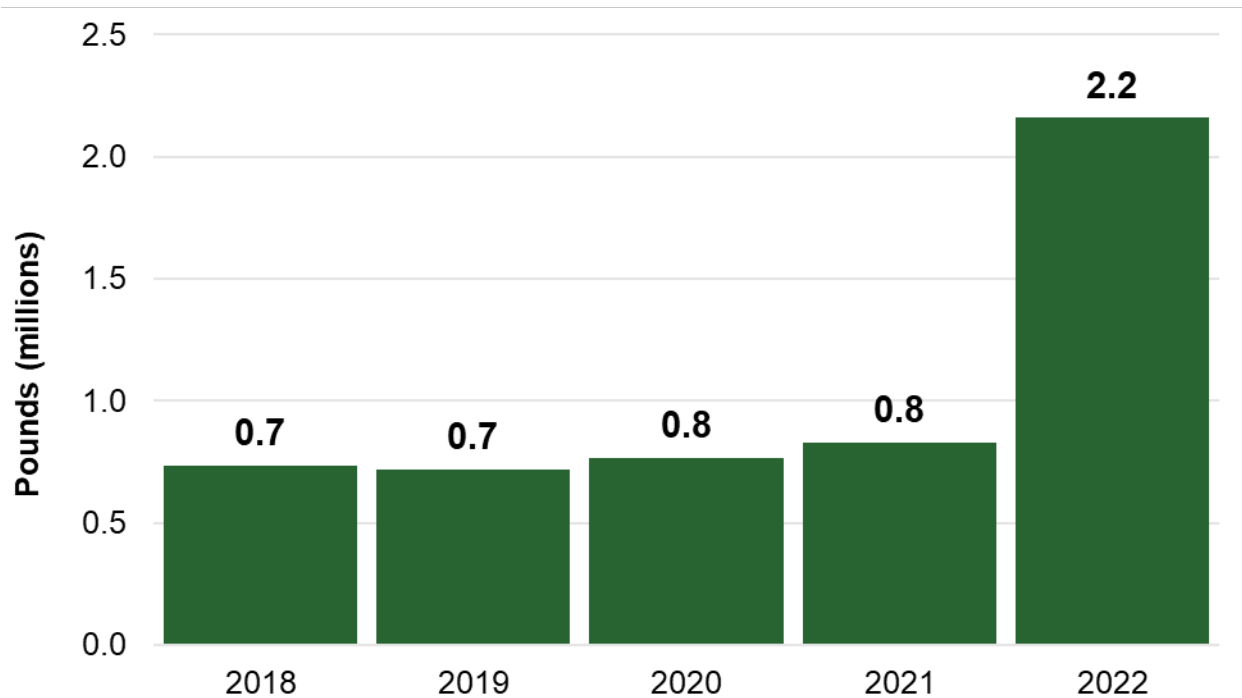
Figure 5-3 shows increases in Recycled Output over time, except for a dip in 2020 related to the COVID-19 global pandemic.

Figure 5-3. Recycled Output Over Time (millions of pounds)



Increasing Reuse

CARE helped spur a major increase in Reuse in 2022, with over 2 million pounds of post-consumer carpet collected for reuse, more than double the amount in the prior year. The vast majority of this reuse was carpet tiles, also known as carpet squares, which have gained popularity due to their modularity and ease of installation. The push for increased sustainability and environmental consciousness has prompted efforts to promote the reuse of carpet tiles instead of disposing of them as waste. Reusing carpet tiles offers several benefits, including reducing landfill waste, conserving resources, and lowering the environmental impact of carpet manufacturing. Figure 5-4 shows the increase in Reuse over time, including the major jump in 2022 to exceed the annual goal. CARE thanks Aquafil, Circular Polymers, and Los Angeles Fiber Company for their support on this initiative.

Figure 5-4. Carpet Collection for Reuse Over Time (millions of pounds)

The Program increased carpet collection for reuse 160% from 2021. This monumental effort was partly due to collaboration with stakeholders and partners such as Circular Polymers by Ascend, Repurpose.Earth, Eastern Impressions, Certified Blue Recycling, Aquafil, GreenWaste Carpet Recycling, and Los Angeles Fiber Company. Each organization played a significant role in helping CARE exceed its annual goal.

Critical factors in increasing the reuse of carpet tiles included:

- **Additional Effort and Resources.** Increasing the reuse of carpet tiles requires investments in collection, cleaning, and refurbishing processes. Collectors, sorters, and processors have established efficient systems for collecting used carpet tiles, inspecting their condition, and preparing them for reuse.
- **Subsidies and Incentives.** CARE provided incentives and subsidies to encourage businesses and individuals to participate in carpet tile reuse programs.
- **Education and Outreach.** Outreach campaigns helped raise awareness about the benefits of carpet tile reuse. Educating businesses, consumers, and designers about the environmental advantages, cost savings, and quality of reused carpet tiles drove market demand for these products.
- **Marketing and Promotion.** CARE's outreach efforts emphasized the sustainability and cost-effectiveness of reused carpet tiles through marketing campaigns that effectively attracted more customers for carpet tile reuse.

5.9 Increasing Overall Diversion

CCR 18944(a)(5)8. Describe efforts to increase diversion of post-consumer carpet from landfills.

Overall diversion of post-consumer carpet (PCC) from landfills is a goal of the Program. Diversion from landfill disposal includes Reuse, Recycled Output (Type 1, Type 2, PC4, and Carcass), CAAF and Kiln, Waste-to-Energy (WTE), and exported whole carpet. The Program increased diversion through its many efforts to increase collection of post-consumer carpet and recycled output. Carpet cushion/pad is not included in carpet diversion figures but does constitute additional landfill diversion as an auxiliary co-benefit of the Program.

Net Diversion is an estimate based on the estimated pounds of PCC collected and reported by recyclers minus the amount of all whole carpet (PCC) and process waste sent to landfill. In 2022, Net Diversion was calculated to be 84,010,270 pounds, a 6% increase from 2021.

Reported Diversion is the sum of Reuse, Recycled Output (Type 1, Type 2, PC4, and Carcass), CAAF and Kiln, WTE, and exported whole carpet. Cushion/pad, representing 14,310,604 pounds in 2022, is not included in these totals. Net Diversion does not equal Reported Diversion for two reasons. First, Gross Collection totals are based on estimates, not actual shipments, or sales, while Recycled Output is based on actual weights. Second, a substantial amount of material may be retained in inventory as whole carpet, processed materials, or other outputs in progress that are not yet accounted for as finished material outputs. In 2022, the total Reported Diversion equaled 73,643,883 pounds, a 9% increase from 2021. Table 5-3 shows Reported Diversion by type.

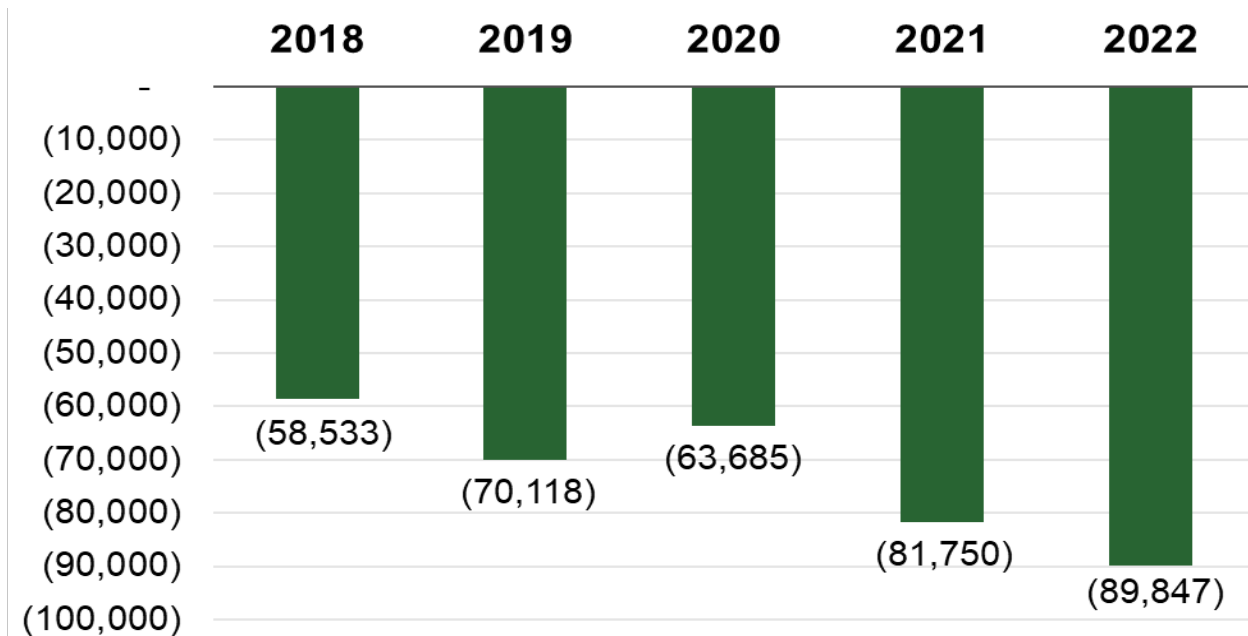
Table 5-3. Reported Diversion by Type (pounds)

Reported Diversion from Landfill by Type	2020	2021	2022
Reuse	764,941	829,815	2,158,843
Carpet Tile Recycled	1,158,904	770,086	650,835
Fiber / Depolymerization	37,461,055	48,958,227	50,513,918
PC4	13,230,157	17,064,673	20,320,287
Filler	0	0	0
Carcass	0	0	0
CAAF	0	0	0
Kiln	0	1,200	0
WTE	0	0	0
Exports	0	39,621	0
Reported Diversion	52,615,057	67,663,622	73,643,883

5.10 Environmental Impacts

CCR 18944(a)(5)9. Describe other environmental impacts as data are available, e.g., green house gas emissions. Descriptions of any enforcement actions or problems related to plan implementation.

Increasing recycling of post-consumer carpet and reducing landfill disposal provides environmental benefits in California and beyond. The U.S. Environmental Protection Agency (USEPA) has identified recycled carpet as a material with significant potential for greenhouse gas (GHG) reductions, and a robust carpet recycling industry contributes to GHG reductions. Reductions in GHG emissions related to carpet reuse and recycling in California in 2022 were calculated using the Excel-based USEPA **Waste Reduction Model (WARM)**, Version 15. As shown in Figure 5-5, recycling and source reduction of carpet were estimated to result in the net reduction of approximately 89,847 metric tons of carbon dioxide equivalent (CO₂e) in 2022, the equivalent of taking nearly 20,000 gasoline-powered passenger vehicles off the road for one year.

Figure 5-5. Estimated Greenhouse Gas Emissions Reductions (metric tons CO₂e)

In addition, the Program also continued to follow and reinforce safeguards for the safe and legal use of Recycled Output, including calcium carbonate from post-consumer carpet (PC4). The Program continued to follow and implement revised guidelines on allowed PC4 uses as published in 2019. No payments for PC4 in land or compost applications in California have been made since 2018.

CalRecycle handles enforcement actions as needed.

5.11 Increasing Market Growth of Secondary Products

CCR 18944(a)(5)10. Describe efforts to increase the market growth of secondary products made from post-consumer carpet.

Chapter 7, *Market Development*, describes the Program's work to increase the market growth of secondary products made from post-consumer carpet content. The Program exceeded its goals for 2022—with 100 products (the annual goal was 40) from 23 vendors (the goal was 14), including 9 vendors in California (the goal was 7). The baseline (2016) for this goal was 25 products from 9 vendors, including 4 in California.

The Program counts separate products as defined by the manufacturer. Depending on the manufacturer, different thickness or weights of a product line may be counted as separate products, while other attributes such as varying lengths or colors may be counted as a single product.

5.12 Creating Green Jobs

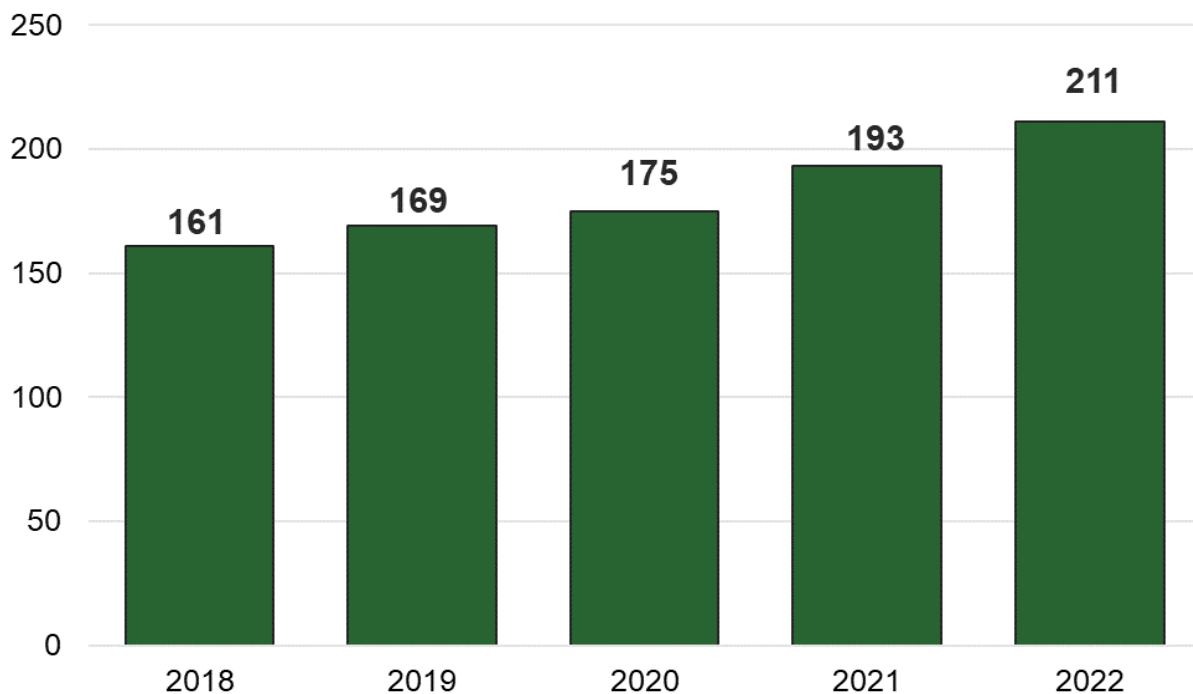
CCR 18944(a)(5)11. Describe number of jobs attributable to the carpet stewardship program as data are available.

At the close of 2022, a total of 211 full-time equivalent (FTE) jobs were attributed to Collector/Sorters, Tier 1 Processors, and Tier 2 Manufacturers receiving subsidy funds, including 12 CARE Program staff and contractors. This is an increase of 9% (18 jobs) from 2021, as shown in Figure 5-6.

Reported job numbers are only for direct jobs within California and are submitted for quarters or months when a company submits a subsidy request. The figure does not include jobs at facilities located outside California, such as Tier 1 Processors and Tier 2 Manufacturers located in other states.

The Program also estimates that 1.4 additional jobs are created for every one job resulting from the PCC recycling industry in California, according to a 2016 University of South Carolina study by Von Nessen. Applying this assumption, the industry created an estimated 506 direct and indirect jobs in California in 2022.

Figure 5-6. Total Full-Time Equivalent (FTE) Jobs Reported (at year end)



5.13 Measurement Methodology & Data Sources

CCR 18944(a)(5)(B)1. Report describes the measurement methodology, assumptions, conversion factors, and data sources.

The Program's measurement methodology, assumptions, conversion factors, and data sources are described in the approved 2018–2022 Plan, previous Annual Reports, and in the preceding sections of this chapter (for example, Section 5.3 describes the calculation approach for *Carpet Discards*). This 2022 Annual Report follows the existing methodologies and data sources from the 2018–2022 Plan and as used in previous Annual Reports. Most variables are updated annually and draw on data from Program participants, which is independently audited, and independent market research firms.

6 Grants

This chapter includes the following sections:

- 6.1. Grants Overview
- 6.2. Grant Selection & Management
- 6.3. Capital Improvement Grants
- 6.4. Product Testing Grants
- 6.5. Micro-Grants for Collection & Reuse
- 6.6. Innovation & Design Grants
- 6.7. New Collection Strategies/Small Infrastructure Award Pilot Program
- 6.8. Additional Grant Activities in 2022

6.1 Grants Overview

To advance carpet stewardship goals, the Program awards several types of grants:

- **Capital Improvement Grants** (numbered sequentially and labeled as “A” cycle grants, such as Cycle 5A in 2021 and 6A in 2023; note that a special, one-time capital grant in 2019 was designated as Cycle 3X).
- **Product Testing Grants** (“B” cycle).
- **Micro-Grants for Collection & Reuse** (“M” cycle).
- **Innovation & Design Grants** (“I&D” cycle; this new grant cycle was launched in 2022, with the first round of I&D Grants to be awarded in 2023).
- **New Collection Strategies/Small Infrastructure Award Pilot Program** (“P” cycle; this new program was launched to investigate the additional PCC volume impact and cost of smaller-source collections).

These grants, described in the sections below, are designed to increase the following:

- Number and capacity of Tier 1 Processors and Tier 2 Manufacturers.
- Number and variety of recycled carpet content products with increasing PCC.
- Testing and development support for reformulated products, using recycled carpet content to explore new uses for PCC, and to ensure these products perform as required.

- Additional collection for reuse and processing of PCC through new or existing programs with infrastructure and equipment needs.
- More environmentally preferable PCC-content products and carpet designs.

Table 6-1 provides a summary of grant funds approved for payout in 2022, from both current and previous grant cycles. Note that funds approved for payout may be posted to prior years, in accordance with Generally Accepted Accounting Principles (GAAP). In 2022, new grant funds were awarded for Micro-Grants for Collection & Reuse (Cycle 5M) and New Collection Strategies/Small Infrastructure Award Pilot Program.

Table 6-1. Summary of Grant Funding in 2022

Cycle	Grant Type	Year Awarded	Approved for Payment in 2022	2022 New Funds Awarded
5A	Capital Improvement	2021	\$229,815	N/A
4A	Capital Improvement	2020	\$51,000	N/A
3X	Capital Improvement	2019	\$21,325	N/A
2B	Product Testing	2018	\$18,938	N/A
5M	Micro-Grants	2022	\$3,306	\$61,330
4M	Micro-Grants	2021	\$15,000	N/A
1P	New Collection Strategies/ Small Infrastructure Award Pilot Program	2022	\$0	\$50,000
Totals	All Grant Types	2018–2022	\$339,383	\$111,330

*Table Note: Grant totals do not sum to exact total due to rounding to the nearest dollar. New grants awarded in 2022 are shown in **bold**. Funds approved for payout may be posted to prior years, in accordance with Generally Accepted Accounting Principles.*

6.2 Grant Selection & Management

The process of awarding grants involves engaging with an independent technical review committee and follows a formal protocol in alignment with criteria outlined in the Program's grant solicitations. The review committee brings complementary expertise and experience to the process. This is not an exact science, and the Program continued to refine its selection and evaluation protocols over time.

To track grant results and progress toward recycling targets, the Program engages in site visits, consultation, written reports, and signed Agreed Upon Procedures (AUPs) with grantees. The Grants Manager convenes a quarterly review to evaluate actual performance in comparison with contract commitments. Other management tasks are outlined below:

- All new grantees complete contracts and submit quarterly reporting. Each completed project must submit a final report before its 10% retention funding is released. (Retentions are not held on micro-grant projects.)
- Ongoing monitoring of past grantees ensures commitments are met and any project hurdles are overcome.
- The Program runs AUPs for four of its grantees, with at least one AUP per cycle.
- The Program processes payment requests for reimbursement as needed by the grantee and within the grantee's contract term. The Program follows a strict, multiple-step review and signature protocol for release of funds.
- The marketing team sends small stickers to grantees to identify grant-funded equipment as well as large decals to recipients of collection containers. The Program then requires grantees to send a photo to the grant manager for proof of installation.

6.3 Capital Improvement Grants

The Program's **Capital Improvement Grants (Cycle A)** fund capital improvement and infrastructure; equipment; and construction, renovation, or expansion of collection, processing, or manufacturing facilities that manage or use California-generated PCC. The grants can also be used for partnerships intended to increase the use of Recycled Output. The goal is to "increase the quantity (pounds) of California-generated PCC that is collected, recycled, and utilized in manufacturing of Tier 2 recycled products" during the 2-year grant term plus at least 3 years beyond the grant term. Both public and private entities are eligible for awards up to \$500,000. The Program allocated \$1 million to Cycle 5A in 2021 and will allocate approximately \$750,000 to Cycle 6A in 2023. A budget of \$750,000 was originally allocated in 2022 even though Capital Improvement Grants (Cycle A) are now run on a two-year timeline for each grantee. No applications were completed, and no new capital grants were awarded in 2022.

California-based projects are prioritized for capital funding. The Program targets a minimum 75% of funds for California businesses and since its inception has allocated approximately 90% of funding for California-based projects. As required by AB 1158, Highest Recyclability is considered during grant proposal evaluation, with the Highest

Recyclability score weighted at 15 percent of the total proposal score. (Table 6-2 in the *Carpet Stewardship Plan 2023–2027* defines Highest Recyclability based on ease of deconstruction, markets, energy savings, and other factors.)

New Capital Improvement Grants in 2022–2023 (Cycle 6A)

The Program launched Cycle 6A (\$750,000 allocated) in spring 2022. Only one application was received, however; and it was not funded because the applicant failed to complete the full application. CARE believes Cycle 6A was undersubscribed in 2022 because several projects were already underway at California’s main Collector/Sorters, Processors, and Manufacturers. There was renewed interest in Cycle A in late 2022, and the Program plans to relaunch Cycle 6A in 2023.

Capital Grant Results in 2022

Grant-funded capital projects launched in 2022 or earlier (28 total) resulted in nearly 40 million pounds of Recycled Output or PCC in finished secondary products in 2022, along with more than 25 million additional pounds of PCC collected for recycling or reused, as a result of grant funding.

Six grant-funded active projects from Cycles 4A and 5A continued in 2022. Five of those projects were completed in 2022, and retentions were released after grantees met performance objectives and submitted final reporting. Those included three grants awarded to Circular Polymers by Ascend, one grant to Aquafil Carpet Recycling 1 (ACR1), and one grant to Hayward Transfer Station. Other grantees still within active terms in 2022 included Los Angeles Fiber Company, Circular Polymers by Ascend, and ACR1 under a different grant cycle.

Since grantees began producing additional recycled output in 2016, the Program has paid 5 cents per pound when considering the total dollars invested. To support manufacturing with PCC, the Program has paid 7 cents per pound of output based on total investment. The Program has paid approximately 2 cents per pound for additional collections in urban areas since the Program began.

6.4 Product Testing Grants

The Program’s **Product Testing Grants (Cycle B)** fund activities focused on product testing, research and development, and similar activities to enhance PCC collection, recycling, and use in manufacturing. This applies to feedstock conversion projects, new or reformulated products, or feasibility studies for new uses of PCC materials. The goal is to provide “assistance to eligible applicants to research, develop, and test new

products or reformulate existing products produced using PCC material generated in California.” This Cycle targets a minimum 75% of funding for California projects.

New Product Testing Grants in 2022 (Cycle 5B)

Both public and private entities were eligible for Cycle 5B funds in 2022. The Program allocated \$150,000 to Cycle 5B, and \$50,000 was the maximum award. The grant term is limited to one year. Cycle 5B was launched in 2022 as an “evergreen” cycle, which remains open for applications on a rolling basis and will remain open in 2023. Only one application was received in late 2022 and was under review in 2023.

Product Testing Grant Results in 2022

Multiple Product Testing Grants that were awarded previously continued their work in 2022, including the following activities:

- **3B Protection** continues to test and market ballistic and blast protection products made with PC4 and PCC aggregate inclusion.
- **CMJ Systems** has passed testing to market a concrete mix with PCC fiber for residential applications (bagged and slab-on-grade) and continued to work on commercial acceptance. CMJ also made strides in getting this product into the International Code Council Product Listing. CMJ chose to discontinue this project after meeting its extended grant deadline, however; CARE continues to communicate with CMJ should an opportunity arise to advance this project.
- **GC Products** includes PC4 at 4.7 percent by weight in its colored glass fiber-reinforced concrete product.
- **necoTech** found viable applications for densified PCC, PCC fiber, and PC4 in cementitious block and military-grade asphalt applications. necoTech continues to engage with CARE and its California PCC suppliers as it develops its products and network.
- **ReFiber LLC** continues to work on using CA-sourced PCC materials in finished products. The company is currently moving into a new location and recently installed two new infiltration projects in the Bay Area in 2023. ReFiber plans to apply for a Cycle 5B CARE testing grant in 2023 in order to test PC4 material in new applications.
- **Verdex Technologies, Inc.** installed a 25-inch line to create nonwoven rolls for HVAC/HEPA filtration products.
- **Visions Environmental** continues to develop its lightweight aggregate, which includes PC4, and to market this product to companies in Northern California.

In 2022, Arizona Alternative Materials (AAM) of Phoenix, Arizona, discontinued its grant project that was previously awarded. Funds were awarded for this company to test PC4 in three higher end-use concrete applications in 2021 through 2022. AAM tested PC4 in concrete as a substitute for cement and fly ash to create a baseline for further screened PC4 testing. It became too difficult, however, for AAM to secure an ongoing PC4 screening contractor. The grantee decided to end its grant project, and no funds were paid to this project. The Program's grants manager and market development manager continue to communicate with AAM should other PCC recycling opportunities arise.

6.5 Micro-Grants for Collection & Reuse

The Program's **Micro-Grants for Collection & Reuse (Cycle M)** award up to \$15,000 per project, to California public agencies, nonprofits, public or private businesses, public Drop-off Sites, and Collector/Sorters for new and existing collection or reuse programs. CARE allocated \$100,000 for this cycle in 2022. The goal is to achieve additional collection or reuse through infrastructure improvements (localized hauling) and/or equipment (weather covers). Due to the continuing need to increase collections and bring on new Drop-off Sites, Cycle M now remains open throughout the year—called an “evergreen” cycle—as a commitment to enhancing convenient collection efforts. Entities are given one year to complete projects.

An additional \$100,000 was allocated to union-based training centers for small grants to flooring professionals. These grants are included with Micro-Grants as they are eligible for up to \$15,000 per project. One was awarded in 2021, but no applicant requested these union-based grants in 2022, and thus none was awarded.

Collection & Reuse Micro-Grants in 2022 (Cycle 5M)

The following Micro-Grants for Collection & Reuse were funded in 2022, all in California:

- **BJM**, Petaluma, multiple sites (\$15,000). Funds will pay for small pieces of equipment needed to load PCC at various sites. All are new sites, and some filled specific gaps in the convenient collection network.
- **DFS Flooring, LP**, Van Nuys (\$1,843). Funds will pay for small pieces of equipment, such as strapping and stairs, to assist this new site with loading PCC into its collection container. This site filled a convenient collection gap.
- **Golden Bear Transfer Station**, Richmond (\$14,487). This new site will purchase a 40-yard covered roll-off to store and transport PCC from its site to a carpet recycler. This site filled a convenient collection gap.

- **GreenWaste Carpet Recycling**, San Jose (\$15,000). GreenWaste will purchase two new trinamiX fiber identification devices and software and will share the results of testing this new technology with CARE and its carpet recycling network.
- **Repurpose.Earth**, Inglewood (\$15,000). This carpet tile reuse company requested funds for a forklift to move pallets of carpet tile for shipment to end users. Repurpose.Earth helped CARE meet its 2022 Reuse goal.

Micro-Grants Results in 2022

In 2022, Micro-Grants funded three new public Drop-off Sites and one new broker of reused PCC tiles. Most Cycle 5M grantees were selected in the latter half of the year; accordingly, no funds were requested for reimbursement in 2022. However, 28 other micro-grantees remained active in 2022 and collected over 4.2 million additional California PCC pounds. Pounds produced by micro-grantees who were also funded for collection projects under the Capital Improvement Grants cycle are included under the collected pounds total above in Section 6.3 above.

Based on total investments made since 2017, the program has paid approximately 23 cents per pound collected for Micro-Grant projects. The cost per pound ranges from 1 cent up to 62 cents to provide support for rural sites.

Serv Wel in Montebello, California, was paid \$15,000 in 2022 under the previous Cycle 4M and completed its grant project. Serv Wel continues to use its three grant-funded containers to service the Shaw Cypress distribution center, which diverts significant pounds to recycling annually.

6.6 Innovation & Design Grants

The Program initiated **Innovation & Design (I&D) Grants (Cycle I&D)** as a new grant cycle in 2022. The I&D grants are intended to seed projects that create more recyclable carpet constructions and environmentally preferable PCC-content products. CARE discussed recycling and carpet design bottlenecks with several potential applicants, ranging from private companies to universities, in late 2022 in the early stages of their proposals. The first round of I&D Grant awards was announced in summer 2023.

6.7 New Collection Strategies/Small Infrastructure Award Pilot Program

In 2022, the Program launched a **New Collection Strategies/Small Infrastructure Award Pilot Program** to investigate the impact and cost of smaller-source collections. Circular Polymers by Ascend received a \$50,000 award under the new program. During the pilot project, 94,500 pounds of tear-out carpet were collected in total from four sites using onsite self-storage containers from the PODS company. The grantee found that the total cost of collecting and transporting material from smaller accounts using PODS containers was nearly five times as high as its regular transporter. Accordingly, this strategy might only make sense for CARE to replicate under the following circumstances:

- If the site is needed to meet a convenient collection goal and another container type is not suitable.
- If PODS switched a full container with an empty container to avoid two trips.
- If the local transportation radius was increased to 50 miles or more, or if more small storage containers were consolidated on one trailer to the recycler.
- If CARE brought the small storage container program in-house, which would require special equipment.

Note that this program could make sense for collectors or Collector/Sorters to run themselves if they are hoping to collect and consolidate PCC from several retailers in a densely populated area.

6.8 Additional Grant Activities in 2022

In addition to the grant activities described previously in this chapter, other grant-related actions in 2022 included the following:

- New case studies were created for Cycle 4M projects, to promote Micro-Grants and generate ideas, as well as for **Circular Polymers by Ascend**, which began processing PCC commercial broadloom and tiles.
- Four AUPs were completed across different grant cycles.
- In 2021, CARE selected an out-of-state Cycle 5A recipient to own equipment, which would be installed at a California processor, in order to ship material more efficiently to this out-of-state customer for its end-use building products. The grant was transferred in 2022, at the request of the original grantee, to **Circular**

Polymers by Ascend of Lincoln, California. The award gives \$450,000 to Circular Polymers for a California-based baling machine that would allow California PCC to be properly baled and more efficiently shipped to customers.

- With the closing of **Aquafil Carpet Recycling 2 (ACR2)** in Woodland, California, ACR2's grant-funded processing equipment was transferred to Aquafil Carpet Recycling 1 (ACR1) in Phoenix, Arizona, under a new contract for the same recycling purpose.

7 Market Development

CCR 18944(a)(6) Market Development. *The annual report shall include a description of possible market development activities to incentivize the market growth of secondary products made from post-consumer carpet.*

This chapter includes the following sections:

- 7.1. Market Development Overview
- 7.2. Technical Assistance & Outreach
- 7.3. Market Development Policy Support
- 7.4. Measuring Market Development
- 7.5. Product Development & Available Recycled Products
- 7.6. Conferences & Market Development
- 7.7. Business & Marketing Assistance

7.1 Market Development Overview

In 2022, historical successes in product development work based on the concept of feedstock conversion continued. This involves adding PCC material into the recipes of existing secondary products; new products were also developed using PCC material. Newly released equipment and testing grants are providing insight into the ability to apply PCC materials in new emerging markets, including the use of post-consumer PET densified face fiber for chemical/molecular recycling and the use of PC4 in decorative, non-structural facades; road-base/asphalt applications; and sound-deadening wall applications.

The Program continued with its long-standing commitment to providing market and product development assistance, as well as affording substantial support, both through technical assistance and grants, for California-based capacity expansion. Key to the Program's market development and product expansion efforts have been the consistent and reliable expertise in the following areas: Technical Assistance via Assets Unlimited (Frank Endrenyi), Grants Management and Coordination via Abbie Beane, Marketing and Communications Strategies via Gigantic Ideas Studio, and direct staffing from CARE Product and Market Development Manager Rob Thiess.

The Program's product and market development strategies include the following:

- Development/support of new recycled carpet products produced in California.
- Exploration of alternative uses for PCC in existing products.
- Increasing the number of manufacturers producing recycled carpet products in California and the number of PCC collectors in California.
- Increasing the volume of used PCC materials that Tier 2 Manufacturers use in their recycled carpet products in California.
- Development of a Carpet Tile Collection plan and help to educate the public on the reuse and recycling of the Carpet Tiles collected. The Program worked with several potential and existing reused carpet tile outlets to increase the amount of carpet tile flowing to reuse. Collector/Sorters and union groups were also provided with technical assistance to help locate and prepare the carpet tile for reuse.
- Engaging with public entities, Department of General Services (DGS), the State Agency Buy Recycled Campaign (SABRC), the State Agency Green Employee group (SAGE), and procurement groups that are required to purchase "green products" to increase interest and build market demand for purchasing recycled carpet-content products for their projects.
- Building market demand with companies outside of California to use and incorporate PCC materials into their current or additional product lines when additional volume is available.
- Participation in multiple tradeshow events via presentations, and/or displays, often with recyclers present to promote their products and to get the word out that carpet is recyclable.
- Extensive confidential consulting with Eastman Chemical Company on their Carbon Renewal project and future Methanolysis PET Depolymerization plans.
- Recycler engagement with Rise Technologies to qualify post-consumer polyurethane carpet tile backing to be used in commercial and residential siding applications.
- Extensive and ongoing dialog and support for recyclers in general on feedstocks, processing technology and market opportunities.
- Regular testing of California PCC material ash and moisture levels to assure that proper subsidies are paid.

7.2 Technical Assistance & Outreach

The Program continues to provide technical and business development assistance to Processors, Manufacturers, and their potential customers on a confidential basis. Current product and market development work is being driven by two primary California companies working to expand markets:

- **Circular Polymers by Ascend**, a 2021 Cycle 5A grant recipient in Lincoln, continued to expand its capacity to accept California-sourced Carpet Tiles and Commercial Broadloom. Circular Polymers has also increased its overall ability to process additional PCC volumes. The company's carpet tile recycling testing efforts were funded in part by the Program.
- **Los Angeles Fiber Company (LAF)** in Vernon completed its new dust collection plant, which expands yield and creates a better work environment. The extra capacity that this creates enables LAF to accept and process streams that are more difficult to recycle, including scrap carpet pieces. The project was supported by grant funds.

Technical assistance and outreach activities in 2022 continued to center on maintaining and building upon the successful product and market efforts that the Program has established for California post-consumer carpet (PCC) material in the following ways:

- An outreach effort to contact all California companies currently manufacturing products containing post-consumer recycled material, in an effort to expand PCC market outlets for California Processors.
- Continued outreach to California-based recycled product Tier 2 Manufacturers to examine additional ways to support expansion efforts to incorporate a higher volume of PCC in their current product lines.
- **NecoTech**, a product testing grantee, continued testing of California PCC in new products. NecoTech, in partnership with the Department of Defense, is testing PCC materials for use in asphalt base construction.
- **GC Products** continued to test the performance of PC4 additions in both sound-deadening and decorative non-structural facades with the goal of incorporating more PC4 into their product lines.

7.3 Market Development Policy Support

Building on the progress above, ongoing policy-related efforts include the following:

- Marketing outreach for environmental sustainability and State procurement professionals via education of the SABRC, DGS, and SAGE programs.
- Introducing new additions to AB 661/1369, which will aid in language sent to contractors. This language explains that carpet pulled from rehabilitation projects must be recycled and that the replacement of materials should contain a recycled-content element. They should also source Carpet-Derived Products containing California-derived PCC material when available.
- A Carpet-Derived Products category would include, but not be limited to acoustical materials, architectural elements, carpet, carpet cushion, insulation for buildings, insulation for product shipment, flooring systems, flooring underlayment, mats, manufactured lumber, pallets, parking stops, spill absorbency, and wheelchair ramps.
- The Program continued to increase processing and collections in 2022 based on grants and capital investments in new and existing processing facilities and collections operations.
- Ongoing technical assistance and outreach to companies currently using recycled content material or having the potential to incorporate PCC.
- Responding to direct contacts received by CARE and outreach by CARE based on trade literature and conference connections.
- Marketing and promotion business assistance efforts were coordinated with the Program's outreach contractor (Gigantic Idea Studio), where appropriate, to further facilitate materials collection, product expansion, sales, website updates and product placement assistance to companies currently using PCC.

7.4 Measuring Market Development

Market development is currently measured in two primary ways: the number of Tier 2 pounds used in the manufacture of recycled products, as reported by Tier 2 Manufacturers; and the number of products containing PCC recycled content, as self-reported by participating and non-participating manufacturers (note that the product counts are not necessarily equivalent to stock-keeping units, or SKU numbers).

As noted in Table 2-1 on page 5, 2022 saw a major increase in Nylon 6 Tier 2 Manufacturer Output and a decrease in Non-Nylon Tier 2 Manufacturer Output in

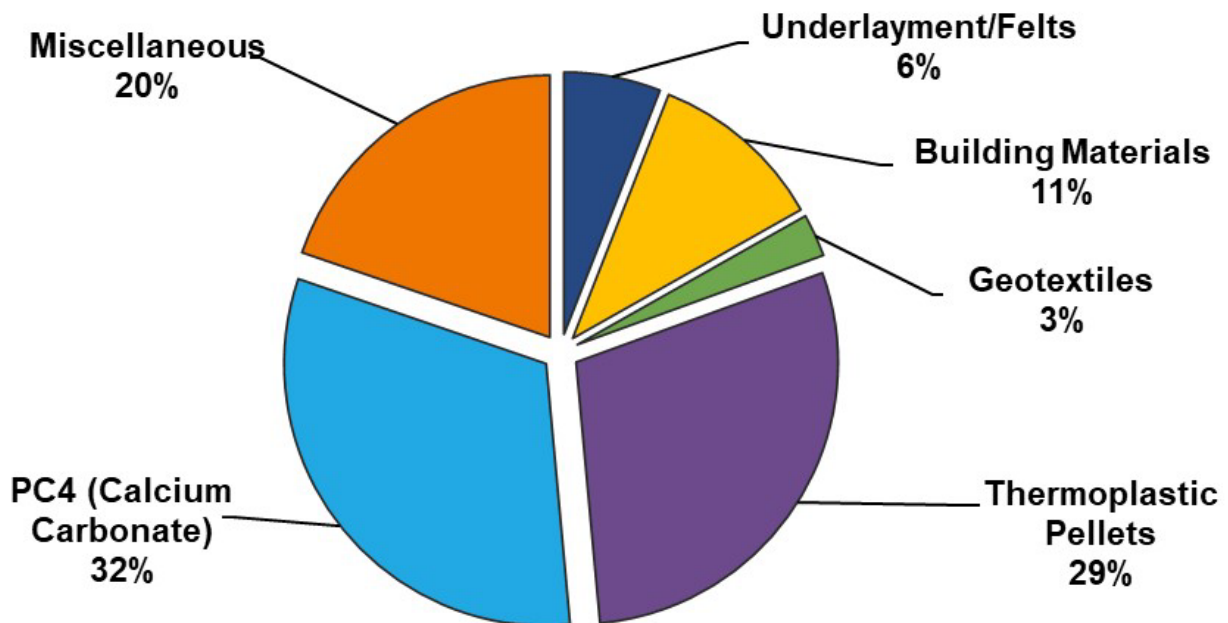
products shipped and sold. With Nylon 6 Tier 2 Manufacturer Output nearly doubling, the combined Tier 2 Manufacturer Output increased 14% from 38.2 million pounds in 2021 to 43.7 million pounds in 2022.

The Tier 2 Nylon 6 subsidy, coupled with the Highest Recyclability incentive, continued to spur growth in 2022. This subsidy enables the Program to track secondary use of Nylon 6 in Tier 2 manufacturing. The Nylon pounds shipped and sold increased to 23.8 million pounds in 2022, nearly double the 12.1 million pounds in 2021, a 97% increase in Nylon 6 Tier 2 Manufacturer Output. In addition to Tier 2 Manufacturer Output, Tier 1 Processors produced 20.3 million pounds of recycled PC4 shipped and sold in 2022 for use in secondary products, a 19% increase from 17.1 million pounds in 2021.

Of the Tier 2 Manufacturers reporting to the Program in 2022, a total of 10 active Tier 2 Manufacturers received subsidy payments in 2022 (shown in Table 4-8), the same as in 2021. Participating Tier 2 Manufacturers reported the product output categories shown in Figure 7-1.

In total, 23 manufacturers, including those not collecting subsidies, made products with California-sourced PCC in 2022; this number includes 9 California manufacturers. The total number of products manufactured with recycled-carpet content was 100 in 2022.

Figure 7-1. Product Output Categories in 2022



Recycled product outputs for 2022 are divided into six main product categories:

- **32% PC4** (used in variety of products such as rubber mats, transition ramps, cement, adsorbents, and lightweight aggregate), similar to 31% in 2021.
- **29% Thermoplastic Pellets** (including Polypropylene and Nylon 6, used in a variety of new plastic products), up from 17% in 2021.
- **11% Building Materials** (such as insulation and plastic lumber), compared with 15% in 2021.
- **6% Underlayment/Felts** (such as carpet cushion), compared with 9% in 2021.
- **3% Geotextiles** (such as erosion control products), compared with 6% in 2021.
- **20% Miscellaneous** (such as adsorbent, bedding, and packaging), compared with 22% in 2021.

Manufacturer listings are voluntary and may not include all available products containing California PCC, particularly if the manufacturer is not participating in the subsidy program.

7.5 Product Development & Available Recycled Products

The following companies took steps to expand the use of California Recycled Output in new products in 2022:

- **Circular Polymers by Ascend** expanded their equipment lines throughout 2021 and 2022 and now have the capability to recycle commercial broadloom and carpet tiles more efficiently.
- **Green Hive Group** continued to find new end-users for their absorbent product, AbsorbsWell.
- **NecoTech** manufactured asphalt and concrete mixes with post-consumer recycled carpet materials for the Department of Defense and private sectors; ongoing, long-term testing is in process.
- **Rise Technologies** has incorporated both Polypropylene and PET materials into their siding manufacturing business. They are currently undergoing a long-term evaluation process for the use of polyurethane backing, which is sourced from post-consumer carpet tiles in California.
- **San Pallets** has received grant funding to establish production lines for manufacturing plastic end caps and pallets specifically designed for rolled goods and other products.
- **Visions Environmental** has developed lightweight aggregate mixes that are being tested for use in concrete block units for non-structural applications.

The Program provides a [video](#) and additional information about [Recycled Carpet-Derived Products](#) on the CARE California website.

7.6 Conferences & Market Development

In 2022, CARE’s Market Development Manager and other team members participated in a number of conferences and meetings on behalf of the California Carpet Stewardship Program to help advance recycled carpet products:

- Participated in and engaged with industry and local government professionals during the California Resource Recovery Association’s (CRRA) in-person conference in Oceanside in September.
- Conferred with CalRecycle Local Assistance and Market Development staff.
- Participated in the Greenbuild International Conference & Expo held in San Francisco in November.
- Worked with the SABRC campaign to provide information to include PCC products in legislation requiring the purchase of recycled-content products by local governments.
- Continued providing information regarding inclusion of carpet tear-out in legislation and bid language requiring the recycling of demolition materials for government projects (ongoing effort).
- Participated in the California Association of Public Procurement Officials (CAPPO 22) annual conference held in Pasadena in January–February 2022.
- Participated in the Mohawk Edge Summit Conference in Nashville, Tennessee, in December.
- Marketing and communications activities included efforts described in Section 7.7 below and in Chapter 9, *Education & Outreach*.

7.7 Business & Marketing Assistance

To support expanded use of California-sourced PCC in end products, the Program conducted marketing and business assistance efforts including the following:

- Revised two digital versions of the Recycled Carpet-Derived Products flier in March and December 2022.
- Updated presentation on procurement for SAGE, CalRecycle, and Fuse Network.
- For CAPPO, placed ad in Directory, supported conference booth, and created video promoting PCC-derived products.

The Program and its marketing and outreach contractor (Gigantic Idea Studio) also provided support on grants-related communications, including flyers, blog posts, video, and print case studies for Program grantees. Related activities are covered in Chapter 6, *Grants*, and in Chapter 9, *Education & Outreach*.

8 Financing Mechanisms

CCR 18944(a)(7) Financing Mechanism. *The annual report shall include a description and evaluation of the program's financing mechanism, including whether or not the funding was sufficient to recover, but not exceed, the full cost of the stewardship program. The annual report shall include, but not be limited to, the following total program cost information, and include any supporting documentation. Any proposed change in the amount of the carpet stewardship assessment fee must be submitted to the department for re-approval.*

This chapter explains the Program's financing mechanisms in the following sections:

- 8.1. Total Program Cost
- 8.2. Cost per Capita
- 8.3. Cost per Pound Collected
- 8.4. Education & Communications Costs
- 8.5. End-of-Life Materials Management Costs
- 8.6. Program Administration Costs
- 8.7. Governance Costs
- 8.8. Total Cost to Local Government
- 8.9. Assessment Amounts & Evaluation
- 8.10. Surplus Funding, Fund Balance & Reserve

8.1 Total Program Cost

CCR 18944(a)(7)(A) Total Program Cost

The following numbers are reported in accordance with the accrual basis accounting method:

- **2022 Starting Fund Balance: \$12.2 million.**
- **2022 Total Income: \$22.6 million**, consisting primarily of assessment remittances paid by participating Carpet Mills, plus a small amount interest and late fees.
- **2022 Total Expenses: \$31.6 million.**
- **2022 Ending Fund Balance: \$3.2 million.**
- **2022 Ending Program Reserve: \$5.6 million.**

Table 8-1 on the following page shows how the **Total Program Cost of \$31.6 million in 2022** was allocated among different expenditure categories, and Figure 8-1 shows the Income, Expenses, Fund Balance, and Reserve by quarter for 2022. During the worldwide business and supply chain impacts experienced in the COVID-19 pandemic, the available fund balance enabled the Program to support and sustain recyclers, preventing the potential loss of any Collector/Sorters, Processors, or Manufacturers involved in the California Program. Based on feedback from recyclers, pandemic-related shutdowns and possible closure of operations would likely have occurred if the Program had not implemented its COVID-19 Action Plan.

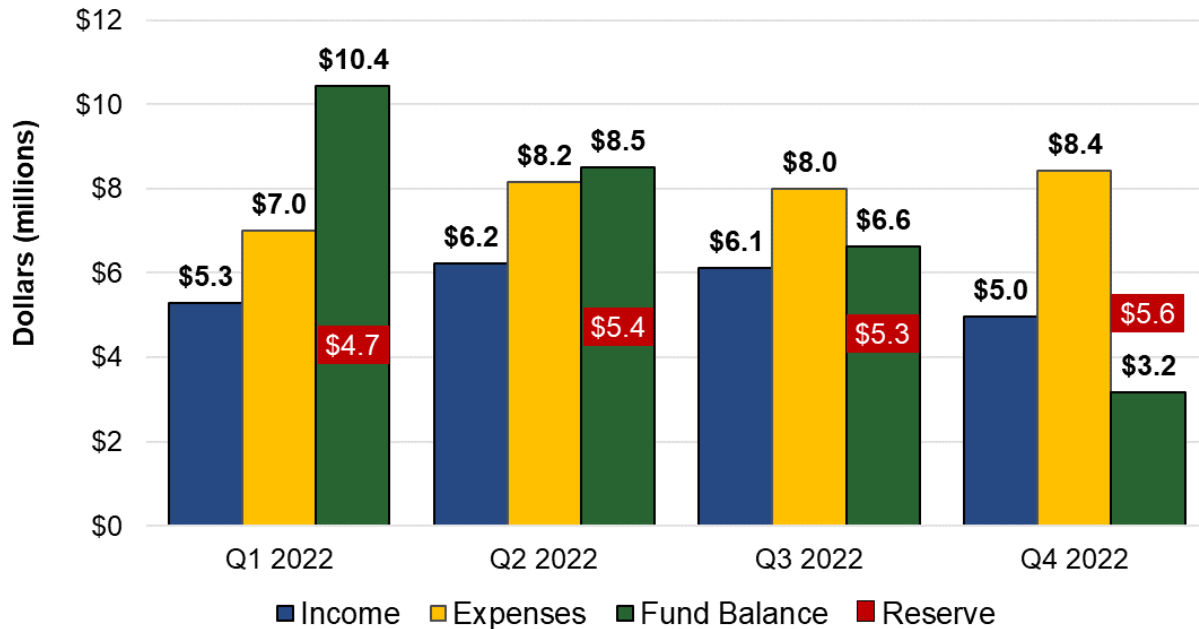
Table 8-1. Total Program Expenditures in 2021 and 2022 (thousands of dollars)

Program Expenditures (in thousands of dollars)	2021 Total	2021 % of Total	2022 Actual	2022 % of Total
Subsidy Payouts: (accrual)	\$23,142	77.6%	\$25,082	79.4%
Collector/Sorter (CSE) Subsidy Payouts	\$3,093	10.4%	\$3,709	11.7%
Tier 1 Processor Subsidy Payouts	\$10,439	35.0%	\$11,196	35.4%
Tier 2 Manufacturer Subsidy Payouts	\$9,609	32.2%	\$10,177	32.2%
Program Expenses:	\$4,168	14.0%	\$3,793	12.0%
Advisory Committee	\$8	0.0%	\$3	0.0%
Education & Outreach	\$1,062	3.6%	\$1,271	4.0%
Collections Program	\$1,398	4.7%	\$1,901	6.0%
Grants	\$1,235	4.1%	\$237	0.8%
Technical Assistance	\$465	1.6%	\$381	1.2%
Administrative Expenses:	\$2,500	8.4%	\$2,721	8.6%
CalRecycle Fees	\$635	2.1%	\$712	2.3%
CARE Administrative Expenses (Office)	\$51	0.2%	\$49	0.2%
Direct Expenses (CARE)	\$1,071	3.6%	\$1,004	3.2%
Direct Support (CARE)	\$340	1.1%	\$422	1.3%
Legal	\$54	0.2%	\$140	0.4%
Accounting	\$349	1.2%	\$393	1.2%
Bad Debt	\$0	0.0%	\$0	0.0%
Subtotal of Program & Admin. Expenses	\$6,667	22.4%	\$6,514	20.6%
TOTAL Expenses	\$29,809	100.0%	\$31,596	100.0%

Table Notes: This table shows Program expenditures in thousands of dollars, including Subsidy Payouts, Program Expenses, and Administrative (Admin.) Expenses (Exp.).

Figure 8-1 summarizes the revenues (Income), expenditures (Expenses), Fund Balance, and Reserve funds retained by quarter in 2022. Note, Program revenue is realized through the sales of new carpet, which vary by season and is reflected as the reported income.

Figure 8-1. Program Remittances, Expenditures, and Balance by Quarter for 2022



In Table 8-1 above, Program Administration includes CARE Administrative Expenses (Office), Accounting and Legal Expenses, Direct Expenses (Salaries & Benefits), and Direct Support. Technical Assistance expenses include technical assistance/consulting to recyclers, modeling consultant, PET project, testing fees, reporting database, and studies.

The Program prioritizes subsidy expenditures which incentivize Collector/Sorters, Tier 1 Processors, and Tier 2 Manufacturers based on actual pounds of PCC material managed, shipped, and sold/donated. In this way, payouts are linked to direct market results, increasing accountability, and tying Program investments to market-based solutions. In 2022, some Program expenses, including Advisory Committee expenses and travel, remained lower than pre-pandemic levels. Continuing its pandemic-era efforts to support and sustain Collector/Sorters, Processors, and Manufacturers, in 2022 the Program maintained subsidy adjustments from its COVID-19 Action Plan to aid in business continuity.

8.2 Cost per Capita

CCR 18944(a)(7)(B) Cost(\$)/capita

Based on California's population of roughly 38.9 million people in 2022, the \$31.6 million expended in 2022 on total Program expenses represents **\$0.81 per capita**.¹

8.3 Cost per Pound Collected

CCR 18944(a)(7)(C) Cost (\$)/pound collected

Gross Collection of post-consumer carpet totaled 93.3 million pounds in 2022. Based on the population noted above, an average of 2.4 pounds of PCC was recovered per capita. Based on total Program costs in 2022 of \$31.6 million, the total **cost per pound collected is \$0.34**, the same as in 2021.

Considering the **direct costs** (transportation, storage, and Collector/Sorter recycling fees) of the Program's **public Drop-off Sites**, the average cost per pound collected remained at \$0.10 per pound in 2022, the same since 2019. The average cost per pound has decreased from \$0.17 per pound in 2015, while the PCC tonnage collected has increased. Since 2018, the Program has tracked direct costs for Urban versus Rural collection sites in the public Drop-off Collection program. For 2022, Urban costs averaged \$0.09 per pound with 15 million pounds of PCC collected at public Drop-off Sites. Rural costs averaged \$0.18 per pound with more than 2 million PCC pounds collected. Table 8-2 shows the costs and quantities of Urban and Rural pounds (in millions) collected in recent years.

¹ Per-capita calculations are based on the [California Department of Finance's population estimate](#) of 38,940,231 as of January 1, 2023. (Future reporting will use 2020 Census data as requested by CalRecycle and stated in the 2023–2027 Plan.)

Table 8-2. Costs per Pound and Quantities Collected at Public Drop-off Sites: Urban, Rural, and Combined

Year	Urban Cost per Pound	Urban Pounds (millions)	Rural Cost per Pound	Rural Pounds (millions)	Combined Cost per Pound	Combined Pounds (millions)
2017	N/A	N/A	N/A	N/A	\$0.10	6.9
2018	\$0.10	6.1	\$0.17	1.8	\$0.12	7.9
2019	\$0.08	8.7	\$0.21	1.5	\$0.10	10.2
2020	\$0.09	8.9	\$0.20	1.3	\$0.10	10.2
2021	\$0.09	11.1	\$0.18	1.6	\$0.10	12.8
2022	\$0.09	15.0	\$0.18	2.0	\$0.10	17.1

Table Notes: Figures may not sum to total due to rounding.

Rural program costs are generally higher due to smaller volumes captured over a longer period, container storage fees, and greater transport distances, which are affected by federal Department of Transportation rules limiting driver road time. Conversely, Urban program costs generally relate to larger volumes captured in shorter time frames, lower container storage costs (containers swapped out more frequently), and shorter transport distances. Additionally, some Urban sites may choose to self-haul, a cost the Program reimburses, which often can afford a lower transport rate as well as no added container storage costs. Note that these costs reflect direct Drop-off Site costs, not overall Program costs, which include subsidies, payroll, and grants.

8.4 Education & Communications Costs

CCR 18944(a)(7)(D) Education/Communications (% of total program cost)

To maintain engagement with multiple stakeholder groups, with widely different perspectives and agendas, the approved 2018–2022 Plan included a forecasted budget for marketing, outreach, education, and communications of \$1.2 million for 2022. Actual expenditures may be adjusted over the course of each year in response to dynamic program conditions, new educational opportunities, or other factors. Due to continuing COVID-19 pandemic-related effects including remote work, travel expenses for the Outreach Team remained lower than pre-pandemic levels, though they increased from 2020 and 2021. Expenses for the California Carpet Advisory Committee (\$3,000 in 2022) remained well below pre-pandemic levels.

In 2022, actual expenditures in the Education & Outreach category totaled nearly \$1.3 million, about 4% of the total annual expenses. While education and communications activities help advance program goals, the Program relies primarily on subsidy expenditures as the principal mechanism (representing 79% of expenses) for achieving increased Recycled Output, Diversion, and other program goals.

8.5 End-of-Life Materials Management Costs

CCR 18944(a)(7)(E) End-of-life materials management (% of total program cost)

For the purpose of this report, End-of-Life (EOL) is defined as activities occurring at the point when a product is discarded by the consumer or the end of the useful life of a product, whichever comes first. EOL disposition options include such activities as reuse, recycling, secondary product manufacturing, energy recovery, and landfilling. In 2022, Program resources were directed to support EOL materials management in the following amounts:

1. **Gross Collection.** In 2022, the Program expended nearly \$1.9 million on operational support for public Drop-off Sites serving all 58 counties in California (see Chapter 4). This is a cost increase of 36% from 2021 as many new sites were added.
2. **Grants.** Grant funds paid out in 2022 totaled \$237,233, including payouts from grant cycles committed in previous years as well as new grants awarded in 2022. Chapter 6 and Table 6-1 provide more details on grant funding. Note that accounting principles stipulate that grant funds committed and paid in a year must be accounted for in that year's financials. Table 6-1 is a statement of committed and paid funds but does not take accounting periods and accrual into consideration, so figures may differ.
3. **Recycling.** Most Program resources support the conversion of Gross Collection into Recycled Output materials by participating Tier 1 Processors and use of generated Recycled Output as feedstock by Tier 2 Manufacturers. In 2022, \$25.1 million was paid through the following subsidies and incentives supporting recycling (see Figure 8-2 and Figure 8-3):
 - **Collector/Sorter Entrepreneur (CSE) Subsidies**, \$3.7 million.
 - **Tier 1 Processor Subsidies**, \$11.2 million.
 - **Tier 2 Manufacturer Subsidies**, \$10.2 million.

Figure 8-2. Program Expenditure Ratios in 2022 (millions of dollars)

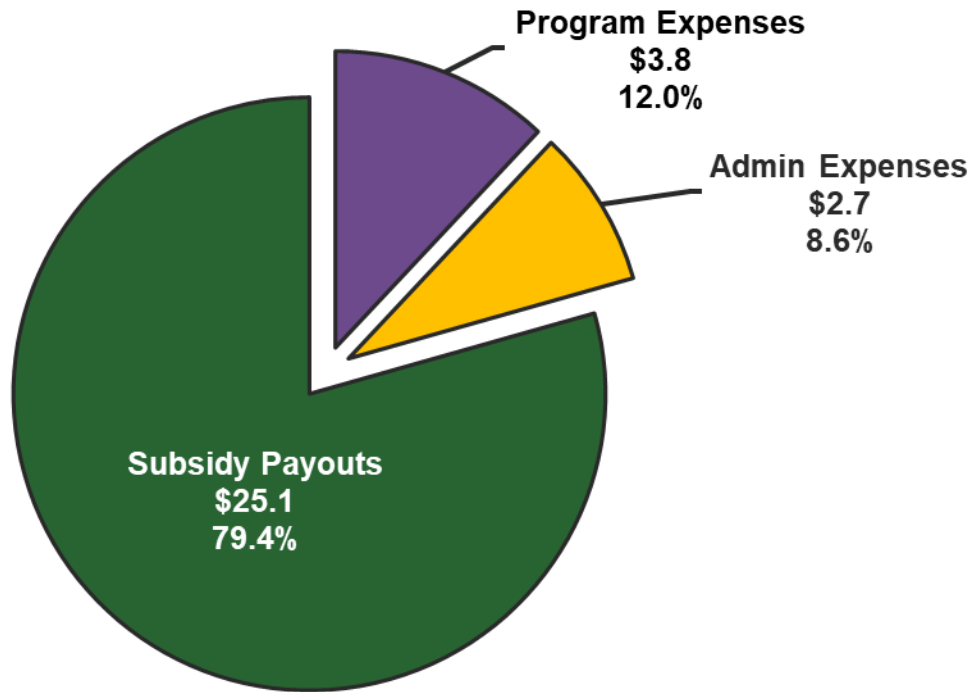
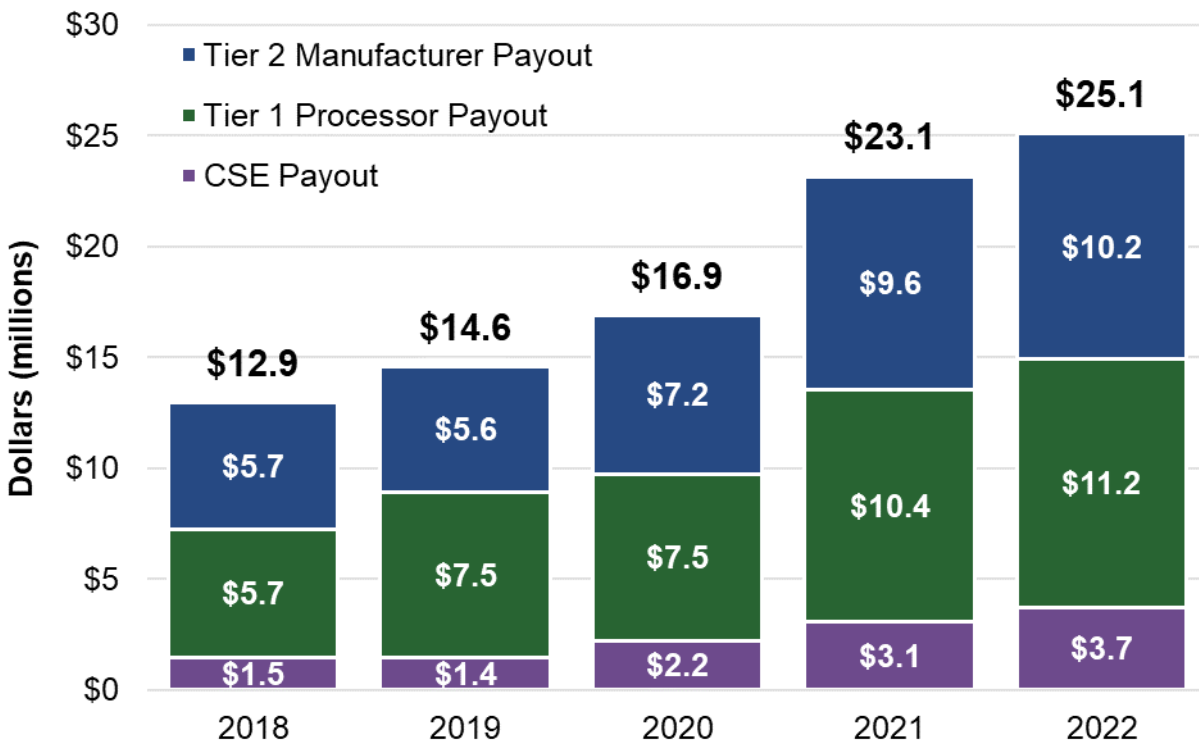
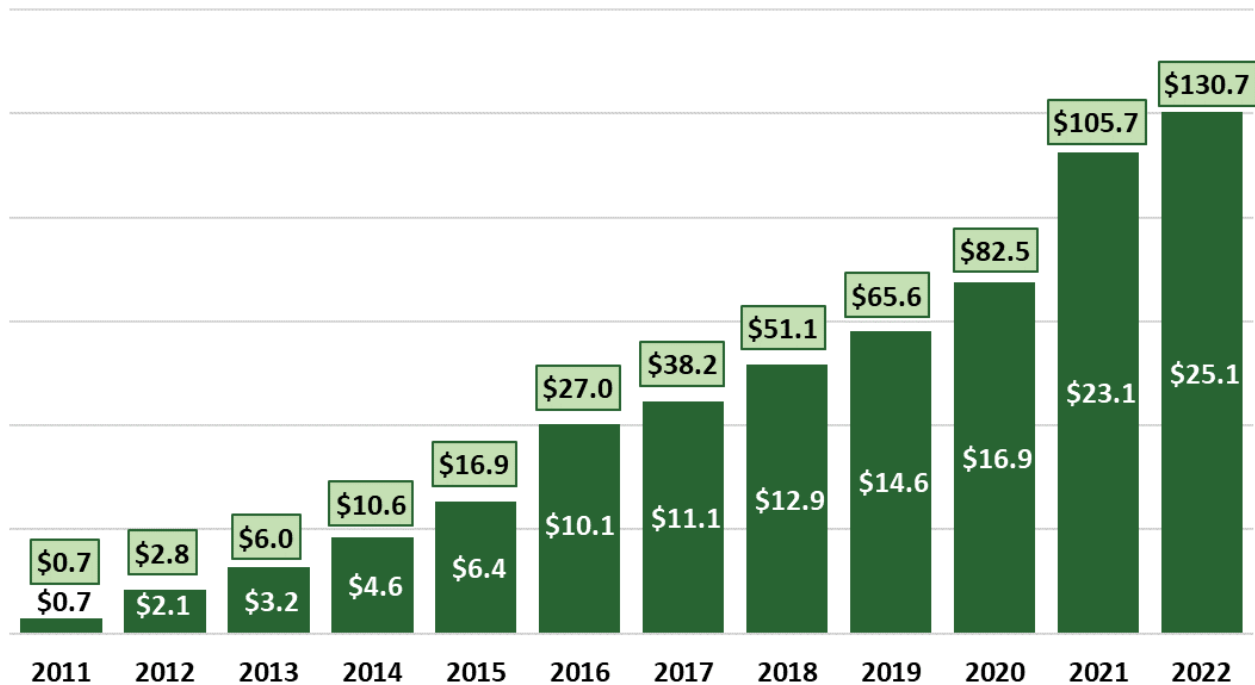


Figure 8-3. Summary of Subsidy Funds Paid to Participants by Type Over Time



Since the Program’s inception, CARE has invested heavily in supporting the recovery and recycling of PCC, and the cumulative subsidies paid out across Collector/Sorters, Processors, and Manufacturers has totaled \$130.7 million. Figure 8-4 below reflects the annual and cumulative subsidy payouts since the inception of the Program. The bars show the progressively increasing annual subsidy payouts during each respective year, while the dollar figures in boxes above each bar reflect the cumulative subsidies paid out each year.

Figure 8-4. Annual and Cumulative Subsidy Payouts Over Time (millions of dollars)



In response to an Advisory Committee recommendation, Table 8-3 summarizes both planned and actual pounds and expenditures according to each subsidy category. Note that budgets are best estimates and vary as the year progresses due to market forces, technology, unexpected events, and other factors.

Table 8-3. Pounds and Subsidies Paid by Type in 2022, Budgeted and Actual (dollars in thousands)

Type	Pounds Actual	Pounds Budgeted	Difference in Pounds	Subsidies Paid	Subsidies Budgeted	Difference in Payouts
CSE Reporting Incentive	N/A	N/A	N/A	\$30	\$48	-\$18
Carpet Tile Recycled or Reuse SUBSIDY PILOT	4,447,675	2,006,072	2,441,603	\$380	\$376	\$4
Carpet Tile REUSE	2,141,392	965,850	1,175,542	\$577	\$460	\$117
Broadloom REUSE	17,451	0	17,451	\$2	\$0	\$2
Broadloom Recycling Collected, Sold & Shipped	68,034,696	81,518,913	-13,484,217	\$2,721	\$3,261	-\$539
Collector/Sorters (CSEs) – Total	74,641,214	84,490,835	-9,849,621	\$3,709	\$4,144	-\$435
Carpet Tile RECYCLED	650,835	293,552	357,283	\$214	\$106	\$109
Type 1 Standard	50,513,918	46,727,684	3,786,234	\$5,997	\$5,709	\$288
Total Type 1	51,164,753	47,021,236	4,143,517	\$6,212	\$5,815	\$396
Type 2 Filler/Other	0	0	0	\$0	\$0	\$0
PC4 (Calcium Carbonate)	20,320,287	18,457,677	1,862,610	\$3,404	\$2,931	\$473
Total Type 2	20,320,287	18,457,677	1,862,610	\$3,404	\$2,931	\$473
Highest Recyclability: Nylon 6 & Nylon 6,6	31,599,363	18,832,892	12,766,471	\$1,580	\$942	\$638
Processors – Total	71,485,040	84,311,805	-12,826,765	\$11,196	\$9,688	\$1,508
Non-Nylon Payouts	19,547,723	18,101,698	1,446,025	\$5,230	\$4,804	\$425
Nylon 6 Payouts	15,413,791	9,974,844	5,438,947	\$3,853	\$2,494	\$1,360
Nylon 6,6 Payouts	8,414,842	1,760,267	6,654,575	\$1,094	\$229	\$865
Manufacturers	34,961,514	29,836,809	5,124,705	\$10,177	\$7,527	\$2,650
TOTAL of Subsidy Payouts	181,087,768	198,639,449	-17,551,681	\$25,082	\$21,359	\$3,723

Carpet As Alternative Fuel (CAAF) – No Funds Expended

CCR 18944(a)(7)(I)a. Funds, if spent on CAAF, must be supported with documentation reporting on economic and environmental impacts and that incentives shall expire, if they no longer serve a benefit.

No subsidies are offered or paid for energy recovery or disposal. CARE has never paid any subsidies for landfill, incineration, or Waste-to-Energy (WTE). Subsidies for Carpet As Alternative Fuel (CAAF) and Kiln energy recovery were discontinued effective January 1, 2018, under the 2018–2022 Plan.

In 2022, no carpet collected (zero pounds) was handled as Carpet As Alternative Fuel (CAAF), Kiln, or Waste-to-Energy (WTE). These disposition methods are not eligible for subsidies.

Engineered Municipal Solid Waste Conversion – No Funds Expended

CCR 18944(a)(7)(I)b. A carpet stewardship organization shall not expend funds from the assessment for engineered municipal solid waste conversion, as defined in Public Resources Code Section 40131.2, the use of cement kilns to burn carpet, or transformation, as defined in Public Resources Code Section 40201.

As noted above, in accordance with Carpet Stewardship Laws, the Program did not expend funds for engineered municipal solid waste conversion, the use of cement kilns to burn carpet, or transformation as defined in Public Resources Code Section 40201. No subsidies are offered or paid for energy recovery or disposal. Subsidies for CAAF and Kiln energy recovery were discontinued effective January 1, 2018, under the 2018–2022 Plan.

8.6 Program Administration Costs

CCR 18944(a)(7)(F) Program administration

(% of total program cost, including annual administrative fee for service payments to the department)

Total Program cost includes three primary elements: Subsidies (80%), Program Expenses (12%), and Administration Expenses (8%), as shown in Table 8-3. Subsidies are the combined expenses for subsidies to Collector/Sorters, Processors, and manufacturers. Program expenses include education and outreach (E&O), collection, grants, and technical assistance.

Administrative expenses include fees to CalRecycle, CARE administrative costs, direct expenses, direct support, and legal and accounting services. Administrative expenses include the apportioned CARE Executive Director, Finance Director, and Administrative Support staff; California Program Director; two California Senior Associates; California Grants Manager; California Market/Product Development Manager; and California Program Coordinator. Legal and accounting services include assessment remittance reporting and fund management, subsidy reporting and payouts, Agreed Upon Procedures (AUP) reviews, legal oversight, financial audits, grant administration, and any related activities which may include annual report data generation, special analyses of data, surveys, Planful subscription fee, subscriptions to data services and information reporting, etc.

8.7 Governance Costs

CCR 18944(a)(7)(G) Governance (program oversight)

(% of total program cost)

Program governance is provided by CalRecycle. In 2022, the Program paid \$712,113 to CalRecycle for the agency's role in providing governance support and oversight on behalf of the state of California, approximately 2% of total 2022 Program expenditures. The 2022 figure represents a 12% increase from the \$634,869 paid to CalRecycle in 2021.

8.8 Total Cost to Local Government

CCR 18944(a)(7)(H) Total cost to local government (if applicable)

The Program does not currently track the costs of managing discarded carpet incurred by local governments, and it does not require any direct contribution by local governments. Some local governments may support Program efforts, in line with their local waste diversion goals. Local governments participating in the Program's public Drop-off Sites may see financial benefits through offset costs of trailer and bin storage fees, transportation fees, and tip fees charged by receiving Collector/Sorters and Tier 1 Processors incurred by the Program.

Local governments and disposal sites may continue to charge tip fees for carpet recycled through the Drop-off Site Program, although sites are encouraged to offer a reduced tip fee for source-separated carpet prepared for recycling. Landfill volume (space) savings from carpet and pad, though unquantified, is an additional benefit of the Program. The Program does not provide funds to offset labor costs that may be incurred as part of participation in the Drop-off Site Program.

8.9 Assessment Amounts & Evaluation

Assessment Amounts & Aggregate Assessment Funds

CCR 18944(a)(7)(I) Amount of the assessment, aggregate assessment funds collected, how spent and amounts of each major expenditure

Effective January 1, 2019, the assessment rate increased from \$0.25 to \$0.35 per square yard of carpet sold in California throughout the reporting period. The assessment for **January through March 2022 was \$0.35 per square yard.**

In April 2022, CalRecycle approved and the Program initiated a system of Differential Assessments to support increases in recycling and to comply with the requirements of AB 729. The Differential Assessment applies the lowest rate to broadloom carpet with a minimum of 10% post-consumer content and the highest rate to carpet tile with less than 10% post-consumer content. Table 8-4 shows the **Differential Assessment rates ranging from \$0.33 to \$0.50 per square yard starting in April 2022**, depending on carpet type and recycled content. The weighted composite rate paid for the year was approximately \$0.37 per square yard of carpet sold.

In 2022, the **aggregate assessment funds collected totaled \$22.6 million**. The assessment funds were spent as described in Section 8.1 and as shown in Table 8-1.

Table 8-4. Differential Assessment per Square Yard of Carpet Sales (April 2022)

Carpet Material	At least 10% Post-Consumer Content	Less than 10% Post-Consumer Content
Broadloom carpet	\$0.33	\$0.35
Carpet tile	\$0.48	\$0.50

Assessment Rate Evaluation

CCR 18944(a)(7)(K) An evaluation of the assessment rate

CARE evaluates assessment amounts and aggregate assessment funds on an ongoing basis. CARE reviews actual reported results and subsidy payments against budgeted projections to better understand recycling marketplace dynamics and to update and refine the financial model. Starting in 2022, CARE will conduct an annual review of differential assessments and include the results in annual reporting. If any changes to the system of differential assessments or to the assessment amounts are warranted, CARE will seek approval per statute of those changes from CalRecycle after consulting with the Advisory Committee as required.

Implementation Analysis & Annual Review of Differential Assessment

CARE analyzed and evaluated the roll-out of the Carpet Differential Assessment (CDA), including reviews of outreach, retailer awareness, and tracking of assessment fund balances. This section provides a summary of key implementation activities and results.

CARE committed to fulfill its obligation to implement the system of differential assessments as follows:

1. Communications with Carpet Mills and software companies to explain the system of differential assessments to be implemented and the roll-out timing of April 1, 2022.
2. Communications included multiple outreach efforts via multiple manifolds to inform mills and retailers of the pending change effective April 1, 2022. Communications occurred via U.S. Postal Service, email, postcards, outreach via buying/marketing groups (e.g., StarNet, Fuse Alliance, CCA Global), CARE's monthly eNews, enabling mill direct communications by preparing appropriate notices/documents, phone calls, CARE's California webpage, and press releases.

3. Preparation of specialized collateral materials for use by Carpet Mills and retailers, including point-of-purchase information, salesforce talking points, summary description of the changes including links for more information, and CARE's Recycling Information brochure. These materials were distributed as hard copy as well as via digital links.
4. Availability by phone and email to respond to questions, concerns, suggestions, or complaints.
5. Preparation to make modifications or changes as needed.

Key audiences for the Differential Assessment outreach included carpet retailers in California as the primary audience, along with Carpet Mills and software companies with relevant platforms.

Key messages included the following:

- Basic assessment information on what, when, how, and why to comply.
- This change is required by CalRecycle.
- Be ready—don't wait.
- This is basically good news (or less bad)—there will be no change in assessment for some residential carpet sales.
- Invoice labeling retains the previous guidelines: one labeled line, post tax, for the entire order. It is still a carpet recycling assessment.

Tactics for carpet retailers included the following:

- Website landing page.
- Direct mail.
- Emails.
- Phone outreach with CDA information incorporated into all retailer contacts.
- Partner outreach, including outreach to mills, software providers, key distributors to get the word out.
- Collateral materials, including sales staff FAQ and training sheet; customer brochure (revised current brochure with CDA info), and point-of-sale signage.
- Introductory video.

Additional tactics for broader audience included CARE's California eNews (monthly reminders; about half of eNews recipients are retailers), social media (including tweets with links to CARE's website), and press releases.

Following the CDA roll-out, surveys were conducted with carpet retailers (101 completed responses) and carpet mills (88 responses). Key results are summarized below, and Appendix 11.9 includes a May 2022 slide presentation to CalRecycle with more details on the Retailer Outreach Survey.

- About 10% of retailers (11 of 101) said they had not implemented the assessment change. Most of those were due to lack of information, mostly from the mills.
- Of those retailers who had implemented the CDA, 82% said the process was somewhat or very easy.
- The vast majority (79%) of retailers who have implemented the CDA say it has had no impact on operations/sales.
- There are a small number of very disgruntled retailers, but generally the assessment seems to have either rolled out smoothly or was still in progress at the time of the retailer survey.
- 72% of Carpet Mill respondents said the roll-out was somewhat or very easy.
- According to Carpet Mill respondents, updating software and training staff were the two most challenging aspects of the roll-out.
- Among Carpet Mills, 14 respondents said they had communicated the changes to their clients via point of sale/sales representatives.
- In response to the question “What percentage of your products will have 10% or greater post-consumer content?” two-thirds said 1 percent or less.

Regarding the CDA roll-out, the CARE team observed the following:

- Most retailers complied with the assessment roll-out with relative ease, barring some software challenges. The assessment change did cause anger and frustration among some retailers, who attested that the assessment change was very difficult to implement and/or that they did not see or accept that it was a good or useful change.
- Persistent and ongoing messaging in a variety of channels did eventually reach the retailers and led to implementation. Big-box and chain retailers rely on their corporate offices to implement these updates, and therefore seemed to not be bothered by the assessment change, or even to notice it much.
- Cooperation from the Carpet Mills is essential since they are responsible for answering questions about the recycled content of specific product lines. In many cases, the assessment amount and label are added at the mill level and simply passed on by retailers.

Financial tracking of the assessments collected, fund balance, and reserve balance is monitored on an ongoing basis. Results are discussed further in Section 8.10 below. Based on changes that occurred during 2022, increased assessments were recommended (and implemented in 2023) to maintain the stability of the Program.

8.10 Surplus Funding, Fund Balance & Reserve

CCR 18944(a)(7)(J) Surplus funding, if any, and how it will be applied to reduce program costs

The starting fund balance at the beginning of 2022 was \$12.2 million. During the calendar year, program revenues totaled \$22.6 million, primarily consisting of carpet assessment remittances paid by participating Carpet Mills. Total expenditures in the form of subsidy payouts and other expenses totaled \$31.6 million during the term, or 139% of remittances. As outlined in the 2018–2022 Plan, funds accumulated in prior years were applied to help ensure a balanced budget as required and to draw down the excess fund balance.

In accordance with the approved 2018–2022 Plan, and through use of CARE’s Budget Model, the Program adjusted its reserve calculation to equal a two-month average of total Program expenses (based on a sum of the last 3 months divided by 3 and multiplied by 2). The Reserve changes monthly with the level of payouts. In 2022, the fund balance dropped below the calculated reserve level for the first time. At the close of 2022, the Program’s total ending fund balance was \$3.2 million, and the reserve was calculated at \$5.6 million.

Three factors beyond CARE’s control contributed to the unplanned rapid drop in the fund balance. First, sales of new carpet in California accelerated their decline. Carpet sales of 61.9 million square yards in 2022 were 4 million square yards below the annual budget (and 23 million, or 27%, lower than the 85 million square yards forecast in the 2018–2022 Plan). At the composite average assessment of \$0.37 per square yard (reflecting the Differential Assessment launched in April 2022), this annual sales reduction translated to an unbudgeted revenue decline of nearly \$1.5 million in 2022. Second, the pandemic-driven rapid increase in inflation exceeded the planned budget for expenses. Third, coupled with inflation, transportation costs rose dramatically. These factors, along with the Program’s growth since 2020 due to the ambitious COVID-19 Action Plan, accelerated depletion of the fund balance.

9 Education & Outreach

CCR 18944(a)(8) Outreach/Education. *List educational outreach activities in the stewardship plan. Provide a description of educational materials that were provided to retailers, consumers, carpet removers/installers, contractors, during the reporting period (provide electronic samples). Identify the method used to determine the effectiveness of educational and outreach surveys (e.g., surveys, hits on specific web pages, number of participants at events, etc.). Education and outreach materials may include, but are not limited to, signage, written materials, advertising or other promotional materials pursuant to Section 42972 (a) (5) and Links to website(s) created and maintained by the manufacturer or stewardship organization.*

The Program's marketing, education, and outreach (referred to as MEO or E&O for education and outreach) team works to support the operational goals of the stewardship organization. CARE provides robust and successful education and outreach using a variety of communication tools, contributing to the Program's success in 2022. The education and outreach efforts focus on building awareness of the Program, including the services offered, reasons for recycling, and reassuring stakeholders that carpet can be and is being recycled into useful new products when brought to the right place. The main objective of outreach is to connect with the stakeholders—including consumers, business owners, flooring contractors, and retailers—who have the opportunity to direct tear-out carpet and carpet tile for recycling.

Statewide efforts in 2022 included communicating about Drop-off Sites and recycling benefits to retailers while advising of changes to the carpet assessment rate, ongoing communicating with licensed flooring contractors, supporting union training with carpet recycling information, and raising public awareness about carpet's recyclability. Communicating about the accomplishments in 2022 including reaching and exceeding the Program's annual goals.

MEO activities include rural counties and are conducted in both English and Spanish to meet audience needs. This includes installer training videos and signage created in both English and Spanish.

The MEO program measures before and after program awareness and PCC pounds collected, as examples, to determine the effectiveness of marketing, education, and outreach strategies in the field. The MEO program assesses the effectiveness of its

strategies and adjusts accordingly, based on marketing metrics, online surveys, outreach calls, and in-person tabling activities.

This chapter includes the following sections:

- 9.1. Retailers
- 9.2. Installers
- 9.3. Consumer Outreach
- 9.4. Regional Approach
- 9.5. Drop-off Sites Engagement
- 9.6. Marketing Assistance for Market Development
- 9.7. Reuse
- 9.8. General Outreach

Outreach and education goals are intended to support and promote the overall Program goals. These activities include both planned and timed outreach as well as opportunistic outreach as information and events require. Outreach and educational activities include the following:

- Increase collection by informing flooring retailers and installers about recycling opportunities, particularly at public Drop-off Sites.
- Increase Recycled Output through stimulation of market awareness and demand for recycled products and ongoing support promoting the continued incorporation of PCC into appropriate products.
- Increase diversion by highlighting carpet reuse and recycling opportunities.
- Help identify new opportunities for Program-sponsored public Drop-off Sites or other recycling opportunities.
- Raise public awareness that carpet can be recycled when prepared and brought to the right place and raise awareness about the Program's activities to support carpet recycling.

Audiences include Retailers, Installers, Drop-off Sites, Local Government, current and potential Grantees, Collector/Sorters, Processors, Manufacturers, Carpet Mills, Contractors, Building Owners, and Consumers.

The Program uses a wide array of communications and outreach channels, including one-to-one outreach, direct mail, online and print advertising, media relations,

conferences, websites, and social media. One lesson from the COVID-19 pandemic is that the outreach team can be more efficient in its reach and resources by conducting one-to-one outreach by phone, rather than in-person. This practice, which extends Program outreach, was continued in 2022.

9.1 Retailers

Retailer contacts focused on promoting and informing them about the following:

- Drop-off Site opportunities.
- Recycling pick-up service uptake, where available.
- Consumer education materials on carpet recycling and recyclability.
- PCC recycled-content products.
- Carpet Differential Assessment amounts, timing, and compliance requirements.

As initiated in 2020, the inclusion of hard-surface retailers in the retailer “universe” entails efforts to raise awareness of carpet recycling opportunities among retailers that, while they may be involved in carpet tear-out, do not sell carpet. Accordingly, these retailers are often less aware of the assessment, may have challenging recycling opportunities and logistics, and may be more difficult to persuade to recycle.

Retailer Activities in 2022

- Informed retailers of new public Drop-off Sites in their area and worked to promote recycling services, informed them of assessment compliance and upcoming changes, and provided collateral. In 2022, 882 retailers were contacted by phone.
- Distributed collateral materials, often as follow-up to outreach calls. In 2022, 7,035 retailer brochures and approximately 5,000 Drop-off Site maps were mailed to stakeholders.
- Sent the annual “California Program Highlights” print newsletter (included in Appendix 11.7) to approximately 2,200 carpet and hard-surface flooring retailers in July 2022, as well as to approximately 7,000 flooring installers.
- Researched and mapped retailers, Drop-off Sites, haulers, reuse stores, supply houses, and other stakeholders and identified opportunities for increasing collection by retailers or potential grant applicants.

- Maintained a current and accurate database of all carpet retailers in California to enhance effective and timely communications, while increasing the data collected. Data relating to PCC handling, recycling interest, and available space for recycling help provide the CARE team with referral opportunities and program design feedback.

Carpet Differential Assessment Communications Plan

The first quarter of 2022 included continuous and intensive communication about the first Carpet Differential Assessment, which went into effect on April 1, 2022. Retailers, Carpet Mills, and appropriate software companies received communication through direct mail, email, and phone alerting them of the upcoming change. In a phone survey of retailers following the roll-out, of the 101 completed responses, about 10% of retailers (11) said they had not implemented the assessment change. At most retailers, the assessment seems to have either rolled out smoothly or the process was still being ironed out or more information was needed, particularly about the 10% post-consumer content requirement.

Retailers started to be alerted to a second change in the carpet assessment, originally slated for January 1, 2023; stakeholders subsequently informed that the increase would not take place at that time. The assessment increase eventually was approved by CalRecycle for April 1, 2023. (The schedule was adjusted while the new 2023–2027 was going through the approval process.)

9.2 Installers

Since flooring contractors can be both the implementers and decisionmakers on carpet recycling, Program staff continued to communicate directly with installers in 2022, in addition to via retailers. The Program used the list of C-15 licensed installers publicly available through the Contractors State License Board to reach more than 7,000 flooring contractors via direct mail. Since many of the installers may handle carpet tear-out but not necessarily carpet installation, the Program focused on raising awareness that carpet can be recycled and that Drop-off Sites are available for carpet recycling.

Licensed flooring contractors (C-15 licensees), a challenging trade to reach and engage, received three direct mail pieces in 2022:

- California carpet Drop-off Site map booklet.
- “California Program Highlights” newsletter about annual carpet recycling progress (this newsletter was also sent to retailers).

- Installer awareness 3-step postcard (this postcard was also sent to retailers and C-21 installers).

In 2022, the Program began using QR codes regularly on print collateral to facilitate visits to the CARE website. Initial analysis found that these codes are helpful and are most frequently used by flooring contractors. For example, the code in the February 2022 CARE Drop-off Site map booklet was scanned 111 times, and the code included in the October 2022 postcard to installers was scanned 80 times.

To reach the industry's large population of Spanish-speaking installers, the MEO team provides installer sheets with English on one side and Spanish on the other for Drop-off Sites to distribute. The Program also has a Spanish version of its installer training video. Previously, Russian language drop-off signage has been created by request. Additionally, marketing materials include imagery that can convey the messages without much language. The Program continues to assess when and where other languages are needed to reach all Californians.

Regional Distribution Centers

In 2022, CARE continued working with the Regional Distribution Centers (RDCs) of flooring companies to serve as potential collection sites and to connect with installers. Through engagement with both national leadership and state/regional Carpet Mill representatives and local RDC staff, CARE created further opportunities for expansion of carpet recycling outreach and referrals for larger-volume onsite collection services, as well as exploring opportunities for convenient will-call customer recycling drop-off locations at RDC facilities. In 2022, RDC-related activities included the following efforts:

- Three tablings each at two Shaw distribution centers in Cypress and Union City.
- Successful outreach activities as seen in increased customer awareness and major increases in pounds collected at RDCs.

Union Training

The Program works with unions to advance carpet recycling in California. Program staff continued work with flooring union District Council 16 (DC16) of the International Union of Painters and Allied Trades (IUPAT) in San Leandro, including the following activities in 2022:

- Five in-person trainings were conducted at DC16 for 200 apprentices and trainers, along with ongoing support provided for trainers.

- The Union training package was finalized and delivered to DC16 trainers in May 2022. It included updated PowerPoint slides, a new Union training video, and an online quiz with a corresponding data dashboard to help assess installer learning outcomes and reinforce learning.
- The union training video was completed and posted in March 2022; it was viewed 246 times in 2022.
- The online quiz was taken 63 times in 2022 with an average score of 93%.
- DC16 continues as a Program-sponsored recycling Drop-off Site for both carpet tile and broadloom carpet for DC 16 signatory contractors.
- CARE also reached out to District Council 36, but the union did not show interest in trainings in 2022, likely as a result of continuing pandemic-related challenges.

Videos

The Program previously produced English and Spanish-language videos to educate flooring installers about best practices for carpet recycling. In 2022, those videos garnered over 16,000 views.

9.3 Consumer Outreach

Consumers tend not to think much about the carpet beneath their feet until they are ready to move or renovate. The Program focuses on communicating with those homeowners who are considering new flooring, while laying a groundwork of the idea that carpet is recyclable, like paint, mattresses, and other materials, when brought to the right place.

In 2022, the California Carpet Stewardship Program again collaborated with fellow stewardship organizations Mattress Recycling Council, PaintCare, and Call2Recycle (for batteries) to produce an online partner article entitled “4 Ways to Protect the Planet by Recycling Right.” The article was placed on a network of 43 major media websites across the state in April 2022.

In November 2022 (around America Recycles Day), CARE placed an article called “Carpet Recycling: A Win for California” via the Brandpoint online media network in 40 news outlets. The article garnered 1.4 million impressions and more than 5,600 clicks.

9.4 Regional Approach

Since 2017, the Program has used a Regional Approach strategy to test the effectiveness of a multi-touch strategy that works to educate and learn from various stakeholder groups within a geographic area, with a goal of improving collection, recycling, and awareness of carpet recycling opportunities. The regional approach is used to conduct new strategies in a specific region so that their effectiveness can be measured when compared to similar areas in the state that are not receiving the same treatments. This strategy allows for concentrated multi-touch media efforts in a targeted area that would not be feasible for the Program to roll out statewide.

In 2022, Program staff conducted regional campaigns in San Bernardino County in July and in the San Francisco Bay Area in October, following a similar campaign the previous year. Specific landing pages were created for each regional approach area to track campaign impact.

San Bernardino County

Following contacts with San Bernardino County retailers to inform and learn about recycling practices and opportunities, the Program conducted a multi-tactic mass media campaign in July 2022. Tactics included the following:

- Print and digital advertisements in the *San Bernardino Sun* and *La Prensa* (bilingual Spanish and English) newspapers.
- Pandora ads in English and Spanish.
- Google display, text, and video ads.
- Billboards.
- Direct mail postcards to flooring retailers and contractors (including all B, C-15 and C-21 licensees) in the county.

The promotions yielded significant increases in traffic to the San Bernardino County landing page on the CARE website. The county landing page accounted for 55% of all entrances (first page visited) to the CARE website in July 2022 and was the #1 most-viewed page during that time, with 3,961 page views and an average visit duration of 2:22 (142 seconds).

San Francisco Bay Area

Following one-to-one contacts with Bay Area retailers for focused outreach on recycling practices and opportunities, the Program conducted a multi-tactic mass media campaign in October 2022, including the following activities:

- Pandora ads.
- Google display, text, and video ads.
- Billboards.
- Direct mail to installers and contractors in the area.

The promotions yielded significant uptakes in traffic to a Bay Area landing page on the CARE website. The Bay Area landing page accounted for more than half (52%) of all entrances (first page visited) to the website in October 2022 and was the #2 most viewed page during that time, after the California Drop-off Site Map page. The Bay Area landing page also had an excellent average time on page of nearly 3 minutes (2:49, or 169 seconds).

9.5 Drop-off Sites Engagement

In addition to ongoing site support, Program staff conduct Quarterly Engagement with all public Drop-off Sites. Quarterly Engagement involves the following:

- Completion of a quarterly report by all Drop-off Sites.
- A phone meeting between Program staff and a representative from each Drop-off Site to review container weights and swaps, operational challenges, and promotional materials.
- Presentation of a quarterly educational Drop-off Site webinar.

Quarterly Engagement webinars covered the following topics:

- Program updates and data review: current news and collection data by quarter.
- AB 901 Reporting and Disposal Reporting System (RDRS) requirements.
- Technical assistance, including container loading tips, container load weights, signage placements, and carpet handling in inclement weather (rain/snow).
- Micro-grants and Infrastructure grant opportunities and grant-funded improvement examples.

- Recognition of Drop-off Site efforts for overall PCC volumes captured, increases in PCC volume, container loading efficiencies, and promotional/outreach efforts above and beyond Program promotions.
- Open discussion of site operational success and challenges, best practices, and feedback on how the Program is working.

In 2022, the Program hosted 4 quarterly webinars with approximately 240 people in attendance. Webinars are recorded and available on the CARE website.

Marketing activities to promote Drop-off Sites included updates to and distribution by request of the following materials in 2022:

- 5,700 region-focused Drop-off Site maps, for San Bernardino County and targeted Bay Area locations.
- 1,070 product brochures.
- An “onboarding video” to introduce new Drop-off Site staff to the benefits and responsibilities of being a public Drop-off Site was viewed 61 times on the CARE website in 2022.
- A total of 170 signs in multiple versions (loading instructions and liability notices in English and Spanish) were sent to existing and new Drop-off Sites in 2022.

9.6 Marketing Assistance for Market Development

Market Development MEO efforts in 2022 included:

- Mailing to 2022 CAPPO attendees, outlining CARE’s functions along with a products flyer and procurement information, sent in May 2022.
- Updated Recycled Carpet Products video in preparation for CAPPO 2023.
- Updated “Recycled Post-Consumer Carpet-Derived Product Manufacturers” one-sheet for use at the GreenBuild Conference.
- Updated products flyer for mailings and conference distribution.

Grant program support also included development of two case studies, regarding Circular Polymers and Micro-Grants, which were posted to the CARE website and distributed at conferences.

9.7 Reuse

The CARE website's Reuse page received 475 views during 2022, with an average visit duration of 2:16 (136 seconds). Most visits came to the Reuse page via Organic search (232 page views) and CalRecycle/IRecycleSmart.com (108 page views).

9.8 General Outreach

In 2022, additional multi-stakeholder outreach efforts included the following activities:

- 19 blog posts.
- 11 e-news editions.
- 186 Tweets.

Website Traffic

The CARE website has a **dedicated [California landing page](#)**, which is an essential support to all of the Program's communications. As shown in Table 9-1, the number of California-based visits to the website increased by 9% since 2021. The Program considers website traffic upticks, combined with an increase in average visit duration, as a relevant indicator of impact and reach for communications initiatives.

Table 9-1. Website Metrics

Website Metrics	2021	2022	% Change
California Visitors	23,338	24,236	+4%
California Visits	32,132	34,979	+9%
Average Visit Duration	1:38 (98 seconds)	1:49 (109 seconds)	+11%

Social Media

The Program has focused on using Twitter to reach influencers and businesses involved with sustainability. CARE's Twitter account ended 2022 with 525 followers, and the organization's 186 tweets received over 21,000 impressions.

In addition to Twitter, CARE maintains a [YouTube channel](#) and a [SlideShare account](#) to reach users who may be searching for pertinent material and may not be aware of

CARE or the California Carpet Stewardship Program. The YouTube channel hosts 19 public videos, has 328 subscribers, and garnered more than 132,000 video views in 2022. The SlideShare account hosts 27 presentations from public presentations and webinars and received 1,185 views in 2022.

Stakeholder Database

The Program maintains a robust database of more than 7,000 individuals, businesses, organizations, and agencies in California. In addition to general contact information, the database tracks retailers' recycling status; collateral requested and sent to retailers, installers, and Drop-off Sites; reports of in-person visits; and more information.

Earned Media

Earned media press release topics in 2022 included announcing the 2021 Annual Report and other Program results, the appointment of the new California Program Director, and updates on the Carpet Differential Assessment. *Floor Covering Weekly*, *Floor Trends*, *Deck and Patio News*, and *CD Recycler* ran related stories, as did the *San Diego Daily News*. An article was also placed in *Government Procurement* magazine.

Conferences/Events

Program staff attended and/or exhibited at the following events in 2022:

- California Association of Public Procurement Officers (CAPPO 22) in Pasadena in late January and early February.
- California Resource Recovery Association (CRRA) in Oceanside in September.
- Greenbuild International Conference & Expo in San Francisco in November.
- Mohawk Edge Summit Conference in Nashville, Tennessee, in December.

10 Audits

CCR 18944(a)(9) Audits. *The annual report shall include an independent financial audit funded from the carpet stewardship assessment. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, and standards set forth in Government Auditing Standards issued by the Comptroller General of the United States. The audit report shall also include a separate state compliance report on the carpet program requirements as directed by the department.*

The financial statements of CARE and the California Carpet Stewardship Program for the year ending December 31, 2022, were audited by independent Certified Public Accounting firm Carr, Riggs & Ingram, LLC, of Atlanta, Georgia. CARE National Audits, which are not paid for with California Recycling Assessment monies, are available to CalRecycle upon request.

The original, unedited audit statements are presented in Appendix 11.11. (The final versions were modified to meet accessibility standards without changing their substantive content.)

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11.1 Participating Carpet Mills, Subsidiaries & Brands

The records on the following pages are for the 2022 year and reflect the updated list of Carpet Mills, Subsidiaries, and Brands participating in the Program as of December 31, 2022 (Quarter 4).

The **2022 Compliant Manufacturers List** is provided quarterly to CalRecycle and is available on CalRecycle’s website. (“PBC” means the original list was provided by CARE and is updated and modified by Aprio, the independent accounting firm.)

CARE A.B. 2398 Reporting
Registered Manufacturers List- Updated as of 03/07/2023
PBC - modified by Aprio

Active Mills:

ID	Parent Company	Subsidiaries	Mailing Address	City	State	NOTES (Changes since last list)
1	Alexandria International Inc.		191 Dodds Ave	Adairsville	GA	
2	Andre Vernier & Fils SA dba Louis de Poortere	ANDRE VERNIER & FILS SA, DE POORTERE DECO SA	1812 South Hamilton Street	Dalton	GA	Added in Q1 2023
3	Beaulieu Canada Company		335 Rue Roxton	Acton Vale	Quebec	
4	Bellbridge Inc	Westbrook , Carpets of New Zealand	5401 industrial Way	Benicia	CA	
5	Bentley Prince Street (BPS Parent, Inc.)	Bentley Mills, Inc.	14641 East Don Julian Road	City of Industry	CA	
6	Bloomsburg Carpet Ind., Inc.		4999 Columbia Blvd	Bloomsburg	PA	
7	Banks Peninsula Farms US, LLC		11373 Southbridge Pkwy, Ste B	Alpharetta	GA	
8	Brintons Carpets	Brintons	1000 Cobb Place Blvd. Bldg. 200 Suite 200	Kennesaw	GA	
9	CAP Carpet Inc	Aircraft Interior Products, White Oak Custom Carpets, MRM by White Oak, LLC	535 Emerson St.	Wichita	KS	
10	Catalina Carpet Mills, Inc.		14418 Best Ave.	Santa Fe Springs	CA	
11	Couristan, Inc.		Two Executive Drive	Fort Lee	NJ	
12	Crossley Holdings of South Africa	Crossley Axminster	PO Box 1777	Greenville	MS	

ID	Parent Company	Subsidiaries	Mailing Address	City	State	NOTES (Changes since last list)
13	Design Materials, Inc.		241 S. 55th Street	Kansas City	KS	
14	Earth Weave Carpet Mills Inc.		P.O. Box 6120	Dalton	GA	
15	ECMC, LLC dba CM Hospitality Carpets		2304 Dalton Industrial Court	Dalton	GA	
16	Egetaepper a/s.	Ege Americas Inc	Industrivej Nord 25, PO Box 190	Herning	Denmark	
17	Emerald Carpet, Inc.	Emerald, Mainline	PO Box 1625	Dalton	GA	
18	Emery Park Carpet Company		105 N. Industrial Blvd	Calhoun	GA	
19	Encore Hospitality Carpet, Inc.		PO Box 1779	Calhoun	GA	
20	Engineered Floors		PO Box 2207	Calhoun	GA	
21	Event Carpet Pros, Inc.		14301 Alondra Blvd.	La Mirada	CA	
22	Exploring, Inc. dba Brumark	Shelmarc	3655 Atlanta Ind. Dr. #100	Atlanta	GA	
23	Fibreworks Corporation		2301 Brennen Business Ct.	Louisville	KY	
24	Forbo Flooring Systems		8 Maplewood Drive	Hazle Township	PA	
25	Foss Manufacturing Co LLC		243 Huffaker Road, NW	Rome	GA	
26	Georgia Carpet Industries		P.O. Box 2087	Dalton	GA	
27	Harcourt Collection LLC		800 Westchester Ave, S414	Rye Brook	NY	Added in Q1 2023
28	Harris Flooring Group (FKA Q.E.P. and Kraus)		PO BOX 704	Clarion	PA	
29	IncStores		2045 S Vineyard Ste 118	Mesa	AZ	
30	Twitchell Technical Products LLC	Infinity Woven Products LLC	5211 Mitchell Bridge Rd	Dalton	GA	

ID	Parent Company	Subsidiaries	Mailing Address	City	State	NOTES (Changes since last list)
31	Innovative Carpets, LLC		45 Legion Drive	Cresskill	NJ	
32	Interface Americas, Inc.	InterfaceFLOR, LLC, FLOR, Interface Services	1000 Marietta Street NW Suite 238	Atlanta	GA	
33	JD Staron		8687 Melrose Ave, Suite B-538	West Hollywood	CA	Added in Q1 2023
34	J Mish LLC		8 River Drive	Cartersville	GA	
35	Joy Carpets & Co.		P.O. Box 5379	Fort Oglethorpe	GA	
36	Julie Industries, Inc.		PO Box 153	North Reading	MA	
37	Kaleen Rugs, Inc.		1013 Bonny Oaks Dr.	Dalton	GA	
38	Art Flock & Screen Inc (Kane Carpet)	Kane Carpet	214 Ditmas Avenue	Brooklyn	NY	
39	Kaya Carpets		20 River Drive	Cartersville	GA	
40	Excel Carpet (Kinsley Carpet Mills)	Kinsley Carpet	P.O. BOX 1351	Dalton	GA	
41	Lancer Enterprises, Inc.		PO Box 1505	Dalton	GA	
42	Langhorne Carpet Co Inc.		PO BOX 7175	Penndel	PA	
43	Lexmark Carpet Mills, Inc		285 Kraft Drive	Dalton	GA	
44	LSI Flooring (Tisca Tischhauser AG)		240 East 27th Street Suite 2G	New York	NY	
45	Mannington Mills, Inc.	Mannington Commercial	PO Box 12281	Calhoun	GA	
46	Mantra Style, LLC dba Decorative Concepts		1803 Abutment Road	Dalton	GA	

ID	Parent Company	Subsidiaries	Mailing Address	City	State	NOTES (Changes since last list)
47	Marquis Industries, inc	Marquis Industries, Omega Pattern Works, Artisans Hospitality, Astro Carpet Mills	2743 Hwy 76 PO Box 1308	Chatsworth	GA	
48	Mathews & Parlo Carpet Wholesalers, Inc		196 Belwood Rd	Calhoun	GA	
49	Merida Meridian Inc		1 Design Center Pl. Suite 714	Boston	MA	
50	Millennium Carpet Mills Inc.		P.O. Box 1079	Chatsworth	GA	
51	Milliken & Company	Milliken Flooring	920 Milliken Road, M- 620 Dock B	Spartanburg	SC	
52	Mohawk Industries, Inc.		160 S. Industrial Blvd	Calhoun	GA	
53	Momeni, Inc.		60 Broad Street	Carlstadt	NJ	
54	Colin Campbell & Sons Ltd./Nature's Carpet		55-8385 Fraser St.	Vancouver	British Columbia	
55	Next Floor Inc.		1857 Sawmill Rd. #202	Conestogo	Ontario	
56	Nourison Industries Inc.		5 Sampson St	Saddle Brook	NJ	
57	Patriot Mills (FKA as Manassas Textiles)		P.O. Box 470	Adairsville	GA	
58	Pharr Yarns, LLC d/b/a Phenix		1001 Enterprise Dr	Dalton	GA	
59	Prestige Mills		34-01 38th Avenue	Long Island City	NY	
60	R.C. Willey Home Furnishings, Inc.		2301 S. 300 W.	Salt Lake City	UT	
61	RADICI USA, INC		P.O. BOX 3143	Spartanburg	SC	
62	Relative Space (Floorworks)		400 West Broadway	New York	NY	

ID	Parent Company	Subsidiaries	Mailing Address	City	State	NOTES (Changes since last list)
63	Revolution Mills		PO Box 3205	Huntersville	NC	
64	Royal Thai Americas, Inc.		715 Curtis Parkway SE	Calhoun	GA	
65	Scott Group Custom Carpets, DBA Scott Group Studio		3232 Kraft Ave. SE	Grand Rapids	MI	
66	Shaheen Carpet Mills	Carpets by Sierra	P.O. BOX 167	Resaca	GA	
67	Shaw Industries, Inc.		PO Drawer 2128	Dalton	GA	
68	Signature Hospitality Carpet LLC	Signature Hospitality Carpets	PO Box 1328	Dalton	GA	
69	Southwind Building Products, LLC		601 Callahan Rd	Dalton	GA	
70	Specialty Textile Group		1812 South Hamilton Street	Dalton	GA	Added in Q1 2023
71	Stanton Carpet Corporation	Stanton Carpet	100 Sunnyside Blvd.	Woodbury	NY	
72	Stark Carpet Corp		979 Third Ave	New York	NY	
73	Summit Flooring		1 Apollo Drive	Whippany	NJ	
74	TaiPing Carpets Americas Inc		PO Box 249	Adairsville	GA	
75	Tarkett Finance Inc.	Tarkett USA	3000 Aurora Road	Solon	OH	
76	The Dixie Group, Inc.	TDG Operations, LLC, Fabrica International, Inc.	P.O. Box 2007	Dalton	GA	
77	The Miller Davis Group		300 West 28th Street	Chattanooga	TN	
78	Totally Enterprises, LLC	Totally Enterprises, LLC	404 Mitchell St.	Dalton	GA	
79	Ulster Carpet Mills (North America) Inc		81 Whitlock Avenue SW	Marietta	GA	
80	Unique Carpets Ltd.		7360 Jurupa Avenue	Riverside	CA	

ID	Parent Company	Subsidiaries	Mailing Address	City	State	NOTES (Changes since last list)
81	van Gelder		300 Union Grove Road	Calhoun	GA	
82	Vogue Enterprises, Inc.		1812 South Hamilton Street	Dalton	GA	

End of Active List

Mills No Longer Active:

ID	Parent Company	Subsidiaries	Mailing Address	City	State	NOTES (Changes since last list)
1	Carpet Crafts**		PO Box 667	Dalton	GA	Inactive as of Q1 2017
2	J&J Industries, Inc.**		PO Box 1287	Dalton	GA	Inactive as of Q1 2017
4	Wellington**		40087 Mission Blvd #170	Fremont	CA	Inactive as of Q2 2017
3	Fortune Contract, Inc.**		PO Box 2287	Dalton	GA	Inactive as of Q2 2017
5	Royalty Carpet Mills, Inc.**	Camelot Carpet Mills, Pacificrest Mills, Moda	17111 Red Hill	Irvine	CA	Inactive as of Q4 2017
6	ATM Floor Covering, Inc.**		PO Box 1012	Dalton	GA	Inactive as of Q1 2018
7	Riviera Carpets**		402 Beamer Road	Calhoun	GA	Acquired by Jmish in Q1 2018
8	Hibernia Woolen Mills**		9829 Carmenita Road, Unit D	Whittier	CA	Acquired by Stanton in Q1 2018

ID	Parent Company	Subsidiaries	Mailing Address	City	State	NOTES (Changes since last list)
9	Beaulieu Group LLC**	Aqua, Armstrong FashionSmart, Armstrong FashionSmart B, Beaulieu, Beaulieu Commercial, Beaulieu Engineered Fabrics & Fibers, Beaulieu of America, Bliss Aligned Dealer Program, Bliss by Beaulieu, Bliss Flooring Solutions, BOA Distributor Div., BoYu, Cambridge, Citation, Compass, Coronet Carpets, Coronet SFC, Hollytex, Interloom, Laura Ashley, Property Management Solutions, Pure, Royalist, Surfaces,	PO Box 1248	Dalton	GA	Acquired by Engineered Floors in Q2 2018
10	Godfrey Hirst USA, Inc.**	IDG, Carpet One, Flooring America, Pro Source, Abbey, Floors to Go, NRF, Carpets Plus, FCI, FCA	7629 Adairsville Hwy, P.O. BOX 849	Adairsville	GA	Acquired by Mohawk in Q3 2018
11	Woolshire Carpet Mills Inc.**		PO Box 66	Calhoun	GA	Acquired by Jmish in Q3 2018
12	Savnik & Company, Inc.**		601 McClary Avenue	Oakland	CA	Closed for business in Q1 2019
13	Perfect Flooring dba Shelmarc**		3655 Atlanta Ind. Dr. #100	Atlanta	GA	Absorbed by Exploring, Inc. in Q1 2020
14	Lonesome Oak Trading Co., Inc.**		P.O. Box 216	Chatsworth	GA	Acquired by Marquis in Q1 2020

ID	Parent Company	Subsidiaries	Mailing Address	City	State	NOTES (Changes since last list)
15	Balta Group (Modulyss)**	Balta Rugs, ITC, Modulyss, Balta Broadloom, Captiqs	6739 New Calhoun Hwy Bld #100	Rome	GA	All sales are being reported by Bentley Prince Street (BPS Parent, Inc.)
16	Himalaya Carpets (Qinghai Himalaya Home Co., LTD)**	Himalaya Carpets USA	Unit 21-22 Roman Way, Industrial Estate	Preston, PR2 5BB	UK	Stopped selling in the US in December 2020.
17	A.M. Claret (formerly and DBA ALLIANCE TEXTILES)**		218 River Drive	Cartersville	GA	Ceased business as of June 1, 2021
18	Indian Summer Carpet Mills, Inc**		601 Callahan Road	Dalton	GA	Sold to BAMR Holdings on May 1, 2021. Began doing business as Southwind Building Products LLC
19	iCarpetiles.com., Inc.**		PO Box 6003	Louisville	KY	Ceased business as of April 30, 2021
20	Design Manufacturing International, LLC.**		17 Vincent Circle	Warminster	PA	Acquired by Stanton carpets in May 2021.
21	Daltonian Flooring, Inc.**		115 Old Belwood Road	Calhoun	GA	Ceased business in December 2021.
22	Innovative Tile Technologies LLC**	All American Carpet Tiles LLC, EZ Carpet LLC	1505 Coronet Dr	Dalton	GA	Ceased business during Q1 2022.
23	Apache Mills (FKA Berkshire Flooring)**	Berkshire Flooring, Inc.	PO Box 907	Calhoun	GA	Inactive as of Q1 2023
24	Best Carpet Values, Inc./W.R. Inc. **	Innovative Ind., S & J Carpet, Globe Dist.	PO Box 1639	Chatsworth	GA	Inactive as of Q1 2023

** = Noted as no longer active

End of No Longer Active List

CARE A.B. 2398 Reporting
Subsidiaries and Brands List - Updated as of as of 03/07/2023
PBC - modified by Aprio

Subsidiaries (Alpha Numeric Order)

Aircraft Interior Products	Brintons	Infinity Woven Products	Milliken Flooring	TDG Operations, LLC
ANDRE VERNIER & FILS SA, DE	Carpets by Sierra	LLC	MRM by White Oak, LLC	Totally Enterprises, LLC
POORTERE DECO SA	Carpets of New Zealand	Interface Services	Omega Pattern Works	Westbrook
Artisans Hospitality	Crossley Axminster	InterfaceFLOR, LLC	Shelmarc	White Oak Custom Carpets
Astro Carpet Mills	Ege Americas Inc	Kane Carpet	Signature Hospitality Carpets	
Bentley Mills, Inc.	Emerald	Kinsley Carpet	Stanton Carpet	
Berkshire Flooring, Inc.	Fabrica International, Inc.	Mainline	Tarkett USA	
	FLOR	Mannington Commercial		
		Marquis Industries		

Brands (Alpha Numeric Order)

Abby	Axminster Carpet	Concepts International	Downs Decade
Adorra	Balta Tiles	CORE ELEMENTS	Dream Weaver
Advantage XL	BEDFORD MILLS	CORNERSTONE	Dreamy
Aircraft Interior Products	Bellbridge	Couristan	Duralock
ALADDIN	BENEFITS	Creative Carpets	DURAPOINT
ALADDIN CCA NET	Bentley	Crescent	DURAWEAVE / DURAWEAVE ELITE
ALADDIN COLOR CENTER	Berkshire Flooring	Crossley Axminster	Duraweave Elite
ALADDIN COMMERCIAL	Bigelow	Crossley of South Africa	DURKAN COMMERCIAL
American Axminster	BIGELOW COMMERCIAL	Crosspoint	DURKAN HOSPITALITY
American Basic Natural Fusion	Bloomsburg Carpet	Davis & Davis Rugs	Dwellings
American Home Fashions of California	Bomat	Debut	Earth Weave
Antrim	Brintons	Decorative Concepts	EcoFi
Anything Goes	Cadence	DESIGN DISTINCTION	Ecorug
Artisan's Hospitality	Carpets by Sierra	Design Materials	EcoSylk
Astro Carpet Mills	Catalinahome	Desso	Edwards Fields
Atelier	Cavan	Dixie Home	EF Contract
AVIATION COMMERCIAL	Cavan Carpets	Dixie International	EF Hard Surfaces
	Clayton Miller	DOWNNS	

ege
Emerald
Emery Park Carpet Co
EMPIRE
Encore
Engineered Floors Multifamily
EnVision 66
Envision SD
ESSENTIALS
Evans & Black
Exquisite
EXTREME VALUE
Fabrica
Farmer's Market
Fibreworks
Fidneisen
Finale
First Impressions
Fletco
FLOORCRAFT
Flooringinc
FLOORSCAPES
FLOORSCAPES - ALD
FLOORSCAPES - CWC
FLOORZ
FLOORZ ALADDIN
FLOR
Flotex
Foss
Fossshield
GIBALTAR
GODFREY HIRST NA
GREEN SELECT
Gulistan
Hagaman
HARDING

Harding Factory Direct
HDC HOME DECORATION
COLLECTION
HEARTH & HOME
HEATHERFIELD
Hibernia
Hokanson
HOME & OFFICE
HOME FOUNDATION
HOME SHOWCASE
Home Solutions
HOME VALUE
HOMECRAFT
HORIZON
IMAGE
IncStores.com
INNOVIA / INNOVIA TOUCH
Interface Services
InterfaceFLOR
Interlude - Carpet One
J&J Flooring Group
Jmish
Johnsonite
Joy Carpets
Kaleen Rugs, Inc.
Kane Carpet
KARASTAN
KARASTAN / HELIOS
KARASTAN AMBASSADOR
KARASTAN CONTRACT
KARASTAN GALLERY DES
KARASTAN ROLL RUNNER
KARASTAN RUG
KARASTAN WOOL
Kaya Carpets
Kinetex

Kinsley Carpet
Kona Coast
Kraus Flooring
Lancer Enterprises, Inc.
Langhorne Carpet
Larsen
LDP brands
LEES CARPET
Lees Studio
Lexmark Adorn
Lexmark Expo
Lexmark Hospitality
Lexmark Living
Lexmark Tailored
LIFFPROOF
Lock Mat
Lonesome Oak Trading Co.
Loomtex
Looptex
Louis Dabbieri
Low Boy
Luxmax Carpet
Luxury Woven Vinyl
Luzern Ltd
Main Street Tile
Mainline
Majestic
Mannington
Mantra
Marquis Industries
Masland Carpets and Rugs
Mathews & Parlo
Merida
MERIT
Milliken
Missoni

Modular Mat
modulyss
MOHAWK
MOHAWK COLOR CENTER
MOHAWK COMMERCIAL
Momeni
MRM by White Oak, LLC
Nature's Carpet
Naturion
NAUTILUS
NexGen
Next Floor
Nood Fashion
North River
Northstar Flooring Design
Northwest Hospitality
Nourison
Nourtex
NuSatin
NuSilk
OfficeSmart
Omega Pattern Works
Ozite
Patcraft
Patriot Mills
Peerless
Pentz
Phenix
Philadelphia
Philadelphia Commercial
Piedmont Carpets
PLATINUM PLUS
Plaza Portfolio
PORTICO
PORTICO ESTATE
PORTICO SELECT

Prestige Mills
Prime
PROPERTIES BY MOHAWK
PWV
Queen
Queen Commercial
RADICI USA
REGENCY GRANDE
RELAX IT'S LEES / LEES
STUDIO
RESISTA / RESISTA SOFT
Revolution Mills
Rosecore
Royal Dutch
Royal Thai
RubberFlooringinc
Scott Group Studio
SELECT A FLOOR
Select Elements
Selecta Floor

Shaheen Carpet
Shaw
Shaw Contract
Shaw Floors
Shaw Home Foundations
Shaw Hospitality
ShawMark
Shazam
Signature Carpets
SIGNATURE SERIES
SIGNATURE SERIES-ALD
SIGNATURE SERIES-HZN
Silspun
Silver Creek
Simply Seamless
Smart Transformations
Smartback
SOFTSPRING
SOMERSET HOUSE
Southwind Carpet

St. Jude Flooring
Stainmaster
Stainmaster Core
Stanton
Stark
Stark Studio Rugs
StaticSmart
Style Smart
Sutton Carpet
Tai Ping Tent
Tandus Centiva
Tarkett Hospitality
The Atlas Group
Tisca
Top Gun
Totally Enterprises, LLC
Traffic Master
TRUCOR
Tuftex
Tuva

Ulster Carpet Mills
Unique Carpets Ltd.
Urban
Valour
Vista Carpet
WEAVEPOINT
Weave-Tuft Carpets
White Oak Custom Carpets
Whitfield Textiles
WUNDA WEVE
WUNDAWEVE CARPETS
WW FLOORSCAPES
Yukon

11.2 Public Drop-off Sites & Locations

The following pages list the Program’s public Drop-off Sites and their locations. All are located in California. CARE’s website includes the [California Drop-off Site Map](#) as well as a listing of site names, locations, contact information, websites, carpet collection details, hours of operation, and other details.

Appendix 11.2 – Public Drop-off Sites & Locations

ID	Public Drop-off Site	Address
1	Advance Disposal Co.	17105 Mesa Street, Hesperia 92345
2	American Reclamation	4560 West Doran Street, Los Angeles 90039
3	American Waste Transfer Station	1449 West Rosecrans Avenue, Gardena 90249
4	Anaheim Transfer Station/Recycling Facility	2740 East Coronado Street, Anaheim
5	B&B Carpets and Flooring	5626 Corporate Avenue, Cypress
6	Bay Counties SMaRT Station	301 Carl Road, Sunnyvale 94089
7	Bel-Art Transfer Station	2495 East 68th Street, Long Beach
8	Ben Lomond Transfer Station	9835 Newell Creek Road, Ben Lomond 95005
9	Bena Sanitary Landfill	2951 Neumarkel Road, Bakersfield
10	Benton Crossing Landfill	899 Pit Road, Crowley Lake 93546
11	Berkeley Transfer Station	1201 Second Street, Berkeley
12	Bishop – Sunland Landfill	110 Sunland Indian Reservation Road, Bishop 93514
13	BJM Installers – Benicia	4690 East 2nd Street, Suite 8, Benicia 94510
14	Black Butte Transfer Station	3710 Spring Hill Drive, Mt Shasta 96067
15	Blue Line Transfer Station	500 East Jamie Court, South San Francisco
16	Buena Vista Landfill	6500 Buena Vista Road, Ione
17	Buena Vista Landfill – Santa Cruz County	1231 Buena Vista Drive, Watsonville 95076
18	Cal Sierra Transfer Station	19309 Industrial Drive, Sonora 95370
19	California Cushion Co. Inc.	1205 West Collins Avenue, Orange
20	California Waste Services LLC	621 West 152nd Street, Gardena 90247

Appendix 11.2 – Public Drop-off Sites & Locations

ID	Public Drop-off Site	Address
21	Carpet & Linoleum City	1204 Redondo Avenue, Long Beach
22	Carpet In Warehouse	140 Hidden Valley Parkway, Suite F, Norco
23	Carpet Manufacturers Warehouse ®	6111 Randolph Street, Commerce 90040
24	Central Floor Supply	5963 East Clinton Avenue, Fresno 93727
25	Certified Blue	2075 Williams Street, San Leandro 94577
26	City of Lompoc Landfill	700 Avalon Street, Lompoc 93436
27	City of Redding West Central Landfill	14095 Clear Creek Road, Igo
28	City of Santa Cruz Resource Recovery Facility	605 Dimeo Lane, Santa Cruz 95060
29	Cold Canyon Landfill	2268 Carpenter Canyon Road, San Luis Obispo
30	Conservation Corps North Bay	365 Blodgett Street, Cotati 94931
31	Contra Costa Waste Services	1300 Loveridge Road, Pittsburg
32	CR&R Environmental Services – Main Offices	2059 East Steel Road, Colton 92324
33	Crenshaw Carpet	1413 North La Brea Avenue, Inglewood 90302
34	CWS-DTLA	3720 Noakes Street, Los Angeles 90023
35	Del Norte County Transfer Station	1700 State Street, Crescent City 95531
36	Del Norte Regional Recycling & Transfer Station	111 South Del Norte Boulevard, Oxnard
37	Delleker Transfer Station	73980 Industrial Way, Delleker 96122
38	Devlin Road Transfer Station	889 Devlin Road, American Canyon 94503
39	DFS Flooring, LP	15651 Saticoy Street, Van Nuys 91406
40	Eastern Impressions/Cristal Materials	6465 Corvette Street, Commerce 90040

Appendix 11.2 – Public Drop-off Sites & Locations

ID	Public Drop-off Site	Address
41	Eastern Impressions/Dimax Fiber Recovery	1111 East 4th Street, Santa Ana 92701
42	Eastern Regional Landfill	900 Cabin Creek Road, Truckee 96161
43	EDCO Recycling & Transfer	2755 California Avenue, Signal Hill
44	EDCO San Marcos C&D Processing Facility	224 South Las Posas Road, San Marcos 92078
45	El Dorado Disposal/Waste Connections	4100 Throwita Way, Placerville 95667
46	Emadco Disposal Services, Inc.	40287 Oak Park Way, Oakhurst
47	Falcon Transfer Station	3031 East I Street, Wilmington, Los Angeles
48	Flooring Innovations	74-527 Highway 111, Palm Desert 92260
49	Flooring Liquidator	736 Mariposa Road, Modesto 95354
50	Florin Perkins Public Disposal Site	4201 Florin Perkins Road, Sacramento 95826
51	Franeys Floor Covering	525 North Liberty Street, Visalia
52	Fremont Recycling & Transfer Station	41149 Boyce Road, Fremont 94538
53	Glenn County Transfer Station	5700 County Road 33, Artois 95913
54	Golden Bear Transfer Station	1 Parr Boulevard, Richmond 94801
55	Hawthorne Street Transfer Station	1059 West Hawthorne Street, Eureka 95501
56	Hayward Transfer Station	3458 Enterprise Avenue, Hayward
57	Highway 59 Landfill	7040 North State Highway 59, Merced
58	HM Flooring Group	1320 West Walnut Street, Compton 90220
59	Holdorff's Recycling	605 North Court Street, Alturas 96101
60	Imperial Landfill	104 East Robinson Road, Imperial

Appendix 11.2 – Public Drop-off Sites & Locations

ID	Public Drop-off Site	Address
61	Inland Regional Material Recovery Facility	2059 East Steel Road, Colton, 92324
62	Interior Removal Specialist, Inc.	9309 Rayo Avenue, South Gate 90280
63	Junction City Transfer Station (Temporary)	52414 Junction City Dump Road, Junction City 96048
64	Keller Bakersfield	5417 Standard Street, Bakersfield 93308
65	Keller Benicia	3880 Industrial Way, Benicia 94510
66	Keller Interiors – Sacramento	1200 Del Paso Road, Sacramento 95834
67	Keller Interiors (Perris Location)	3470 Webster Avenue, Perris 92571
68	Keller San Diego	6496 Marindustry Place, Suite A, San Diego 92121
69	Keller Stockton	7233 C. E. Dixon Street Unit C, Stockton 95206
70	Keller Tulare	1878 North Mooney Boulevard #1, Tulare 93274
71	Kern Valley Transfer Station	6092 Wulstein Avenue, Kernville 93238
72	Kiefer Landfill	12701 Kiefer Boulevard, Sloughhouse 95683
73	L&D Landfill	8635 Fruitridge Road, Sacramento
74	Lake County Transfer Station & Recycling Center	230 Soda Bay Road, Lakeport 95453
75	Lancaster Flooring, Inc.	44910 Yucca Avenue, Lancaster 93534
76	Lovelace Materials Recovery Facility & Transfer Station	2323 Lovelace Road, Manteca 95336
77	Loyalton Transfer Station	1 Garbage Pit Road, Loyalton 96118
78	McCourtney Road Transfer Station	14741 Wolf Mountain Road, Grass Valley 95949
79	McFarland-Delano Transfer Station	11249 Stradley Ave, Delano 93215
80	Magic Carpet	601-B West Lambert Road, Brea

Appendix 11.2 – Public Drop-off Sites & Locations

ID	Public Drop-off Site	Address
81	Marborg Industries C&D Recycling Center	119 North Quarantina Street, Santa Barbara 93103
82	Marin Resource Recovery Center	565 Jacoby Street, San Rafael 94901
83	Mariposa Landfill, Composting & Recycling Center	5593 Highway 49, Mariposa 95338
84	Maxwell Brothers Flooring America	24632 Narbonne Avenue, Lomita 90717
85	Maxwell Transfer Station	3852 Co Road 99W, Maxwell 95955
86	Michael's Carpet	9005 Adams Avenue, Huntington Beach
87	Monterey Regional Waste Management District	14201 Del Monte Boulevard, Marina 93933
88	Napa Recycling & Waste Services LLC	820 Levitin Way, American Canyon 94558
89	NARS	4450 Roseville Road, North Highlands
90	Neal Road Recycling & Waste Facility	1023 Neal Road, Paradise 95969
91	North County Recycling Center & Sanitary Landfill	17720 East Harney Lane, Lodi
92	Oberlin Road Transfer Station	2420 East Oberlin Road, Yreka 96097
93	Otay Landfill	1700 Maxwell Road, Chula Vista 91911
94	Palomar Transfer Station, Inc.	5960 El Camino Real, Carlsbad 92008
95	Premier Floors	731 South Auburn Street, Grass Valley 95945
96	Recology Sutter/Yuba Counties	3001 Levee Road, Marysville 95901
97	Recology Butte/Colusa Counties	2720 South 5th Avenue, Oroville 95965
98	Recology Hay Road	6426 Hay Road, Vacaville
99	Recology San Francisco Transfer Station	501 Tunnel Avenue, San Francisco
100	Recology Vacaville	855 Davis Street, Vacaville

Appendix 11.2 – Public Drop-off Sites & Locations

ID	Public Drop-off Site	Address
101	Rivera's Fine Flooring	16890 Church Street, Morgan Hill
102	RJR Recycling	1771 San Felipe Road, Hollister
103	Robbie's Fine Flooring	1902 West Euclid Avenue, El Centro 92243
104	Robert A. Nelson Transfer Station/Agua Mansa MRF	1830 Agua Mansa Road, Riverside
105	Robinson's Interiors Fresno Warehouse	292 West Herndon Avenue, Pinedale 93650
106	Robinson's Interior Inc.	230 North 11th Avenue, Hanford
107	Rock Creek Landfill	12021 Hunt Road, Milton 95684
108	SANCO Resource & Recovery	6750 Federal Boulevard, Lemon Grove 91945
109	Serv-Wel	901 South Maple Avenue, Montebello
110	Shafter Landfill	17621 Scofield Avenue, Shafter 93263
111	Shoreway Environmental Center	333 Shoreway Road, San Carlos
112	Smart Demolition & Excavation Inc.	1225 Van Dyke Avenue, San Francisco 94124
113	Solid Waste Systems	3151 Taylor Drive, Ukiah 95482
114	South Coast Recycling Transfer Station	4430 Calle Real, Santa Barbara
115	South Gate Transfer Station	9530 Garfield Avenue, South Gate 90280
116	South Tahoe Refuse Transfer Station	2140 Ruth Avenue, South Lake Tahoe
117	Sun Street Transfer Station	1104 Madison Lane, Salinas 93907
118	Sunset Transfer Station	16122 Construction Circle West, Irvine 92606
119	Sycamore Landfill	8514 Mast Boulevard, Santee 92071
120	Tehama County/Red Bluff Landfill	19995 Plymire Road, Red Bluff 96080

Appendix 11.2 – Public Drop-off Sites & Locations

ID	Public Drop-off Site	Address
121	Tri-County Design (BJM)	821 Petaluma Boulevard North, Petaluma 94952
122	V&S Carpet and Flooring	17208 Roseton Avenue, Artesia 90701
123	Victor Valley MRF (Burrtec)	17000 Abbey Lane, Victorville
124	West Coast Waste	3077 South Golden State Frontage Road, Fresno 93725
125	West Valley MRF and Transfer Station	13373 Napa Street, Fontana
126	Western Placer WMA	3195 Athens Avenue, Lincoln
127	Windsor Material Recovery Facility	590 Caletti Avenue, Windsor 95492
128	World of Carpet One	3023 Santa Rosa Avenue, Santa Rosa
129	Yolo County Central Landfill	44090 County Road 28H, Woodland
130	Zaengles Carpet One Floor and Home	2800 Main Street, Susanville 96130
131	Zanker Recycling	675 Los Esteros Road, San Jose 95134

11.3 Disposition Facility Addresses: Collector/Sorters, Processors & Manufacturers

Collector/Sorter (CSE) Facility Addresses (for Table 4-6)

Company	Facility Address	City	State	Zip
Aquafil Carpet Recycling, LLC	187 Mace Street	Chula Vista	CA	91911
Carpet Recycling Resources	100 Kiely Blvd.	Santa Clara	CA	95051
Certified Blue Recycling, Inc.	2075 Williams Street	San Leandro	CA	94577
Circular Polymers by Ascend	3390 Venture Drive	Lincoln	CA	95648
Construction & Demolition Recycling (CDR), Inc.	8990 Atlantic Avenue	South Gate	CA	90280
Eastern Impressions—Compton	15222 Marne Circle	Irvine	CA	92604
Eastern Impressions—Santa Ana	8013 Poinsettia Drive	Buena Park	CA	90620
GISCA, LLC	2342 S. Toledo Avenue	Palm Springs	CA	92264
Gone Green Recycling, LLC	1440 Industrial Way	Sparks	NV	89431
GreenWaste Carpet Recycling	610 E. Gish Road	San Jose	CA	95112
Interface, Inc.	1503 Orchard Hill Road	LaGrange	GA	30240
Los Angeles Fiber Company	5942 Santa Fe Avenue	Huntington Park	CA	90255
Phoenix Group, LLC	4911 Windplay Drive	El Dorado Hills	CA	95762
Shaw Industries Group, Inc.	616 E. Walnut Avenue	Dalton	GA	30720
Tarkett USA	311 Smith Industrial Blvd.	Dalton	GA	30721
Upstream Textiles	1021 Hibiscus Way	Placentia	CA	92870

Tier 1 Processor Facility Addresses (for Table 4-7)

Company	Facility Address	City	State	Zip
Aquafil Carpet Recycling #2	550 N. Pioneer Avenue	Woodland	CA	95776
Aquafil Carpet Recycling, LLC	1600 S. Central Avenue	Phoenix	AZ	85004
Aquafil Recycling #1, Inc.	3555 West Washington Street	Phoenix	AZ	85009
Carpet Recycling Resources	100 Kiely Blvd.	Santa Clara	CA	95051
Circular Polymers by Ascend	3390 Venture Drive	Lincoln	CA	95648
Columbia Recycling Corp.	1001 Chattanooga Avenue	Dalton	GA	30720
GISCA, LLC	2342 S. Toledo Avenue	Palm Springs	CA	92264
Gold Pond Corp.	1001 Chattanooga Avenue	Dalton	GA	30720
Interface, Inc.	1503 Orchard Hill Road	LaGrange	GA	30240
Los Angeles Fiber Company	5942 Santa Fe Avenue	Huntington Park	CA	90255
PRET Advanced Materials, LLC	520 Kingsburg Highway	Johnsonville	SC	29555
Shaw Industries Group, Inc.	616 E. Walnut Avenue	Dalton	GA	30720
Tarkett USA	311 Smith Industrial Blvd.	Dalton	GA	30721
Wetsel Oviatt Recycling	1015 North Market Blvd.	Sacramento	CA	95834

Tier 2 Manufacturer Facility Addresses (for Table 4-8)

Company	Facility Address	City	State	Zip
American Fiber Cushion	207 Recycling Way	Dalton	GA	30722
Aquafil Carpet Recycling	1600 S. Central Avenue	Phoenix	AZ	85004
Aquafil Carpet Recycling #2	550 N. Pioneer Avenue	Woodland	CA	95776
Aquafil USA, Inc.	1 Aquafil Drive SE	Cartersville	GA	30120
Arropol Chemicals	1815 S. Hamilton Street	Dalton	GA	30721
Bonded Logic	24053 S. Arizona Avenue	Chandler	AZ	85248
Bro-Tex	800 Hampden Avenue	St. Paul	MN	55114
Carpet Recycling Resources	100 Kiely Blvd.	Santa Clara	CA	95051
Chasen	123 South 20th Street	Irvington	NJ	07111
Circular Polymers by Ascend	3390 Venture Drive	Lincoln	CA	95648
Columbia Recycling Corp.	1001 Chattanooga Avenue	Dalton	GA	30720
GC Products, Inc.	1601 Aviation Blvd.	Lincoln	CA	95648
GeoHay, LLC	2230 Highway 292	Inman	SC	29349
KMI Group	320 N. Main Street	Kenton	TN	38233
Leggett & Platt	307 W. 7th Street	Fort Worth	TX	76102
Manassas Polymers	161 Executive Drive SE	Calhoun	GA	30701
MP Global Products LLC	2500 Old Hadar Road	Norfolk	NE	68702
PRET Advanced Materials, LLC	520 Kingsburg Highway	Johnsonville	SC	29555
Reliance Carpet Cushion	5942 Santa Fe Avenue	Huntington Park	CA	90255

Appendix 11.3 – Disposition Facility Addresses: Collector/Sorters, Processors & Manufacturers

Company	Facility Address	City	State	Zip
Rise Composite Technologies	241 Mohr Drive	Mankato	MN	56001
San Pallets, LLC	427 Thatcher Road	Youngstown	OH	44515
Shaw Industries Group, Inc.	616 E. Walnut Avenue	Dalton	GA	30720
Sustainable Polymer Systems	1878 Baytowne Loop	Miramar Beach	FL	32550
United Fibers, LLC	390 E. Ray Road	Chandler	AZ	85225
Wetsel Oviatt Recycling	1015 North Market Blvd.	Sacramento	CA	95834

11.4 Definitions

Advisory Committee: A mandated committee under Public Resources Code Section 42972.1(a) to provide recommendations on carpet stewardship plans, plan amendments, and annual reports. The [Advisory Committee webpage](#) provides more information.

Agreed Upon Procedure (AUP): A prescribed procedure executed by an external accounting firm or contractor to examine the records of Program participants to verify compliance and prevent fraud.

Assessment: The amount added to the purchase price of carpet that is subsequently remitted to a stewardship organization or manufacturer, which shall be spent on implementing the carpet stewardship plan.

Calcium Carbonate: See *Post-Consumer Carpet Calcium Carbonate (PC4)* below.

Capacity: Theoretical maximum volume of carpet discards able to be processed by participating processors in a given year, based on self-reported estimates and/or permitted capacity figures.

Carpet: A manufactured article that is used in commercial or residential buildings affixed or placed on the floor or building walking surface as a decorative or functional building interior feature and that is primarily constructed of a top visible surface of synthetic or natural face fibers or yarns or tufts attached to a backing system derived from synthetic or natural materials. *Carpet* includes, but is not limited to, a commercial or a residential broadloom carpet or modular carpet tiles. *Carpet* does not include a rug, pad, cushion, or underlayment used in conjunction with, or separately from, a carpet.

Carpet America Recovery Effort (CARE): A nationwide, 501(c)(3) non-profit organization whose focus is on post-consumer carpet stewardship.

Carpet as Alternative Fuel (CAAF): Fuel that has been produced from source-separated and sorted post-consumer carpet and processed, including 1) extraction of components for recycling if at all possible, and 2) size reduction, shredding, and/or blending with coal fines, etc. *CAAF* is not a type of recycling or reduction in disposal for purposes of this Program. *CAAF* is an alternative fuel source to other fuel sources such as coal, natural gas, and fuel oil.

Carpet-Derived Aggregate: A potential utilization of Recycled Output as an alternative to heavy rock and soil for use in geotextiles, road construction, or similar civil engineering application; similar to *Tire-Derived Aggregate (TDA)*. Examples might include lightweight wall backfill, vibration attenuation, embankment repair, and the like.

Carpet Industry: The universe of participants involved in the production of carpet, including Carpet Mills, fiber manufacturers, material suppliers, etc. It includes but is not limited to members of the Carpet and Rug Institute (CRI).

Carpet Mill: A primary producer of carpet, carpet tiles, or related products covered under the Plan. A Carpet Mill is also referred to as a *Carpet Manufacturer*.

Carpet Manufacturer: With regard to a carpet that is sold, offered for sale, or distributed in the state, includes, at a minimum: those who manufacture and sell or distribute the carpet under their name or brand; the owner or licensee of a trademark or brand under which the carpet is sold or distributed in the state; those who import carpet into the state for sale or distribution. See California Carpet Stewardship Law for expanded detail.

Carpet Stewardship Law: Includes Assembly Bill 2398 passed in 2010 and amended by AB 1158 in 2017, AB 2097 in 2018, AB 729 in 2019, and their associated regulations, as codified in sections 18940 through 18948 of the California Code of Regulations (CCR), Title 14, and in sections 42970 through 42983 of the Public Resources Code.

Cement Kiln: Cement production facility that may use CAAF as a source of energy, which does not qualify as recycling, and/or as a raw material in the form of enriched PC4 for cement production.

Collected: Gross collected pounds of California PCC (total includes material that may eventually be sent to landfill). Also referred to as *Gross Collected* or *Gross Collection*.

Collection: Any method of consolidating and temporarily storing recovered commercial and/or residential carpet.

Collector/Sorter: A business that provides carpet recycling collection services for retailers, disposal sites, or other sites. *Collector/Sorters* sort received PCC by material type for third-party reuse, or wholesale to Tier 1 processors for recycling; they do not convert material into Recycled Output. Sometimes referred to as *Collector/Sorter Entrepreneur (CSE)*.

Collector/Sorter Entrepreneur (CSE): See *Collector/Sorter* above.

Demolition: Represents the teardown of a building (one-time carpet removal). There is no estimate of percentage of flooring covered by carpet.

Differential Assessment: A system in which different assessment amounts are applied per square yard of carpet sold based on its attributes, such as carpet type (broadloom or carpet tile) and amount of post-consumer content (at least 10% or less than 10%). The Program established a Differential Assessment approach to support increases in

recycling and to comply with the requirements of AB 729, and the first Differential Assessments were implemented in April 2022.

Discards: Carpet that has completed its lifecycle as a consumer item or is no longer used for its manufactured purpose. Also referred to as *post-consumer carpet materials*.

Disposal: The management of solid waste through landfill disposal, transformation, or engineered municipal solid waste conversion, at a permitted solid waste facility (per Public Resources Code Section 40192). Under this Plan total pounds of post-consumer carpet sent to landfill and incineration are counted as disposal.

Disposal Facility: Facilities that are licensed and permitted to provide final disposal for the specific wastes they accept, including incineration and landfill.

Diversion: “Diversion” or “divert” means activities which reduce or eliminate the amount of solid waste disposed at landfills in a manner consistent with the state's hierarchy for waste management pursuant to Section 40051. (Reference: 14 CCR §18941)

Diversion (Net): See *Net Diversion* below.

Diversion (Reported): See *Reported Diversion* below.

DSC: Differential Scanning Calorimeter. Analytical testing device for identification of polymer/fiber type based on differential melting points.

Education/Communication or Education and Outreach (E&O) Costs: Refers to expenses incurred in support of marketing, education, and outreach (also referred to as MEO) efforts conducted under the Plan. Includes the cost of market development promotion on-the-ground education and outreach support, communications, collateral and materials development, and related expenses, as well as costs related to the California Carpet Advisory Committee.

End-of-life (EOL) Costs: Program cost associated with the management of carpet discards from the point when a product is discarded by the consumer or the end of the useful life of the product, whichever occurs first. Costs may include subsidies, incentives or other expenditures related to reuse, recycling, landfilling, and other forms of carpet disposition in line with Program goals. It also includes storage and transportation for the collection Drop-off Site program.

Energy recovery: Burning carpet in a kiln or waste-to-energy facility or as carpet as alternative fuel (CAAF) to replace other fuels such as coal, natural gas, or fuel oil.

Filler: Materials such as calcium carbonate and the like used in the production of carpet backing.

Governance Costs: Includes costs charged quarterly by CalRecycle for regulatory oversight of the Program.

Gross Collection (GC): Estimated pounds of California PCC removed from waste stream for reuse, recycle, CAAF, kiln, or WTE, as reported to CARE by Collector/Sorters, prior to processing. This also includes unrecyclable PCC or carpet processing waste that may eventually be sent to landfill.

ID: Identification number; often used in lists and tables in this document.

Implementation Costs: Includes total expenses associated with Program implementation, as the sum of EOL subsidies, incentives, grants, technical assistance, education/communication costs and program administration costs.

Incineration: Complete burning of material to ashes, with no energy recovery, to reduce waste volume.

In-ground and On-ground Applications (subject to testing protocols): Placing PCC and/or byproducts of carpet at or below the surface of the earth. This application of using PCC must consist of transforming PCC into a useful product, must meet all local government laws and codes, and must be approved by the CARE SPC Definitions Subcommittee.

Input: The post-consumer carpet that is collected, sorted, and readied for processing.

Landfilling: Landfilling includes the placement of post-consumer carpet and/or the residuals from a post-consumer carpet management method into a landfill disposal facility.

Manufacturer: A manufacturer of secondary products made with post-consumer carpet content. Manufacturers receive finished (Type 1) Recycled Output from Tier 1 processors and utilize this material in the production of finished secondary products. In this Plan, secondary manufacturers are referred to as Tier 2 Manufacturers.

Marketing, Education & Outreach (MEO): Communications, education, and outreach activities related to Program promotion, technical assistance, or stakeholder support to increase Program adoption, impact, and/or effectiveness. Also referred to as *Education & Outreach (E&O)*.

Memorandum of Understanding (MOU) for Carpet Stewardship: An agreement entered into by multiple stakeholders, including carpet industry, entrepreneurs, government entities and nongovernmental organizations.

Net Diversion: Estimated total PCC managed for reuse, recycle, CAAF, kiln, WTE, or export, rather than disposal in California landfills. It is calculated as the difference of Gross Collection pounds minus unrecyclable PCC and process waste pounds that ultimately go to landfill from Tier 1 Processors or Collector/Sorters. Based on *Gross Collection* being an estimate by Collector/Sorters, *Net Diversion* is also an estimate.

Nongovernmental Entities: Nongovernmental entities or organizations (NGOs).

On-ground Applications See *In-ground and On-ground Applications* above.

PC4: See *Post-Consumer Carpet Calcium Carbonate (PC4)* below.

Plasma: An extreme thermal process using plasma which converts organic matter into a syngas (synthesis gas), which is primarily made up of hydrogen and carbon monoxide. A plasma torch powered by an electric arc is used to ionize gas and catalyze organic matter into syngas, with slag remaining as a byproduct. It is used commercially as a form of waste treatment and has been tested for the gasification of municipal solid waste, biomass, industrial waste, hazardous waste, and solid hydrocarbons, such as coal, oil sands, petcoke, and oil shale.

Post-Consumer Carpet Calcium Carbonate (PC4) (subject to testing protocols): The residual, non-fiber content that is collected by a *Type 1 Processor* when a carpet is separated. This is typically in the form of a powder, which is associated with the “ash content” when an ash test is performed. The substance can be a high PC4 product or a mix that could include coal fly ash, cured adhesives, and some residual fibers. Because of the carpet manufacturing processes, PC4 in PCC processing will always have residual latex or other backing binder.

Post-Consumer Carpet (PCC) Materials: Carpet that has completed its lifecycle as a consumer item or is no longer used for its manufactured purpose. Also referred to as *Discards* above.

Post-Industrial/Pre-Consumer Carpet Material: Carpet materials generated in manufacturing and conversion processes, including, but not limited to, manufacturing scrap and trimmings/cuttings.

Processing: Preparing carpet material for reuse, recycling, CAAF, kiln, WTE, or disposal. It is meant to refer to some form of mechanical or chemical processing beyond cutting flats, sorting, or baling whole carpet.

Processor: A company that uses a process including but not limited to shredding, grinding, shearing, depolymerization, etc., to convert discarded whole carpet into finished recycled output that is ready to be utilized as an input material for manufacturing products. In this report, processors are referred to as Tier 1 processors. Some processors may also function as Collector/Sorters or Tier 2 manufacturers.

Program Administrative Costs: Non-subsidy Program expenses, including accounting, legal services, CARE facilities and operational expenses, staffing/contractor expenses, professional services, and marketing, education, and outreach activities. Program administration also includes service payments (governance costs) to CalRecycle for Program oversight.

Pyrolysis: A thermochemical decomposition of organic material in the absence of oxygen (or any halogen). It involves the simultaneous change of chemical composition

and physical phase and is irreversible. Pyrolysis is a type of thermolysis and is most commonly observed in organic materials.

RCRC: Rural County Representatives of California, a 35-member county service organization that champions policies on behalf of California’s rural counties.

Recovered: See *Gross Collection* above.

Recyclability: Recyclability means program capacity to recycle the various types of PCC fiber types that are collected. Currently, there is program capacity to recycle 100% of carpet as manufactured and 100% of the various PCC fiber types that are collected. Recyclability is a function of many variables including collectability, processability, and market demand.

Recycled Content: Also known as recovered material content, it is the percentage of material, by weight, a product is made from that has been recovered from consumers in the municipal solid waste stream (post-consumer recycled content), plus any industrial materials salvaged for reuse (pre-consumer/post-industrial content).

- **Post-Consumer Recycled Carpet Content (PCRCC):** The amount or percent of carpet, by weight, that is no longer used for or has served its manufactured purpose, that is incorporated into the manufacturing process of the same or a different product.
- **Post-Industrial/Pre-Consumer Recycled Carpet Content:** The amount or percent of carpet material, by weight, generated by manufacturers or product converters, such as trimming, overruns, and products returned to the Carpet Mills that are incorporated back into the manufacturing process of the same or a different product.

Recycled Output (RO): The sum of reuse plus the material that results from the industry-recognized processing (shredding, shearing, hammer-milling, depolymerization, etc.) of PCC from a Processor. Examples of Recycled Output include fiber, shredded carpet tile, depolymerized chemical components, carpet filler, PC4, etc. The Program currently distinguishes between two types of material:

- **Type 1 Recycled Output Material:** Higher value Recycled Output with the most benefits to manufacturers of finished products and which generally takes more processing to **achieve**. Type 1 recycled materials must meet requirements set by CARE. This includes maximum allowable ash content requirements, which are presently set at 25% or less and verified with quarterly ash testing in line with CARE-approved testing protocols. Examples of Type 1 recycled materials include PCC fiber, PCC backing, engineered resins, and material for carpet cushion.

- **Type 2 Recycled Output Material:** Lower-valued Recycled Output with generally lower benefit to manufacturers of finished products and a lower value than Type 1 recycled materials. Type 2 recycled materials exceed 25% ash content in line with CARE-approved testing protocols. Examples of Type 2 recycled materials include carpet filler and non-functional filler.

Recycling: The process, consistent with PRC Section 40180, of converting post-consumer carpet into a useful product that meets the quality standards necessary to be used in the marketplace. Transforming or remanufacturing discarded carpet materials into usable or marketable materials, rather than for disposal, incineration, WTE, CAAF, or reuse.

Recycling Efficiency Rate: The ratio of Gross Collection converted into Recycled Output, expressed as a percentage of Gross Collection; formerly referred to as *Yield*. See also Gross Collection Conversion Rate above.

Recycling Rate: The proportion of carpet discards converted into *Recycled Output*, expressed as a percentage of carpet *Discards*.

Reported Diversion: The sum of reported PCC that reduces disposal in California landfills. It is calculated as the sum of reported pounds of Reuse + Recycled Output (Type 1 + Type 2) + CAAF + Kiln + WTE + Export.

Retailer: A person who offers new carpet in a retail sale, as defined in Section 6007 of the Revenue and Taxation Code, including a retail sale through any means, including remote offerings such as sales outlets, catalogs, or an internet website or other similar electronic means.

Reuse: The donation or sale of recovered carpet back into the market for its original intended use. The reuse of recovered carpet retains the original purpose and performance characteristics of the carpet.

Rug: A loose-laid (not installed or attached at wall base) soft floor covering manufactured from natural or synthetic fiber, including carpet cut into room or area dimensions that is not intended to cover the entire floor. Consistent with statute, the scope of this Plan excludes Rugs.

Rural County: California counties that meet the CalRecycle definition of rural: “A rural county is defined as a county which disposes of less than 200,000 tons of waste annually.” (Public Resources Code Section 40183-4)

SFOC: Sustainable Fund Oversight Committee of CARE.

Sorting: The method used for separating collected carpet into the various backing types (e.g., PVC, SBR latex, etc.) and/or fiber types (e.g., Nylon 6, Nylon 66, Polypropylene, Polyester).

Source Reduction: The result of using less product or material in manufacturing and use of carpet (also known as dematerialization), and/or reducing the amount of discarded carpet generated. For the purposes of this plan, source reduction specifically refers to the reduction of PCC ultimately sent to landfill.

Source Separation: The process by which carpet is separated/segreated from all other materials at the end of its useful life (or when discarded).

SPC: Stewardship Planning Committee of CARE.

Throughput: The total amount of material received at a facility, in tons or pounds per year for a specific activity in a given year, equal to *Gross Collection*. *Throughput* is presented in combination with a summary of final disposition data for gross collected discards managed by participating Processors and Collector/Sorters.

Tier: Distinguishes end-market uses of PCC Recycled goods. Where the term *Type* distinguishes between the level of processing of PCC, *Tier* is used to differentiate the end product applications that may or may not need incentives to facilitate their adoptions. Examples of Tier 2 finished products from Type 1 PCC fibers: depolymerization, fiber pad, home insulation batting, plastic lumber, engineered pellet, and non-woven filtration waddles.

Type: See *Recycled Output (RO)* above.

Waste-to-Energy (WTE): Process of recovering thermal energy from solid waste through combustion.

Yield: The ratio of *Gross Collection* converted into *Recycled Output*, expressed as a percentage of *Gross Collection*; also referred to as *Recycling Efficiency*. See also *Gross Collection Conversion Rate* above.

11.5 Subsidies & Incentive Payouts Summary

Table 11.5.a. Summary of Subsidy and Incentive Payouts (*one-page image version, followed by accessible versions on subsequent pages*)

Count	Subsidy/Incentives	Payout Rate	Description	Timeline/Date of Action	Addendum	Notice
Collector/Sorters (CSEs)						
1	CSE Reporting Incentive (CSE)	\$1,000/month	No change anticipated	Initiated 2014	N/A	Incentive; not subject to guaranteed timeline
2	Broadloom Recycling Collected, Sold, and Shipped	\$0.02/pound	For self-collected, sorted, sold, and shipped CA pounds.	California Program-approved under current Plan purview; retroactive to Q3 2015	3	Subject to adjustment, beginning Q4 2017
3	Reuse	\$0.10/pound	For self-collected and shipped/sold or donated carpet tile or broadloom for the purpose of reuse	Effective Q2 2015; clarified June 2015 as applicable to the reuse of both broadloom and carpet tile, and retroactive to Q2 2015	1, 3	Subject to adjustment, beginning Q4 2017
4	Tile Reuse or Recycling Collected, Sold, and Shipped	\$0.05/pound	For California-generated carpet tile collected, shipped and sold for recycle/reuse or donated for reuse.	Effective Q1 2018	N/A	Initiated as a 6-month pilot, effective January 1, 2018 and still in effect
5	COVID-19 Action Plan: Additional Broadloom Recycling Collected, Sold, and Shipped	\$0.02/pound	Initiated as an emergency fiscal support to aid cashflow for collected broadloom in direct response to COVID-19 pandemic, reviewed quarterly.	Effective March 1, 2020	N/A	Initiated as temporary pandemic related fiscal support, effective March 1, 2020, reviewed quarterly. Note, the special COVID-19 subsidy was extended through the end of 2021 and beyond.
6	Tile Reuse / Recycling PILOT: Additional Tile Reuse Collected, Sold, and Shipped	\$0.20/pound	Pilot subsidy to support additional carpet tile reuse by CSEs	Effective April 1, 2021	N/A	Initiated 4/1/2021
Tier 1 Processors						
7	Tile Recycled	\$0.10/pound	For carpet tile recycled output	Effective Q2 2015	1	Subject to adjustment, beginning Q4 2017
8	Type 1 Recycled Output Payout	\$0.10/pound	Adjusted subsidy payout from \$0.06/pound to \$0.10/pound, tied to market indices; [Type 1 refers to recycled fiber output within ash content thresholds, currently less than 25% ash]	In Plan v.3.2.2 – March 2014; base payout rate adjustable, may be tied to market indicator using Models	3	\$0.06/pound subject to adjustment, beginning Q4 2017; \$0.04/pound adjustable quarterly effective Jan. 2016.
9	Type 2 Recycled Output Payout	\$0.03/pound	Type 2 refers to recycled output with higher ash content thresholds, currently more than 25% ash.	In Plan v.3.2.2 – March 2014	N/A	Subject to adjustment, beginning Q4 2017
10	Type 2 PC4 (Calcium Carbonate) Payout	\$0.17/pound	Non-fiber recycled output containing predominately calcium carbonate for use as feedstock in secondary products; currently \$0.17/pound	Change 1, effective Q2 2015; change 2, in June 2015; change 3, effective Q3 2015; [For use as a raw material (recycled output feedstock) only]	1, 3	Subject to adjustment, beginning Q4 2017
11	Commercial Broadloom	\$0.02/pound	For California-generated commercial broadloom recycled output. NOTE: this incentive is currently suspended and not in force	Initially slated to go into effect implemented Effective Q3 2018, but implementation suspended due to operational concerns	N/A	Initiated beginning Q3 2018
12	Highest Recyclability	\$0.05/pound	For California-generated PCC fibers meeting the Highest Recyclability parameters defined by the HR Committee (Plan Table 6), and calculated through the Subsidy Justification Model. Beginning 1/1/19, N6 and N66 broadloom and carpet tile qualify for Highest Recyclability incentive.	Effective Q1 2019	N/A	Initiated Q1 2019
13	COVID-19 Action Plan: Additional Type 1 PET and Polypropylene Payout	\$0.05/pound	Initiated as an emergency fiscal support for California-generated PET and PP Type 1 fiber output, in direct response to COVID-19 pandemic impacts on market conditions, reviewed quarterly.	Effective July 1, 2020	N/A	Initiated as a temporary fiscal support, effective July 1, 2020, reviewed quarterly. Note, the special COVID-19 subsidy was extended through the end of 2020 and beyond.
14	Tile Reuse / Recycling PILOT: Additional Tile Recycling Output Payout	\$0.20/pound	Pilot subsidy to support additional carpet tile reuse by Processors	Effective April 1, 2021	N/A	Initiated 4/1/2021
Tier 2 Manufacturers						
15	Tier-2 Manufacturer Non-Nylon Payout	\$0.25/pound	For Type 1 non-nylon recycled output used as a feedstock in the manufacture of secondary products; currently \$0.25/pound	Change 1, effective Q2 2015; change 2, retroactive to Q3 2015	1, 3	Subject to adjustment, beginning Q4 2017
16	Tier-2 Manufacturer PET Payout	\$0.25/pound	For Type 1 PET recycled output used as a feedstock in the manufacture of secondary products; currently \$0.25/pound	Effective Q3 2018	N/A	Initiated July 1, 2018; as a break-out from Non-Nylon
17	Tier-2 Manufacturer Polypropylene Payout	\$0.25/pound	For Type 1 Polypropylene recycled output used as a feedstock in the manufacture of secondary products; currently \$0.25/pound	Effective Q3 2018	N/A	Initiated July 1, 2018; as a break-out from Non-Nylon
18	Tier-2 Manufacturer Nylon 6 Payout	\$0.10/pound	For Type 1 nylon 6 recycled output used as a feedstock in the manufacture of secondary products; currently \$0.10/pound	Effective Q4 2017	NA	Initiated as a 6-month pilot, effective October 1, 2017 and remains in effect
19	Tier-2 Manufacturer Nylon 6,6 Payout	\$0.10/pound	For Type 1 Nylon 6,6 recycled output used as a feedstock in the manufacture of secondary products; currently \$0.10/pound	Effective Q1 2019	N/A	Initiated Q1 2019
20	Tier-2 Manufacturer PET Pellets Payout	\$0.11/pound	For California-generated PET fiber converted into PET Pellets.	Effective Q4 2019	N/A	Initiated Q1 2019
21	Tier-2 Manufacturer Polypropylene Pellets Payout	\$0.05/pound	For California-generated Polypropylene fiber converted into Polypropylene Pellets.	Effective Q1 2020	N/A	Initiated Q1 2020
22	COVID-19 Action Plan: Additional Nylon 6 Payout	\$0.15/pound	Initiated as an emergency fiscal support for Type 1 Nylon 6 recycled output used as feedstock in the manufacture of secondary products, in direct response to COVID-19 pandemic impacts on market conditions, reviewed quarterly.	Effective July 1, 2020	N/A	Initiated as a temporary fiscal support, effective July 1, 2020, reviewed quarterly. Note, the special COVID-19 subsidy was extended through the end of 2020 and beyond.
23	COVID-19 Action Plan: Additional Nylon 6,6 Payout	\$0.03/pound	Initiated as an emergency fiscal support for Type 1 Nylon 6,6 recycled output used as feedstock in the manufacture of secondary products, in direct response to COVID-19 pandemic impacts on market conditions, reviewed quarterly.	Effective July 1, 2020	N/A	Initiated as a temporary fiscal support, effective July 1, 2020, reviewed quarterly. Note, the special COVID-19 subsidy was extended through the end of 2020 and beyond.

Table 11.5.b. Collector/Sorters (CSEs): Summary of Subsidy and Incentive Payouts (Accessible Version)

Count	Subsidy/ Incentives	Payout Rate	Description	Timeline/ Date of Action	Addendum	Notice
1	CSE Reporting Incentive (CSE)	\$1,000/month	No change anticipated.	Initiated 2014	N/A	Incentive; not subject to guaranteed timeline
2	Broadloom Recycling Collected, Sold, and Shipped	\$0.02/pound	For self-collected, sorted, sold, and shipped California pounds.	California Program-approved under current Plan purview; retroactive to Q3 2015	3	Subject to adjustment, beginning Q4 2017
3	Reuse	\$0.10/pound	For self-collected and shipped/sold or donated carpet tile or broadloom for the purpose of reuse.	Effective Q2 2015; clarified June 2015 as applicable to the reuse of both broadloom and carpet tile, and retroactive to Q2 2015	1, 3	Subject to adjustment, beginning Q4 2017
4	Tile Reuse or Recycling Collected, Sold, and Shipped	\$0.05/pound	For California-generated carpet tile collected, shipped, and sold for recycle/reuse or donated for reuse.	Effective Q1 2018	N/A	Initiated as a 6-month pilot, effective January 1, 2018 and still in effect

Appendix 11.5 – Subsidies & Incentive Payouts Summary

Count	Subsidy/ Incentives	Payout Rate	Description	Timeline/ Date of Action	Addendum	Notice
5	COVID-19 Action Plan: Additional Broadloom Recycling Collected, Sold, and Shipped	\$0.02/pound	Initiated as an emergency fiscal support to aid cashflow for collected broadloom in direct response to COVID-19 pandemic, reviewed quarterly.	Effective March 1, 2020	N/A	Initiated as temporary pandemic related fiscal support , effective March 1, 2020, reviewed quarterly. Note, the special COVID-19 subsidy was extended through the end of 2021 and beyond.
6	Tile Reuse / Recycling PILOT: Additional Tile Reuse Collected, Sold, and Shipped	\$0.20/pound	Pilot subsidy to support additional carpet tile reuse by CSEs.	Effective April 1, 2021	N/A	Initiated 4/1/2021

Table 11.5.c. Tier 1 Processors: Summary of Subsidy and Incentive Payouts (Accessible Version)

Count	Subsidy/ Incentives	Payout Rate	Description	Timeline/ Date of Action	Addendum	Notice
7	Tile Recycled	\$0.10/pound	For carpet tile recycled output	Effective Q2 2015	1	Subject to adjustment, beginning Q4 2017
8	Type 1 Recycled Output Payout	\$0.10/pound	Adjusted subsidy payout from \$0.06/pound to \$0.10/pound, tied to market indices; (Type 1 refers to recycled fiber output within ash content thresholds, currently less than 25% ash)	In Plan v.3.2.2 – March 2014; base payout rate adjustable, may be tied to market indicator using Models	3	\$0.06/pound subject to adjustment, beginning; Q4 2017; \$0.04/pound adjustable quarterly effective Jan. 2016.
9	Type 2 Recycled Output Payout	\$0.03/pound	Type 2 refers to recycled output with higher ash content thresholds, currently more than 25% ash.	In Plan v.3.2.2 – March 2014	N/A	Subject to adjustment, beginning Q4 2017

Appendix 11.5 – Subsidies & Incentive Payouts Summary

Count	Subsidy/ Incentives	Payout Rate	Description	Timeline/ Date of Action	Addendum	Notice
10	Type 2 PC4 (Calcium Carbonate) Payout	\$0.17/pound	Non-fiber recycled output containing predominately calcium carbonate for use as feedstock in secondary products; currently \$0.17/pound	Change 1, effective Q2 2015; change 2, in June 2015; change 3, effective Q3 2015; [For use as a raw material (recycled output feedstock) only]	1, 3	Subject to adjustment, beginning Q4 2017
11	Commercial Broadloom	\$0.02/pound	For California-generated commercial broadloom recycled output. NOTE: this incentive is currently suspended and not in force	Initially slated to go into effect implemented Effective Q3 2018, but implementation suspended due to operational concerns	N/A	Initiated beginning Q3 2018

Appendix 11.5 – Subsidies & Incentive Payouts Summary

Count	Subsidy/ Incentives	Payout Rate	Description	Timeline/ Date of Action	Addendum	Notice
12	Highest Recyclability	\$0.05/pound	For California-generated PCC fibers meeting the Highest Recyclability parameters defined by the HR Committee (Plan Table 6), and calculated through the Subsidy Justification Model. Beginning 1/1/19, Nylon 6 and Nylon 6,6 broadloom and carpet tile qualify for Highest Recyclability incentive.	Effective Q1 2019	N/A	Initiated Q1 2019

Appendix 11.5 – Subsidies & Incentive Payouts Summary

Count	Subsidy/ Incentives	Payout Rate	Description	Timeline/ Date of Action	Addendum	Notice
13	COVID-19 Action Plan: Additional Type 1 PET and Polypropylene Payout	\$0.05/pound	Initiated as an emergency fiscal support for California-generated PET and PP Type 1 fiber output, in direct response to COVID-19 pandemic impacts on market conditions, reviewed quarterly.	Effective July 1, 2020	N/A	Initiated as a temporary fiscal support, effective July 1, 2020, reviewed quarterly. Note, the special COVID-19 subsidy was extended through the end of 2020 and beyond.
14	Tile Reuse / Recycling PILOT: Additional Tile Recycling Output Payout	\$0.20/pound	Pilot subsidy to support additional carpet tile reuse by Processors	Effective April 1, 2021	N/A	Initiated 4/1/2021

Table 11.5.d. Tier 2 Manufacturers: Summary of Subsidy and Incentive Payouts (Accessible Version)

Count	Subsidy/ Incentives	Payout Rate	Description	Timeline/ Date of Action	Addendum	Notice
15	Tier-2 Manufacturer Non-Nylon Payout	\$0.25/pound	For Type 1 non-nylon recycled output used as a feedstock in the manufacture of secondary products; currently \$0.25/pound.	Change 1, effective Q2 2015; change 2, retroactive to Q3 2015	1, 3	Subject to adjustment, beginning Q4 2017
16	Tier-2 Manufacturer PET Payout	\$0.25/pound	For Type 1 PET recycled output used as a feedstock in the manufacture of secondary products; currently \$0.25/pound.	Effective Q3 2018	N/A	Initiated July 1, 2018; as a break-out from Non-Nylon
17	Tier-2 Manufacturer Polypropylene Payout	\$0.25/pound	For Type 1 Polypropylene recycled output used as a feedstock in the manufacture of secondary products; currently \$0.25/pound.	Effective Q3 2018	N/A	Initiated July 1, 2018; as a break-out from Non-Nylon

Appendix 11.5 – Subsidies & Incentive Payouts Summary

Count	Subsidy/ Incentives	Payout Rate	Description	Timeline/ Date of Action	Addendum	Notice
18	Tier-2 Manufacturer Nylon 6 Payout	\$0.10/pound	For Type 1 nylon 6 recycled output used as a feedstock in the manufacture of secondary products; currently \$0.10/pound.	Effective Q4 2017	NA	Initiated as a 6-month pilot, effective October 1, 2017 and remains in effect
19	Tier-2 Manufacturer Nylon 6,6 Payout	\$0.10/pound	For Type 1 Nylon 6,6 recycled output used as a feedstock in the manufacture of secondary products; currently \$0.10/pound.	Effective Q1 2019	N/A	Initiated Q1 2019
20	Tier-2 Manufacturer PET Pellets Payout	\$0.11/pound	For California-generated PET fiber converted into PET Pellets.	Effective Q4 2019	N/A	Initiated Q1 2019
21	Tier-2 Manufacturer Polypropylene Pellets Payout	\$0.05/pound	For California-generated Polypropylene fiber converted into Polypropylene Pellets.	Effective Q1 2020	N/A	Initiated Q1 2020

Appendix 11.5 – Subsidies & Incentive Payouts Summary

Count	Subsidy/ Incentives	Payout Rate	Description	Timeline/ Date of Action	Addendum	Notice
22	COVID-19 Action Plan: Additional Nylon 6 Payout	\$0.15/pound	Initiated as an emergency fiscal support for Type 1 Nylon 6 recycled output used as feedstock in the manufacture of secondary products, in direct response to COVID-19 pandemic impacts on market conditions, reviewed quarterly.	Effective July 1, 2020	N/A	Initiated as a temporary fiscal support, effective July 1, 2020, reviewed quarterly. Note, the special COVID-19 subsidy was extended through the end of 2020 and beyond.
23	COVID-19 Action Plan: Additional Nylon 6,6 Payout	\$0.03/pound	Initiated as an emergency fiscal support for Type 1 Nylon 6,6 recycled output used as feedstock in the manufacture of secondary products, in direct response to COVID-19 pandemic impacts on market conditions, reviewed quarterly.	Effective July 1, 2020	N/A	Initiated as a temporary fiscal support, effective July 1, 2020, reviewed quarterly. Note, the special COVID-19 subsidy was extended through the end of 2020 and beyond.

11.6 Accessible Data Sources for Figures

Most figures in the main report include an accessible version of the source data in alternative text. For the following figures with larger and more complex data sets, the data are provided in accessible tabular format in this appendix:

- Figure 5-1. Gross Collection and Recycled Output Over Time
- Figure 8-1. Program Remittances, Expenditures, and Balance Over Time
- Figure 8-3. Summary of Subsidy Funds Paid to Participants Over Time by Type
- Figure 8-4. Annual and Cumulative Subsidy Payouts Over Time

Figure 5-1. Gross Collection and Recycled Output Over Time (Data Table)

This figure shows the change over time in Gross Collection of carpet and Recycled Output, in millions of pounds.

Category	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gross Collected	111.8	107.2	123.1	103.0	107.2	98.0	93.5	82.1	77.4	88.5	93.3
Recycled Output	36.0	44.1	43.4	34.8	37.7	47.2	49.3	58.0	52.6	67.6	73.6

Figure 8-1. Program Remittances, Expenditures, and Balance Over Time (Data Table)

The figure shows the income, expenses, fund balance, and reserve (portion of fund balance), in millions of dollars, for each of the four quarters of the year.

Category (millions of dollars)	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Income	\$5.3	\$6.2	\$6.1	\$5.0
Expenses	\$7.0	\$8.2	\$8.0	\$8.4
Fund Balance	\$10.4	\$8.5	\$6.6	\$3.2
Reserve (Portion of Fund Balance)	\$4.7	\$5.4	\$5.3	\$5.6

Figure 8-3. Summary of Subsidy Funds Paid to Participants Over Time by Type (Data Table)

The figure shows the change over time in subsidy funds paid to participants by participant and payout type, in millions of dollars.

Payout Type	2018	2019	2020	2021	2022
CSE Payout	\$1.5	\$1.4	\$2.2	\$3.1	\$3.7
Tier 1 Processor Payout	\$5.7	\$7.5	\$7.5	\$10.4	\$11.2
Tier 2 Manufacturer Payout	\$5.7	\$5.6	\$7.2	\$9.6	\$10.2
Total	\$12.9	\$14.6	\$16.9	\$23.1	\$25.1

Figure 8-4. Annual and Cumulative Subsidy Payouts Over Time (Data Table)

The figure shows the subsidies paid annually and in total (cumulative), in millions of dollars, since 2011.

Subsidy Payouts	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Payouts	\$0.7	\$2.1	\$3.2	\$4.6	\$6.4	\$10.1	\$11.1	\$12.9	\$14.6	\$16.9	\$23.1	\$25.1
Cumulative Payouts	\$0.7	\$2.8	\$6.0	\$10.6	\$16.9	\$27.0	\$38.2	\$51.1	\$65.6	\$82.5	\$105.7	\$130.7

11.7 Examples of Education & Outreach Materials

The following pages contain examples of education and outreach materials that the Program used in 2022:

- “Carpet Recycling in California,” CARE Annual Newsletter, Summer 2022 (3 pages)
- “CARE Micro Grants’ Ongoing Success,” Micro-Grants summary sheet, November 2022 (2 pages)
- “4 Ways to Protect the Planet by Recycling Right,” paid placement with other stewardship programs in the *Los Angeles Times* and other newspapers, May 2022 (4 pages)
- “Dear California Carpet Retailer,” Carpet Differential Assessment information sheet for retailers (1 page)
- “Talking Points for Sales Staff,” Carpet Differential Assessment information sheet for retail sales staff (2 pages)

CARPET **RECYCLING** IN CALIFORNIA

SUMMER 2022

WHAT'S INSIDE

P1: Carpet Recycling Highlights

P1: Who Is CARE?

P1: Convenient Carpet Collection

P2: Assessment Changes Rolled Out

P2: How Is the Assessment Used?

P2: New California Program Director

P3: Hard Surface Retailer/Installer?

P3: Recycling Rate Grows Steadily

P3: Training Installers

P4: How Can We Help You Recycle?

P4: CARE Grants Support Carpet Collection

P4: What Happens to Recycled Carpet?

Carpet Recycling Highlights

- Since 2011 the California Carpet Stewardship Program, administered by CARE, has been working to support and grow carpet recycling in the state. Here are some of the Program's most significant accomplishments:

1 BILLION

Over one billion pounds of old carpet has been collected in California since the start of the California Carpet Stewardship Program in 2011. **See map below.**

100+

100+ CARE works with over 100 public drop-off sites in all 58 counties! **See map below.**

58+

58+ There are now at least 58 recycled carpet-content products used in the automotive, transportation, construction and other industries. **See page 4.**

UP 27%

Up 27% The carpet recycling rate is up an average of 27% a year for the last 5 years. 76% of carpet collected gets recycled. **See page 3.**

Who is CARE?

Carpet America Recovery Effort (CARE) is an independent non-profit organization whose mission is to advance market-based solutions that increase landfill diversion and reuse and recycling of post-consumer carpet and encourage design for recyclability. CARE administers the California Carpet Stewardship Program, which is charged with meeting the requirements for carpet recycling set by California law and managed by CalRecycle.

Convenient Carpet Collection in Every County

Beyond the over 200 private on-site pickup service locations for carpet and pad, the number of CARE-supported public access carpet drop-off sites has grown to over 100 sites, with at least one site in all 58 California counties.

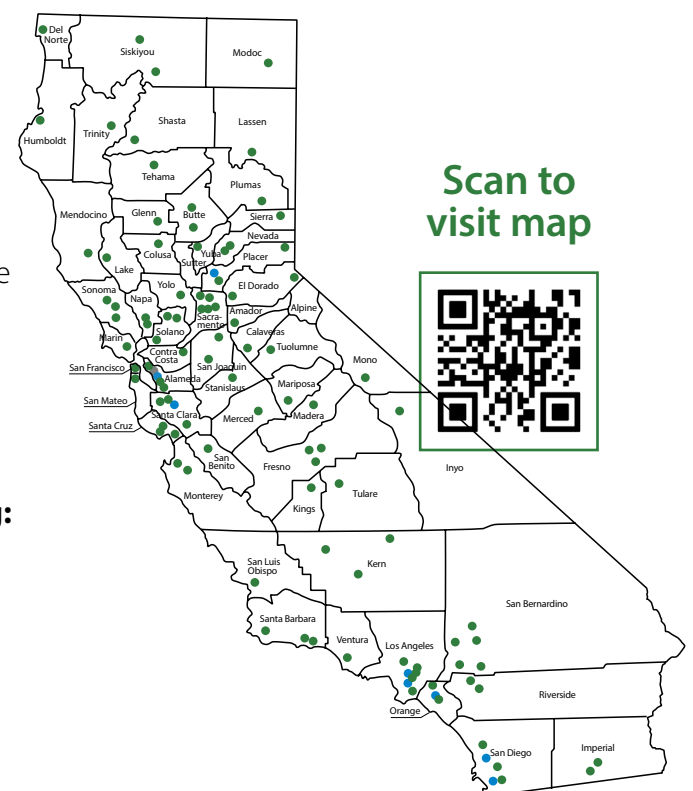
CARE supports drop-off sites by providing:

- A container for collection,
- Third-party hauling to bring carpet material to recyclers,
- CARE pays tip fee to recycler,
- Promotional materials for local government and the hosting facility,
- Technical assistance from CARE staff,
- Ready access to micro-grants supporting site set-up and collection equipment.

To find a drop-off site near you with the most up-to-date listing, hours and rates, visit CarpetRecovery.org/CA

CARE's carpet collection partners provide convenient on-site collection service to large volume tear-out carpet generators throughout the state. To request information for large volume on-site service or recommend that a solid waste/recycling facility near you becomes a CARE Drop-off Site, email CA@CarpetRecovery.org.

If you would like print copies of the drop-off site map, please email CA@CarpetRecovery.org.



Carpet Recycling Drop-Off Locations

California Carpet Stewardship Program
An initiative of CARE: Carpet America Recovery Effort

California Carpet Stewardship Program
An initiative of CARE: Carpet America Recovery Effort

Assessment Changes Rolled Out

The California carpet assessment is paid by consumers when purchasing new carpet. In April 2022, a new law required CARE to implement a differential assessment on each square yard of carpet that reflects its cost to recycle. Another provision of the law requires that CARE incentivize carpet products containing post-consumer (PC) content.

As a result, there are now four different levels of assessment:

Differential Assessment Levels as of April 1, 2022		
Product	> or = 10% Post-Consumer Content	<10% Post-Consumer Content
Broadloom	\$0.33 /square yard	\$0.35 /square yard
Carpet Tile	\$0.48 /square yard	\$0.50 /square yard

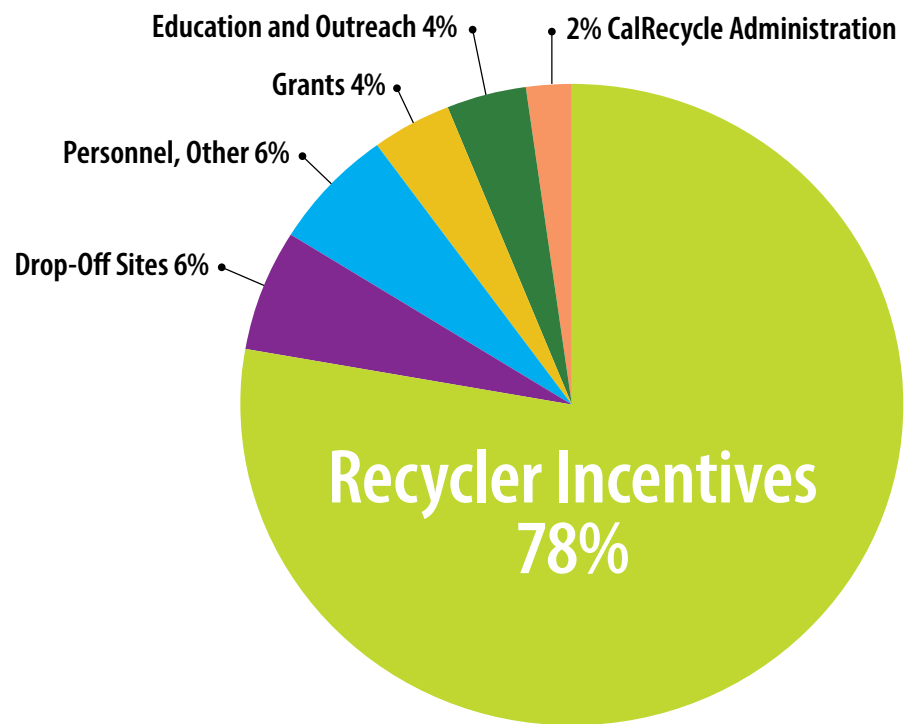


How is the Assessment Used?

The assessment funds CARE's efforts to grow the amount of carpet that is kept out of landfill and recycled. CARE is working to comply with all legal requirements, which include:

- Payment of subsidies to recyclers to enable continuous and meaningful improvement in landfill diversion via carpet collection, recycling and the manufacture of recycled-content products.
- Public outreach and education.
- Convenient carpet drop-off locations for flooring professionals and contractors, most offering discounted rates.

In 2021, 92% of assessment funds went directly to these program efforts, including subsidies, grants, marketing/outreach and the drop-off site program.



Thomas Coates
California Carpet Stewardship
Program Director

New California Program Director Named

Thomas Coates has been named the new California Carpet Stewardship Program Director, starting July 2022. Coates has the wide-ranging skills and experience that make him the ideal person to take the Program to the next level. From 2016-2022, Coates served as Lead Program Manager, Environmental & Compliance for the City of Ontario, CA. He previously worked as a Program Specialist for San Bernardino County and as Sustainability Analyst/Coordinator for CR&R Environmental Services in Stanton, CA. Thomas holds a master's in Business Management from University of Redlands and a bachelor's in Communications from Cal State - San Bernardino.

Hard Surface Retailer/Installer? Your Help is Key!

While retailers that do not sell carpet are not involved in collecting the carpet assessment, they often work with tear-out carpet that could be recycled. CARE encourages hard surface retailers to find out how and where to take carpet for recycling. Find out more at CarpetRecovery.org/CA or send your questions to CA@CarpetRecovery.org.

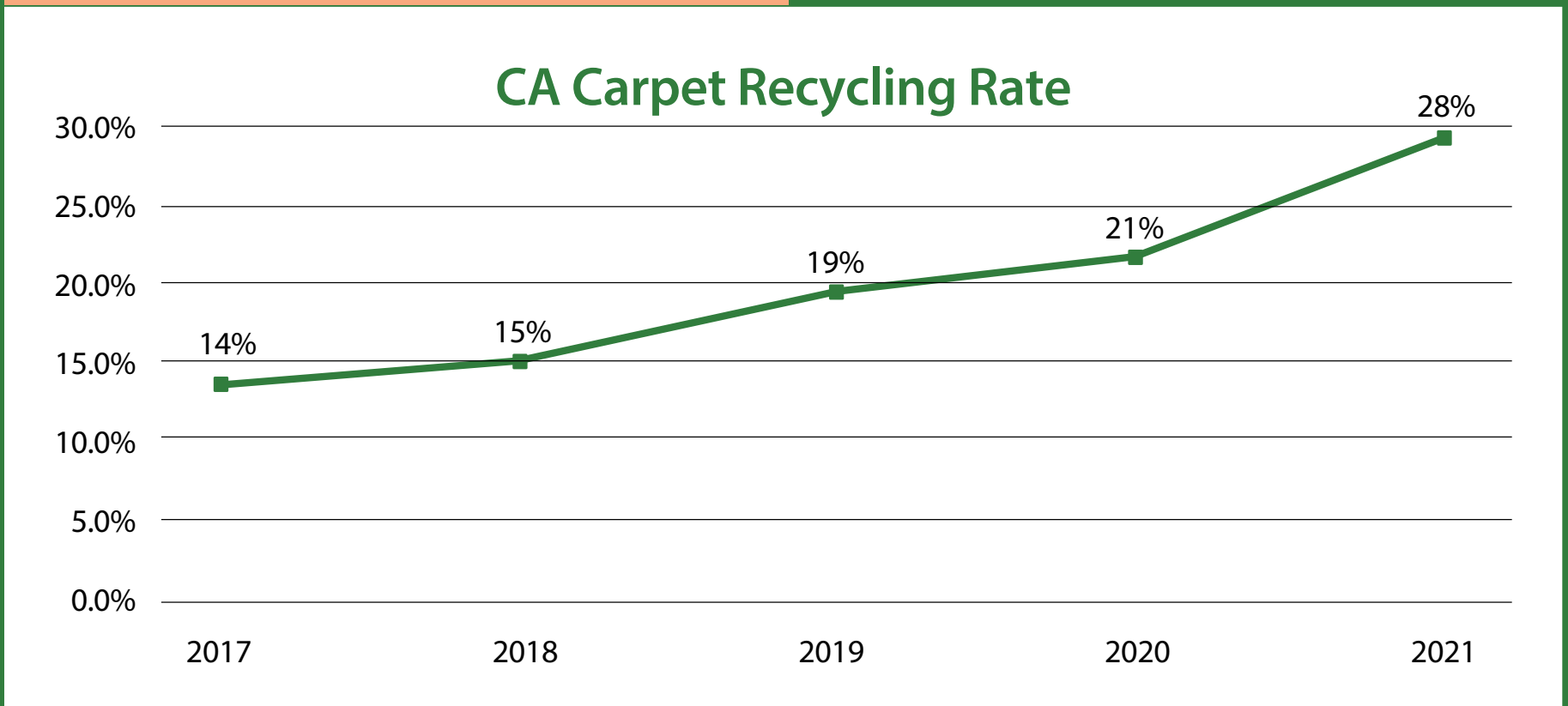
CARE offers a brochure for retailers and members of the public that explains the carpet assessment to consumers. To order free copies, email CA@CarpetRecovery.org.



Recycling Rate Grows Steadily

A primary requirement of the California carpet recycling law is to increase the percent of carpet kept out of landfill and recycled into new products. The recycling rate is the amount of post-consumer carpet recycled as a percent of the total amount of old carpet estimated to be torn out each year. In 2021, the Program achieved an all-time annual high Recycling Rate of 28%, exceeding the 26% goal set in its Five-Year Plan, double the rate in 2017 (see chart.) CARE's COVID Action Plan and market development efforts have supported that ongoing growth, even in the face of a continuing global pandemic. Additionally, the yield – the amount of carpet material recycled as a percent of the amount collected – reached an impressive 76% in 2021.

Carpet Recycling Trends



Training Installers

Flooring contractors and installers are a very important part of increasing carpet collection for recycling. CARE's outreach team contacts installers at supply houses, regional distribution centers and retail locations to let flooring contractors know about carpet recycling in their area. In addition, CARE is working with the International Union of Painters and Allied Trades (IUPAT) District Council 16 and District Council 36 to help train apprentice installers and advise current members on carpet preparation for recycling. CARE's new video for training flooring contractors on carpet recycling best practices is at CarpetRecovery.org/CA-Installers.



Videos in English and Spanish explaining carpet recycling for installers can be viewed on the CARE website at CarpetRecovery.org/CA-Installers.



How Can We Help You Recycle? Collecting Carpet for Recycling: A Top Priority

After many years of building and developing markets for products incorporating recycled carpet materials, demand for used carpet is now growing and CARE is supporting an aggressive expansion of collection programs and services.

Already recycling your tear-out carpet? Thank you for all your efforts! For retailers and installers not yet recycling, your options for recycling may include:

- Self-Haul: Asking your installers to take old carpet to a CARE drop-off site.
- On-Site Service: Contracting with one of our carpet collectors, or your local hauler, to place a collection container for carpet at your business.

Most retailers find that by recycling their carpet they can realize an average savings of 20% or more on their landfill disposal costs. If you are not yet sending your carpet for recycling or have a suggestion for a convenient collection site near you, email CA@CarpetRecovery.org and tell us how we can help you start recycling in 2022. Please email us today!

Some recyclers offer covered containers in several sizes, from trailers to racks, to collect carpet for recycling at retail stores.



CARE Grants Support Carpet Collection

Funded by the assessment paid by California consumers when buying carpet, CARE grants create new collection opportunities, processing facilities, product testing and product manufacturing to help recycle carpet in California. In 2021, CARE made 12 grants totaling \$1.6 million to nine companies.

- CARE capital grantees produced over 33 million pounds of recycled output and collected over 28 million pounds of PCC in 2021. New capital grants also opened opportunities for foam-backed tile processing as well as commercial broadloom processing in the state.
- Testing grantees with completed projects in 2021 established several new end products, including glass fiber-reinforced concrete and asphalt and cementitious block applications.
- Micro grantees collected more than 2.5 million pounds last year. Retailers and contractors are eligible to apply for similar micro grants. Micro-grant eligible items include containers, container covers, customized small trailers, weather protection structures and loading equipment.

Learn more at CarpetRecovery.org/CA-Grants.



What Happens to Recycled Carpet?

Once collected for recycling, carpet and carpet tile are sorted and processed into fiber and pellets, or new tile backing material. A large percentage of assessment funds go to support businesses that collect and process tear-out carpet into fiber and pellets, and to the companies who then use those materials to create new products such as insulation, carpet pad, new carpet fiber, manufactured building products and even car parts.

In an effort to increase demand for post-consumer carpet products, we are working with manufacturers to encourage them to include carpet material in their products to prevent carpet from going to landfill. See CarpetRecovery.org/Products for currently available products made with recycled carpet material.

Watch CARE on YouTube at [Youtube.com/c/CarpetAmericaRecoveryEffort](https://www.youtube.com/c/CarpetAmericaRecoveryEffort)



Plastic from recycled carpet is sold to auto manufacturers, where it is used for plastic casings under the hood.

Carpet Recycling in California

Grants



CARE Micro Grants' Ongoing Success



CARE introduced **micro grants** (\$15,000 each) in 2017 in order to promote the additional* collection and reuse of California post-consumer carpet (PCC). Micro grants are awarded for infrastructure projects and/or purchase of equipment that supports the operational logistics of properly collecting and/or reusing California PCC.

Five grants awarded in 2021's Cycle 4 demonstrate the positive impact of relatively small grants on the larger carpet recycling ecosystem. Funds were used for containers, machinery and a cement pad, all of which allowed businesses to collect more carpet so that it could be recycled. Together, these five grants led to nearly 2 million additional pounds of carpet collected in the first year of operations:

Aquafil Carpet Recycling, San Diego, CA

For collection containers to provide on-site service to carpet retailers and other flooring stores who wish to source separate PCC for recycling.

District Council 16 JATTF, Fremont, CA



Wrapping machinery financed with a CARE micro grant allow District Council 16 union installers and trainers to stack, strap and wrap post-consumer carpet tile for recycling or reuse.

Funds paid for a tile weighing and wrapping machine that allows union-based installers and trainers to stack, strap and wrap post-consumer carpet tile for recycling or reuse. The machine also weighs material to provide the construction industry with proof of recycling.

Hayward Transfer Station, Hayward, CA



At Hayward Transfer Station, specialized containers allow for on-site service to carpet retailers and other flooring stores that wish to source separate PCC for recycling.

Funds were awarded for collection containers to provide on-site service to carpet retailers and other flooring stores who wish to source-separate PCC for recycling.

Rivera's Fine Flooring, Morgan Hill, CA



A cement pad infrastructure improvement allows Rivera's Fine Flooring to keep PCC clean and organize the site for incoming traffic to this CARE drop-off site.

Funds were allocated for a cement pad to keep PCC clean and dry for recycling at this new public drop-off site. Rivera's also has plans to construct a weather cover.

Serv-Wel, Los Angeles, CA

This grant funded the construction of three large containers for collection of PCC at a regional distribution center for carpet in Southern California. The PCC is then hauled to a processor for recycling.

11 Million Pounds Collected

As of Fall 2022, **32 micro grants totaling \$430,000** have been awarded by CARE since 2017, resulting in the collection of approximately **11 million additional pounds of carpet per year**.

CARE expects to continue micro grant cycles for the foreseeable future. Retailers, haulers and other businesses involved in collecting carpet for recycling or reuse are encouraged to apply.

For latest details, see CarpetRecovery.org/CA-Grants

* The definition of "additional" under this program is PCC that was previously sent to landfill, alternative daily cover, waste-to-energy, kiln or used for carpet-as-alternative-fuel.

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PAID CONTENT

4 Ways to Protect the Planet by Recycling Right

BY BRANDPOINT

MAY 13, 2022
11:50 PM



(BPT) - Climate change is already impacting countries across the globe and changing the landscapes we know and love, affecting our quality of life in countless ways. The scope of the problem can seem overwhelming, but a recent landmark climate study released by the United Nations found that the world still has time to avoid the most

extreme dangers of climate change, if the global community acts even more aggressively to operate and live more sustainably[1].

California has been a leader in fighting climate change, but this Earth Day, it's more important than ever that all Californians commit to sustainable living. Many Californians already do their part by using their home recycling bins to their full potential, but there is a lot more we can do to recycle products that don't belong or fit in the recycling bin, like batteries, carpet, mattresses and paint.

Batteries

Batteries help power our daily lives but when they no longer hold a charge and reach their end of life, they can and should be recycled. Batteries are not only banned from the trash in California, but puts people, property, and the environment at risk if thrown away. Instead, research special [drop-off locations](#) near you or through the mail. [Call2Recycle](#) offers a Battery Collection & Recycling program for all your battery recycling needs.

Through the program, 95% of Californians live within 10 miles of an available Call2Recycle established drop-off site. Over 140 million pounds of batteries have been kept out of U.S. landfills since the Call2Recycle program launched in 1994.

Carpet

Almost 300 million pounds of carpet is torn out each year in California and more than 80% of it can be recycled into useful new products. The effort is led by the [California Carpet Stewardship Program](#), administered by the non-profit Carpet America Recovery Effort (CARE). CARE supports carpet collectors, recyclers and companies that have built markets for recycled carpet material.

Through the program, discarded carpet is collected at nearly 100 public drop-off locations and over 200 private collection sites and recycled into useful new products. These products include carpet fiber and backing, automotive parts, house trim and siding, insulation, accessibility ramps and more.

To make sure your old carpet gets recycled, ask your flooring retailer or installer about recycling options or [find a drop-off site near you](#). Carpet recyclers, who are members of CARE, have diverted over 1 billion pounds of carpet from California landfills since 2011. Helps us get to 2 billion pounds by visiting the [CARE website](#) and learn more.

Mattresses

An estimated 75% of a mattress can be recycled. The steel, foam, fibers and wood are used in products like construction rebar, carpet padding, insulation, mulch and biomass fuel. Through the work of the Mattress Recycling Council's [Bye Bye Mattress](#) program, the bedding industry is coordinating with mattress retailers, cities and waste haulers to help mattresses end up at recyclers instead of the landfill.

This program and the state law that created it give Californians options to dispose of mattresses at no cost. When you no longer need your mattress, MRC recommends you:

1. Ask your retailer to take away your old mattress when they deliver a new one.
2. Contact your city or waste hauler about the curbside collection of bulky items and if they participate in Bye Bye Mattress.
3. Drop off your mattress during a Bye Bye Mattress collection event or at one of more than 220 participating collection sites around the state.

Paint

A fresh coat of paint is a great way to update or enhance your home. How you store and handle that paint that can help keep your environment clean. If you have leftover paint

you want to use again, be sure to store it correctly for future use. Use a paint key to open cans rather than a screwdriver which can damage the rim. Wipe the rim clean after use and then reseal the lid with a rubber mallet or place a piece of wood or book between the hammer and carefully tap down.

For paint you no longer need, don't throw the cans in the trash. Find a free [PaintCare drop-off site](#) at local paint and hardware stores and bring in primers, stains, sealers and clear coatings such as shellac and varnish.

Leftover paint collected through the program is diverted from landfills and put to use, including immediate reuse for those who need it, processing into recycled content paint, blending into fuels, or use in other products such as landscaping materials and concrete mixes.

Be Part of the Solution

Recycling common household goods including bulky items like mattresses and carpet may seem like a small action, but collectively it has a massive impact on environmental health. Be a part of the solution and take these simple steps to recycle and make a difference in stopping climate change this Earth Day and beyond.

[1] <https://www.ipcc.ch/report/ar6/wg3/>





California Carpet Stewardship Program

An initiative of CARE: Carpet America Recovery Effort

Dear California Carpet Retailer:

As you know, the carpet assessment is changing on April 1, 2022.

Enclosed are materials to help you with this adjustment:

- **Assessment Information Card**
- **Talking Points for Sales Staff** one-sheet
- **Point-of-Sale Sign** alerting customers to the assessment. The sign can also be downloaded from CarpetRecovery.org/CA-Retailers.
- **Customer Brochure** that describes carpet recycling and the new assessment.

You can order more brochures on our website: CarpetRecovery.org/CA-Retailers or by emailing CA@CarpetRecovery.org.

As a reminder, the assessment is required to be charged on all carpet purchases in the state. All invoices must have the assessment clearly and correctly labeled as a separate line item. Learn more and watch an introductory video at CarpetRecovery.org/Assessment.

Questions?

CARE is here to help you with this change.

Email us at CA@CarpetRecovery.org.

Thank you.



California Carpet Stewardship Program

An initiative of CARE: Carpet America Recovery Effort

Talking Points for Sales Staff

California Carpet Assessment: Differential Assessment Launches April 1, 2022

Below are some questions your customers may ask about the new assessment amounts, with suggested responses:

What is this charge?

All carpet (wall-to-wall or carpet tile) purchased in California is subject to an assessment that supports carpet recycling in the state. The assessment is charged to the customer by the retailer. A 2020 law requires that the assessment be different based on the cost to recycle the carpet material at end of life. The carpet assessment is a post-tax line on your bill of sale.

How is the assessment calculated?

As of April 1, 2022, the assessment is changing from a single amount (35 cents per square yard) to a four-level system. The differential assessment is based on two factors: material type — broadloom or tile — and the percent of post-consumer (PC) content in the carpet.

How much is the assessment?

The Plan has four levels of assessment:

- Broadloom, <10% PC content: \$.35 per square yard
- Broadloom, > or = 10% PC content: \$.33 per square yard
- Carpet Tile, <10% PC content: \$.50 per square yard
- Carpet Tile, > or =10% PC content: \$.48 per square yard

Do I have to pay the assessment?

Yes. All carpet purchased in California is subject to the assessment by law.

How is the assessment used?

The assessment goes to the California Carpet Stewardship Program, which supports carpet collectors, recyclers and manufacturers with subsidies, grants and technical assistance aimed at increasing carpet recycling and keeping old carpet out of landfill.

What happens to recycled carpet?

Carpet that is recycled is kept out of landfill and becomes a valuable resource. Old carpet is collected and processed, and the resulting material is used in a variety of useful new products in the construction and automotive industries. Learn more about products containing recycled-carpet material at [CarpetRecovery.org/Products](https://www.CarpetRecovery.org/Products).

Learn more: Visit [CarpetRecovery.org/CA](https://www.CarpetRecovery.org/CA)



**California Carpet
Stewardship Program**

An initiative of CARE: Carpet America Recovery Effort

11.8 Annual Report Review Checklist

CalRecycle provided the checklist of statutory and regulatory requirements (as of May 26, 2023) included on the following pages. CARE has updated it to show where in this 2022 Annual Report the required elements are addressed.

CalRecycle's introduction to the checklist states:

By September 1 of each year, a manufacturer of carpet sold in the state shall, individually or through a carpet stewardship organization, submit to the department an annual report. This checklist includes statutory and regulatory requirements that carpet stewardship annual reports must address. Annual reports must also meet requirements specific to a carpet manufacturer or stewardship organization's program found in its approved stewardship plan and CalRecycle Request for Action documents on CalRecycle's [Stewardship Plan](#), [Annual Reporting](#), and [Program Goals](#) webpages. This checklist is not intended to provide a comprehensive list of legal requirements and should be checked for statutory or regulatory changes prior to use. Use of this checklist is voluntary.

Statutory Requirements from California Public Resources Code (PRC)

Row	Statutory Requirements	Sections & Pages
1	PRC 42972(a)(2) Achieve a 24-percent recycling rate for postconsumer carpet by January 1, 2020, and any other recycling rate established by the department pursuant to Section 42972.2.	Section 2.2
2	PRC 42975(a) In order to achieve compliance with this chapter, a carpet stewardship organization shall, on or before September 1 of each year, demonstrate to the department that it has achieved the amount and rates of recycling and a reduction in disposal of postconsumer carpet subject to its stewardship plan and the other goals included in the organization's plan pursuant to paragraph (2) of subdivision (a) of Section 42972. In determining compliance, the department shall consider all of the following:	Chapter 5
3	PRC 42975(a)(1) The baseline rate of compliance against which the demonstrated improvement is compared, including progress in achieving the goals outlined in subparagraphs (A) to (E), inclusive, of paragraph (2) of subdivision (a) of Section 42972.	Table 5-1
4	PRC 42975(a)(2) The quantifiable five-year goals and annual goals included in the carpet stewardship plan pursuant to paragraph (2) of subdivision (a) of Section 42972.	Table 5-1
5	PRC 42975(a)(3) Information provided in the organization's report to the department pursuant to Section 42976.	<i>see below</i>
6	PRC 42976(a) The amount of carpet sold by square yards and weight, in the state during the reporting period. A carpet stewardship organization with more than one manufacturer may use average weight.	Section 5.2

Row	Statutory Requirements	Sections & Pages
7	PRC 42976(b) The amount of postconsumer carpet recycled, by weight, during the reporting period.	Section 5.8
8	PRC 42976(c) The amount of postconsumer carpet recovered but not recycled, by weight, and its ultimate disposition.	Section 5.9
9	PRC 42976(d) The total cost of implementing the carpet stewardship plan.	Section 8.1
10	PRC 42976(e) An evaluation of the effectiveness of the carpet stewardship plan, and anticipated steps, if needed, to improve performance.	Chapter 5
11	PRC 42976(f) Examples of educational materials that were provided to consumers during the reporting period.	Appendix 11.7

Regulatory Requirements from California Code of Regulations (CCR), Title 14

Row	Regulatory Requirements	Sections & Pages
12	CCR 18942(c) The annual report shall be submitted by a corporate officer acting on behalf of a manufacturer or stewardship organization that is operating a carpet stewardship program under a department-approved stewardship plan.	<i>Done</i> (organization information in Chapter 1)
13	CCR 18942(c)(1) The annual report must be submitted electronically to the department, according to instructions provided by the department. A hard copy, signed by a corporate officer of a manufacturer or stewardship organization under the penalty of perjury, must also be submitted.	<i>Done</i>
14	CCR 18942(c)(2) The information submitted in an annual report shall address the criteria for a finding of compliance per 42976 as outlined in § 18944 Annual Report Compliance Criteria and be organized according to this standard outline: (A) Contact Information (B) Executive Summary (C) Scope (D) Program Outline (E) Description of Goals and Activities (F) Market Development (G) Financing Mechanism (H) Education and Outreach (I) Audits	Entire document, summarized in Table of Contents
15	CCR 18944(a) The annual report must contain the following:	<i>see below</i>
16	CCR 18944(a)(1) Contact information. Identify the manufacturer or stewardship organization responsible for the annual report submittal.	Chapter 1

Row	Regulatory Requirements	Sections & Pages
17	CCR 18944(a)(2) Executive Summary. Provide an evaluation of the effectiveness of the carpet stewardship plan, and anticipated steps, if needed, to improve performance.	Chapter 2
18	CCR 18944(a)(3) Scope. The program described in the stewardship plan accepts and manages all applicable post-consumer carpet.	Chapter 3
19	CCR 18944(a)(3)(A) Indicate any changes in the program scope from the approved stewardship plan.	Chapter 3
20	CCR 18944(a)(3)(B) Indicate the scope is unchanged, if no changes have occurred during the reporting period.	Chapter 3
21	CCR 18944(a)(4) Program Outline. Describe the carpet stewardship program, including information on the following topics:	Chapter 4
22	CCR 18944(a)(4)(A) Types of collections sites and basic information about recycling facilities in California, e.g., how carpet is collected, number and location of processors, throughput and capacity of recycling facilities.	Sections 4.1 and 4.2
23	CCR 18944(a)(4)(B) Include facility name(s) and address(es) for each method of disposition.	Sections 4.4–4.7, Section 5.6, Appendix 11.3
24	CCR 18944(a)(5) Description of goals and activities based on the stewardship plan. State goals from the approved plan, the baseline from which goals were measured, and report on achievement during the reporting period.	Chapter 5, including Table 5-1

Row	Regulatory Requirements	Sections & Pages
25	CCR 18944(a)(5)(A) The annual report shall include, but is not limited to, quantitative information data and discussion, specific to sales in California, on the following:	<i>see below</i>
26	CCR 18944(a)(5)(A)1. Amount of carpet sold by square yards and pounds, in the state during the reporting period that is covered under the approved stewardship plan. A stewardship organization with more than one manufacturer may use average weight.	Section 5.2
27	CCR 18944(a)(5)(A)2. Amount (pounds) of post-consumer carpet that is available for collection.	Section 5.3
28	CCR 18944(a)(5)(A)3. Amount (pounds) of carpet source reduced, if measurable.	Section 5.4
29	CCR 18944(a)(5)(A)4. Amount (pounds) of post-consumer carpet collected, by weight, during the reporting period.	Section 5.5
30	CCR 18944(a)(5)(A)5. Disposition, that is, amounts reused, recycled, incinerated for energy recovery or disposed of in a landfill; of collected post-consumer carpet, by pounds, during the reporting period.	Section 5.6
31	CCR 18944(a)(5)(A)6. Describe efforts to increase recyclability of carpets.	Section 5.7
32	CCR 18944(a)(5)(A)7. Describe efforts to increase recycling of post-consumer carpet.	Section 5.8
33	CCR 18944(a)(5)(A)8. Describe efforts to increase diversion of post-consumer carpet from landfills.	Section 5.9

Row	Regulatory Requirements	Sections & Pages
34	CCR 18944(a)(5)(A)9. Describe other environmental impacts as data are available, e.g., green house gas emissions. Descriptions of any enforcement actions or problems related to plan implementation.	Section 5.10
35	CCR 18944(a)(5)(A)10. Describe efforts to increase the market growth of secondary products made from post-consumer carpet.	Section 5.11 and Chapter 7
36	CCR 18944(a)(5)(A)11. Describe number of jobs attributable to the carpet stewardship program as data are available.	Section 5.12
37	CCR 18944(a)(5)(B) Information on goals shall be accompanied by supporting information covering, but not be limited to the following topics:	<i>see below</i>
38	CCR 18944(a)(5)(B)1. Report describes the measurement methodology, assumptions, conversion factors, and data sources.	Section 5.13
39	CCR 18944(a)(5)(B)2. Report demonstrates that over time source reduction, reuse, and recycling increased, while environmentally safe transformation and land disposal decreased.	Section 5.4
40	CCR 18944(a)(5)(B)3. Report covers progress toward achievement of all goals in the approved stewardship plan.	Chapter 5
41	CCR 18944(a)(6) Market Development. The annual report shall include a description of possible market development activities to incentivize the market growth of secondary products made from post-consumer carpet.	Chapter 7

Row	Regulatory Requirements	Sections & Pages
42	CCR 18944(a)(7) Financing Mechanism. The annual report shall include a description and evaluation of the program's financing mechanism, including whether or not the funding was sufficient to recover, but not exceed, the full cost of the stewardship program. The annual report shall include, but not be limited to, the following total program cost information, and include any supporting documentation. Any proposed change in the amount of the carpet stewardship assessment fee must be submitted to the department for re-approval (See §18943 Criteria for Plan Approval):	Chapter 8
43	CCR 18944(a)(7)(A) Total Program Cost	Section 8.1
44	CCR 18944(a)(7)(B) Cost(\$)/capita	Section 8.2
45	CCR 18944(a)(7)(C) Cost (\$)/pound collected	Section 8.3
46	CCR 18944(a)(7)(D) Education/Communications (% of total program cost)	Section 8.4
47	CCR 18944(a)(7)(E) End-of-life materials management (% of total program cost)	Section 8.5
48	CCR 18944(a)(7)(F) Program administration (% of total program cost, including annual administrative fee for service payments to the department)	Section 8.6
49	CCR 18944(a)(7)(G) Governance (program oversight) (% of total program cost)	Section 8.7
50	CCR 18944(a)(7)(H) Total cost to local government (if applicable)	Section 8.8

Row	Regulatory Requirements	Sections & Pages
51	CCR 18944(a)(7)(I) Amount of the assessment, aggregate assessment funds collected, how spent and amounts of each major expenditure	Section 8.9 (assessment), Section 8.1 (spending)
52	CCR 18944(a)(7)(I)a. Funds, if spent on CAAF, must be supported with documentation reporting on economic and environmental impacts and that incentives shall expire, if they no longer serve a benefit.	Section 8.5
53	CCR 18944(a)(7)(I)b. A carpet stewardship organization shall not expend funds from the assessment for engineered municipal solid waste conversion, as defined in Public Resources Code Section 40131.2, the use of cement kilns to burn carpet, or transformation, as defined in Public Resources Code Section 40201.	Section 8.5
54	CCR 18944(a)(7)(J) Surplus funding, if any, and how it will be applied to reduce program costs	Section 8.10
55	CCR 18944(a)(7)(K) An evaluation of the assessment rate	Section 8.9

Row	Regulatory Requirements	Sections & Pages
56	<p>CCR 18944(a)(8) Outreach/Education. List educational outreach activities in the stewardship plan. Provide a description of educational materials that were provided to retailers, consumers, carpet removers/installers, contractors, during the reporting period (provide electronic samples). Identify the method used to determine the effectiveness of educational and outreach surveys (e.g., surveys, hits on specific web pages, number of participants at events, etc.). Education and outreach materials may include, but are not limited to, signage, written materials, advertising or other promotional materials pursuant to Section 42972 (a) (5) and Links to website(s) created and maintained by the manufacturer or stewardship organization.</p>	Chapter 9
57	<p>CCR 18944(a)(9) Audits. The annual report shall include an independent financial audit funded from the carpet stewardship assessment. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, and standards set forth in Government Auditing Standards issued by the Comptroller General of the United States. The audit report shall also include a separate state compliance report on the carpet program requirements as directed by the department.</p>	Chapter 10 and Appendix 11.11
58	<p>CCR 18944(a)(9)(A) The department may investigate further. If the department decides to further review the findings of the independent auditor, the review will be conducted based on same information the individual manufacturer or stewardship organization provided to the independent auditor.</p>	<i>N/A (CalRecycle authority)</i>
59	<p>CCR 18944(a)(9)(B) Financial audits must be prepared by a Certified Public Accountant.</p>	Chapter 10 and Appendix 11.11

Row	Regulatory Requirements	Sections & Pages
60	CCR 18944(a)(9)(C) The department may request supplemental information from the individual manufacturer or stewardship organization during the course of review of a manufacturer- or stewardship organization-submitted financial audit, if necessary.	<i>N/A (CalRecycle authority)</i>
61	CCR 18944(a)(9)(D) The department will inform the individual manufacturer or the stewardship organization within 60 days of the results of its review.	<i>N/A (CalRecycle authority)</i>
62	CCR 18944(a)(9)(E) If after conducting further review of the audit, the Department deems it to be necessary, the Department may conduct its own audit.	<i>N/A (CalRecycle authority)</i>

11.9 Presentation to CalRecycle on Retailer Outreach Survey

The following pages contain a slide presentation that CARE delivered to CalRecycle in May 2022 to share findings from the Retailer Outreach Survey conducted by telephone from April 27 through May 6, 2022, following the roll-out of the Carpet Differential Assessment.

Report: Post CDA Rollout Survey of California Retailers

Conducted by Telephone, April 27 – May 6, 2022

Report: Post CDA Rollout Survey of California Retailers

Multiple Contacts

- Initial Feedback requests March-April 2021
- 4 Email Alerts, 5 Print Mailings to CA carpet retailers, cc'ed to mills, September-March
- CDA included in all retailer outreach calls, Oct-March
- Phone survey of 100 retailers, January 2022
- Articles in 6 CARE e-news
- Press release – extensive pickup in industry press
- Personal contacts by CARE with FUSE, Starnet, Big Box stores

-
- Of the 101 complete responses, 11 retailers said they had not implemented the assessment change and 22 were not sure.
 - Of the 33 No/Not Sure: 14 say they didn't know about it; 7 referred to corporate or sister store; 7 said they don't deal with much carpet; 2 needed more information; 3 don't know how.
 - *"His first response when I introduced myself was 'I get your emails' but then he was unaware of the CDA change"*

Of those retailers who had implemented the CDA, 82% said the process as somewhat or very easy.

But some were not happy:

- “The mills haven’t let us know anything.”
- “Reprinting contracts. Cost several hundred.”
- “Pain in the butt. Don’t appreciate more legwork.”

Big Box Stores

18 respondents represented big box stores (13 Home Depot and 5 Lowes). Stores either knew they were compliant (9/18) or were not sure and referred us back to corporate.

What was the most challenging aspect about implementing this new assessment for your business?
(select one)

Answer Choices	Response Percent	Responses
Determining how to charge for each product we sell	36%	9
Updating our software	28%	7
Explaining to customers	20%	5
Training staff	16%	4
Other (please explain)	62%	41

Comments:

- “Determining how to charge for each product we sell” was the most frequently selected challenging aspect of the rollout, followed by “updating our software.”
- 21 “Other” respondents said some form of “no challenge”.

Sample Comments:

- “Updating software, but it wasn’t bad with QFloors.”
- “It was pretty straightforward, just see don’t see the big deal with the \$.02 cent difference.”
- “We’re a mom and pop. Ready to throw the towel in. No manufacturer is contacting.”
- It's not the easiest thing, we have to find out what the fee is per manufacturer/per rep and sometimes they don't know but we can also go to their website to find out.

The vast majority (79%) of those who have implemented the CDA say it has had no impact on operations/sales.

Have you observed any customer response to the new assessment?

38 respondents said there was “no customer response” and 25 additional respondents gave some version of the ‘no impact’ answer.

All businesses that sell carpet in California must charge the differential assessment at this time. Will you?
(choose one)

Answer Choices	Response Percent	Responses
Implement the assessments when I get time.	3%	1
Implement the assessments when I get the information I need from the mills.	29%	10
Other (please explain)	68%	23
Training staff	Answered	34

Comments:

- “Have not heard anything. We sell carpet tile but the software automatically makes the change. It’s really difficult keeping track of each of the 4 tiers. We’re a small business, using QuickBooks and just have one line item for the assessment. It would be much easier if it were just one price across the board. The extra administrative tasks are difficult and costly.”
- “When we have the information, we’ll implement it. We’ve just had it at the \$.35 and we haven’t sold any carpet tile lately anyway.”

In Summary

- Of the 101 complete responses, about 10% of retailers (11) said they had not implemented the assessment change. Most of those were due to lack of information, mostly from the mills.
- Of those retailers who had implemented the CDA, 82% said the process was somewhat or very easy.
- There are a few very disgruntled retailers (*"This is Communist"*) but generally the assessment seems to have rolled out smoothly, with some retailers saying it's still being ironed out and more time/information is needed.

11.10 CARE Response to Advisory Committee Feedback on 2022 Annual Report



August 30, 2023

CARE Response to Advisory Committee Recommendations Related to the CARE 2022 Annual Report

CARE has carefully reviewed the comments and recommendations of the Advisory Committee. As required by California’s Carpet Stewardship Law, CARE is providing a response to the 8 recommendations generated by the Advisory Committee on CARE’s 2022 Annual Report resulting from the Advisory Committee meeting on July 26, 2023.

The recommendations section of the Advisory Committee’s letter dated July 26, 2023, is reproduced below, with minor formatting updates for document accessibility. CARE responses immediately follow each recommendation in **blue, bold** font and are labeled as “**CARE Response.**” In all cases where recommendations have been adopted, any appropriate language is incorporated into the Annual Report and its appendices. For any recommendations not incorporated, CARE provides written explanations in the response on the following pages.



July 26, 2023

To: CARE and CalRecycle
From: Carpet AC

Re: Comments and Recommendations on the 2022 Annual Report

Dear CARE and CalRecycle:

The California Carpet Advisory Committee appreciates the opportunity to provide comments, recommendations, and feedback on the California Carpet Stewardship Programs Annual Report submitted to the committee by CARE on The following motions were discussed and voted on during the AC meeting on 7/26/23 according to the Bagley-Keene rules. This letter was written during the meeting and approved by the roll call vote included at the bottom.

Motions:

1. The AC compliments CARE on the quality, length and layout of the report as one of the best annual reports of the program thus far. It flowed well between sections with subheaders that made it easy to follow.

Motion by: Doug Williams; Second: Wes
8 Ayes/0 Noes/0 Abstentions/3 Absent
The motion passes.
Roll call votes are marked in the minutes.

CARE Response: CARE's dedicated team of professionals thanks the Advisory Committee for their compliment.

2. The AC recommends adding another layer of transparency to the final distribution of CARE's public drop-off site collected carpet.

Motion by: Eric; Second: Gail
8 Ayes/0 Noes/0 Abstentions/3 Absent
The motion passes.
Roll call votes are marked in the minutes.

CARE Response: CARE agrees with the transparency request. At the same time, the recommendation is not explicit as to what is being asked for here. It seems

this motion and motion #3 are related and perhaps confounded. CARE is providing the following information in response.

Please see the attached most recent updated April 2023 version of the Drop-off Site program criteria, CARE PROTOCOL: CARE Public Drop-off Site (DoS) Selection and Load Routing, which is also available on CARE’s website. This protocol was developed in 2020, published in 2021, and remained in effect throughout 2022 and beyond.

3. The AC recommends CARE should identify and describe criteria for assigning sites or carpet pounds to a collector and include the document in the final report on the Decision Protocol from 2021. For example, criteria could include distance, ability to accept materials, yield, costs, weather, labor issues, technology functionality, servicing underserved regions, etc.

Motion by: Eric; Second: Joanne

7 Ayes/0 Noes/0 Abstentions/3 Absent **(CARE notes a missing no vote on this motion)**

The motion passes.

Roll call votes are marked in the minutes.

CARE Response: CARE agrees (please also see response to motion #2). CARE shared the established and posted CARE PROTOCOL: CARE Public Drop-off Site (DoS) Selection and Load Routing during the AC call and sent it to all AC members. The criteria have been published on CARE’s website for anyone to see for several years. As a learning organization, we are open to updates based on lessons learned and will commit to such periodic updates as market dynamics and Program support changes.

4. The AC recommends the detailed costs for assets, freight, and extra subsidies associated with public-site collection should be separately listed and detailed in the annual report.

Motion by: Franco; Second: Eric

8 Ayes/0 Noes/0 Abstentions/3 Absent

The motion passes.

Roll call votes are marked in the minutes.

CARE Response: CARE agrees with the transparency request and has shared during the call that such detail is provided in the routine quarterly reports. CARE added a chart (Figure 4-2) to the Annual Report to show the annual breakout analogous to the quarterly charts.

5. The AC recommends CARE should bring in findings from challenges and successes from recruitment and active sites into improving the program collection and expand on pages 15-17 of the draft annual report.

Motion by: Wes; Second: Nat
8 Ayes/0 Noes/0 Abstentions/3 Absent
The motion passes.
Roll call votes are marked in the minutes.

CARE Response: CARE agrees, and we have tried to incorporate learnings in all our reporting and program evolution. CARE has modified the referenced section in the 2022 Annual Report in order to provide additional details as requested.

6. The AC recommends describing rules and regulations impacting end-markets for new products using PCC feedstock from the program.

Motion by: Joanne; Second: Nat
7 Ayes/0 Noes/1 Abstentions/3 Absent
The motion passes.
Roll call votes are marked in the minutes.

CARE Response: CARE cannot agree with this recommendation. Based on the discussion during the Advisory Committee meeting, such a recommendation is beyond the scope of CARE's authority or responsibility. In addition, the markets are in constant flux given the global economic turmoil and its impact on the overall plastics and recycling industries. This Annual Report is focused on past performance and is not the right forum to speculate on future events.

7. The AC recommends that CARE seek clarification for compliance with requirement 18944(a)(7)(H) to gather data and include costs incurred by the local governments to manage discarded carpet, if applicable.

Motion by: Nat; Second: Gail
5 Ayes/2 Noes/1 Abstentions/3 Absent
The motion passes.
Roll call votes are marked in the minutes

CARE Response: CARE agrees and has sought clarification from CalRecycle on what role, if any, CARE might play in complying with this requirement. CARE notes that discussion during the call showed such data was not readily available per a City of Los Angeles representative on the Advisory Committee. After discussion with CalRecycle, we believe the Annual Report to be compliant with Carpet Stewardship Law.

8. The AC recommends these additional action items to be considered for modification of the draft Annual Report:
 - a. include more details on the status of the discards study, future timeline, and plan for results.
 - b. Details regarding carpet and carpet tile's significant increase of reuse.
 - c. Breakdown details on the results from the retailer outreach survey.
 - d. To comply with requirement 18944(a)(4)(B), include facility names and addresses for each method of disposition in section 5.9.
 - e. Clarify in the capacity section by referring to the 5-year plan that there is adequate processing capacity to meet future recycling goals.
 - f. Include a discussion in the financial section(s) on the legislation passed in the current year that will affect the market value of PCC. For example, legislation on plastic reduction.

Motion by: Wes; Second: Joanne
8 Ayes/0 Noes/0 Abstentions/3 Absent
The motion passes.
Roll call votes are marked in the minutes

CARE Response: CARE will respond to each additional action item in this motion as follows:

- a. **CARE will handle this request outside the Annual Report as it was not a specific deliverable in our 2022 goals and CARE has communicated with CalRecycle separately on this topic.**
- b. **CARE has added additional narrative to the Annual Report regarding this topic.**
- c. **CARE agrees and has added the findings from the Retailer Outreach Survey as shared with CalRecycle in May 2022 to an appendix (Appendix 11.9) of the Annual Report.**
- d. **CARE Response: CARE agrees and notes we already provide names of all program participants: Collector/Sorters (CSEs), Processors, and Manufacturers. We have included addresses in a new appendix (Appendix 11.3) as well.**
- e. **CARE agrees and has added additional clarity as needed to specify sufficient capacity already exists in the state to meet all Plan targets through the end of 2027.**
- f. **CARE does not feel it is a requirement of the Annual Report to speculate on the future, especially one as volatile as this one and with such global unrest in financial markets. In addition, no new law has been passed at this time.**

Note, CARE would like to point out that there was no representative of the carpet industry on the Advisory Committee as called out in statute. A request was made of CalRecycle prior to the meeting, but unfortunately no action was taken.

Finally, it is a concern that only 2 of the 3 regional processors (LA Fiber Company and Aquafil) are represented on the Advisory Committee, and Aquafil continues to have two votes which is a conflict of interest.

These facts reflect a concern that all stakeholders are not properly represented on the Advisory Committee and all processors should have their voices heard.

Appendix 11.10 – CARE Response to Advisory Committee Feedback on Annual Report

Respectfully,

Wes Nelson
Chairperson

Roll call votes approving this letter as written on 7/26/2023

Member	Organization	Vote on the Letter
DOUGLAS WILLIAMS	LA Fiber	Aye
ERIC NELSON	Aquafil	Aye
FRANCO ROSSI	Aquafil	Aye
GAIL BRICE	XT Green	Aye
HOWARD SAPPER	Carpet Manufacturers Warehouse	Aye
JOANNE BRASCH	CA Product Stewardship Council	Aye
NAT ISAAC	City of Los Angeles Bureau of Sanitation	Aye
STEVE BELONG	Carpet, Linoleum, & Soft Tile Workers Local Union #12; N. CA Floor Covering Finishing Trades Institute Joint Apprenticeship Training Committee	Absent
STEVE LANDRETH	ProSpectra Contract Flooring; Senate Rules Committee Appointee	Absent
SUNA BAYRAKAL	Product Stewardship Institute	Absent
WES NELSON	GreenWaste Carpet Recycling	Aye

CARE Response: As part of its response to the Advisory Committee’s motions #2 and #3, CARE includes the following document as an attachment, on the subsequent pages:

CARE PROTOCOL: CARE Public Drop-off Site (DoS) Selection and Load Routing



CARE PROTOCOL

CARE Public Drop-off Site (DoS) Selection and Load Routing

Date: April 1, 2023

Purpose

The purpose of this document is to describe the approach and decision-making protocol that CARE CA staff use when 1) establishing a new Public Drop-Off Site and 2) directing Post-Consumer Carpet (PCC) loads from a Public Drop-off Site to a CARE Collector/Sorter (CSE) or Processor. Both are herein after referred to in this document as “Recycler”.

I. Introduction

Consistent with the Carpet Stewardship Law, CARE’s goal is to support the recycling community grow the total collection of PCC by facilitating and enabling expanded recycling opportunities. One approach CARE uses are through establishing Public Drop-off Sites (DoS) and by supplying technical and marketing outreach to those sites, their surrounding communities and to our recyclers.

CARE has established numerous Public Drop-Off Sites (DoS) throughout California and continues to identify additional opportunities. These sites are independently operated, with varying rates for drop-off fees, and provide access for flooring professionals, contractors, and the public to deposit PCC. The collected PCC is then routed to a CARE designated Recycler for identification, sorting, and subsequent processing to be incorporated into the recycled materials stream. It is each recycler’s primary responsibility to secure the needed volume to sustain and grow their operations. CARE’s role is to enable, facilitate, support and assist in a way that is seen as transparent, fair and maximizes the efficacy of the use of public funds. CARE does not prioritize one recycler over another and must remain neutral in the marketplace and its fluctuations.

II. How is CARE making Public Drop-off Site (DoS) location decisions?

CARE takes into consideration multiple elements when deciding to establish a public DoS. CARE endeavors to recruit sites in areas that are not adequately serviced by private business or waste management entities, being careful not to infringe upon existing site-recycler relationships.

Choosing the location for a CARE DoS is based on the review and consideration of varying factors, including meeting CalRecycle’s priority deliverables established in approved plans.

Convenient Collections

- a) CARE, as part of their Convenient Collection objectives and Plan commitments, is required to provide:
 - i) A minimum of one (1) CARE DoS per county, and
 - ii) coverage for density of at least one (1) CARE DoS per 500,000 people with incremental growth to cover a smaller population set on an annual basis.

Proximity to Flooring Professionals

Based upon an independent Convenient Collection Study and survey of flooring professionals, the majority of tear-out PCC is handled by flooring professionals/contractors.

- a) As part of the Convenient Collection objectives, CARE is required to provide public access DoS in relation to where flooring retailers/professionals are located.
 - i) Strategic proximity to retailers/flooring professionals, which serves as proxy for population density, presents the most ideal opportunity for capturing a larger volume of PCC.
 - ii) Percentage of residents within 15 miles of a location that accepts carpet from all flooring professionals – baseline percentage is 72%, with that figure increasing each year of the 2023-2027 Plan.

Location Type

Following are the types of locations pursued for a DoS:

- Public access solid waste facilities (e.g., transfer station, landfill) or recycling facilities such as Material Recovery Facilities (MRFs) or Construction & Demolition Debris (C&D) recycling facilities.
- Regional Distribution Centers (RDC) – wholesale flooring distribution warehouses open to existing customers.
- Flooring supply houses - retail business selling industry tools and supplies to floor covering installation professionals.
- Flooring retail stores – retail flooring businesses that have space and ability to accept PCC from professional installers and the public.
- Flooring installation companies – “Big Box” stores using contracted installation companies who bring PCC back to their service yards for collection.
- Other locations may include Training Centers or large complexes such as Universities, Convention Centers, etc. These locations may be set up as temporary locations and may have limited or restricted public access.

III. How does CARE decide which DoS loads go where?

Determining the destination for a CARE DoS PCC load is based on the review and consideration of many factors and may include some or all of the following:

- Regional proximity – distance, transportation routes, and weather conditions.

- Environmental considerations (GHG emissions) are also of importance, although not quantified.
- Overall economics – cost to transport, recycling/tipping fee, added wait-time costs, overnighting costs.
- Recycler operational capacity –
 - i) Ability to sort, broker, and/or process different types of carpet material and quantities needed to meet production needs, including PCC for reuse (Carpet Tile, etc.).
 - ii) Capability of receiving a particular type of vehicle load (e.g., Trailers, Sidelifter, Cargo Containers, Walking Floor Trailers, Roll-off Bins).
 - iii) Recycler receiving hours – hauler and DoS service convenience, ease of load receiving, wait-time and unloading constraints.
 - iv) Ability to measure and report on volume received (scales, delivery receipts, etc.)
- Consideration of any pilot program(s) that may be active at the DoS or with a Recycler.
- Drop-off Site's documented relationship with Recycler – consideration of current business relationships, and/or vendor service level compatibilities.
- Hauling Service Provider routes and limitations.
- Fairness and Equity – it is in CARE's best interest to help California build a strong, healthy, and equitable carpet recycling collection infrastructure. CARE endeavors to work closely with the recycling community to enable business and thus, Program success.

IV. Changes in Routing Assignments

Potential re-Routing DoS loads: Based upon the above noted evaluation measures, re-routing rarely happens. However, CARE may, at its discretion, change DoS load routing assignments to meet the needs of Program Goals.

Just as the siting of CARE DoS locations are not intended to interrupt or damage the Recycler's Private Collection Network, PCC from CARE DoS locations is not intended to replace each Recycler's responsibility to secure the PCC needed to meet their capacity and materials demand needs. While CARE is not contractually obligated to provide notice and CARE does not guarantee PCC material volumes sourced from Public Drop-off Sites, CARE understands that Recyclers make business decisions based upon flows/volume of PCC load receiving schedules and related volumes (e.g., staffing, equipment leasing/acquisition).

In an effort to build and support a strong, healthy, and equitable carpet recycling collection infrastructure, CARE relies on the collaboration and partnership of our recyclers in order to achieve its goals. CARE assesses the above noted considerations in Section III prior to re-routing DoS PCC to a different destination.

CARE works to be respectful of our Recyclers' business planning/scheduling needs by utilizing the following protocol to notify Recyclers of any **permanent** routing changes:

- CARE strives to provide a 30-day professional courtesy notice where possible on any permanent changes to assignments.

Why might re-routing happen?

- Major service and/or schedule impacts.
- Scheduling challenges – Recycler is unable to accept loads - regularly pushing out receiving time windows, long wait times at receiving dock.
- Transportation route challenges – inclement weather/seasonal (temporary re-routing), construction, persistent delays.
- For emergency purposes, temporary schedule re-balancing or factors beyond CARE's control (e.g., weather, traffic, construction, fire), loads may be re-directed in the best interest of CARE, DoS and/or transportation company.
- Drop-Off Site operational changes – In the event that a DoS modifies its internal operations (such as changes to self-haul services), CARE may change that site's designated Recycler depending on logistics and site preferences.
- Recycler's Standing in the Program – In the event a Recycler drops or is delisted from the program, CARE will route material to a different Recycler based on the standard protocols outlined within and at its discretion.

V. Disclaimer

CARE makes every effort to ensure cost effective and reasonably equitable load distribution throughout the state. CARE has the sole discretion to disperse and direct Public DoS loads based on the factors listed within this protocol as well as other factors not anticipated or defined within this document. CARE reviews rates and factors on an ongoing basis and reserves the right to implement changes as deemed essential to the Program's success, both logistically and financially, without input or evaluation from CARE designated Recyclers, or existing or prospective DoS locations.

11.11 Audited Financial Statements

This appendix includes the following financial statements of the California Carpet Stewardship Program for the year ending December 31, 2022.

The statements were audited by independent Certified Public Accounting firm Carr, Riggs & Ingram, LLC, of Atlanta, Georgia, and are presented without modification, except formatting for accessibility.

Note: This document has been reformatted to make it compliant with CalRecycle requirements for accessibility. Pagination and formatting in this ADA-compliant version of the audit report may differ from the original non-compliant version of the audit report. Page numbers have been modified for inclusion in this Annual Report appendix.

California Carpet Stewardship Program

FINANCIAL STATEMENTS

December 31, 2022 and 2021

Note: This document has been reformatted to make it complaint with CalRecycle requirements for accessibility. Pagination and formatting in this ADA complaint version of the audit report may differ from the original non-compliant version of the audit report. Page numbers have been removed to avoid confusion with the compiles annual report and appendix, which has one continuous set of page numbers.

REPORT

Independent Auditors' Report

FINANCIAL STATEMENTS

Statements of Financial Position

Statements of Activities

Statements of Functional Expenses

Statements of Cash Flows

Notes to Financial Statements

Independent Auditors' Report on Internal Control over

Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in

Accordance with *Government Auditing Standards*

Summary of Findings

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
California Carpet Stewardship Program

Opinion

We have audited the accompanying financial statements of California Carpet Stewardship Program (the Program) which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Carpet Stewardship Program as of December 31, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Programs' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Programs' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2023, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Program's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
August 25, 2023

California Carpet Stewardship Program

Statement of Financial Position

Assets

Description	2022 (\$)	2021 (\$)
Cash and cash equivalents	3,305,609	10,788,847
Accounts receivable, net	4,986,205	5,421,863
Prepaid expenses and other assets	5,250	6,400
Total current assets	8,297,064	16,217,110
Property and equipment, net	4,238	0
Total non-current assets	4,238	0
Total assets	8,301,302	16,217,110

Liabilities and Net Assets

Liabilities

Description	2022 (\$)	2021 (\$)
Due to recyclers	3,624,286	2,984,480
Due to CalRecycle	224,754	170,111
Due to related party	316,849	224,877
Grants payable	43,842	167,431
Accounts payable and accrued expenses	640,630	219,105
Performance obligation liabilities	35	0
Total current liabilities	4,850,396	3,766,004
Total liabilities	4,850,396	3,766,004

The accompanying notes are an integral part of these financial statements.

California Carpet Stewardship Program

Statement of Financial Position

Net Assets

Description	2022 (\$)	2021 (\$)
Net assets without donor restrictions	3,450,906	12,451,106

Total Liabilities and Net Assets

Description	2022(\$)	2021 (\$)
Total liabilities and net assets	8,301,302	16,217,110

The accompanying notes are an integral part of these financial statements.

California Carpet Stewardship Program

Statement of Functional Expenses

For the years ended December 31,

Description	2022 (\$)	2021 (\$)
Revenue and Other Support		
Carpet recovery assessments	22,585,802	23,566,082
Interest income	9,982	18,067
Total revenue and other support	22,595,784	23,584,149
Expenses		
Program services		
Program	30,444,843	28,498,990
Total program serves	30,444,843	28,498,900
Supporting services		
General and administrative	1,151,141	1,306,946
Total supporting services	1,151,141	1,306,946
Total expenses	31,595,984	29,805,936
Change in Net Assets		
Change in net assets	-9,000,200	-6,221,787
Net assets at beginning of year	12,451,106	18,672,893
Net assets at end of year	3,450,906	12,451,106

The accompanying notes are an integral part of these financial statements.

California Carpet Stewardship Program

Statement of Functional Expenses

For the year ended December 31, 2022

Description	Program Services (\$)	General & Administrative (\$)	Total Expenses (\$)
Salaries and benefits	721,063	234,755	955,818
Payroll taxes	39,895	8,639	48,534
Subsidies	25,081,570	N/A	25,081,570
Collection program	1,615,932	285,165	1,901,097
Communications (E&O)	1,080,354	190,651	1,271,005
Grants for capacity expansion	237,233	N/A	237,233
Professional services	337,159	845	338,004
Legal expense	125,939	13,978	139,917
Technical assistance	6,000	N/A	6,000
Program studies	148,688	N/A	148,688
Reporting database	34,508	N/A	34,508
Product testing	30,884	N/A	30,884
Accounting	-	393,413	393,413
CalRecycle expenses	712,113	N/A	712,113
Facilities	14,587	14,587	29,174
Leases	2,394	6	2,400
Program travel expense	41,193	4,577	45,770
Annual report to CalRecycle	38,268	N/A	38,268
Modeling consultant	89,734	N/A	89,734

The accompanying notes are an integral part of these financial statements.

California Carpet Stewardship Program

Statement of Functional Expenses

Description	Program Services (\$)	General & Administrative (\$)	Total Expenses (\$)
PET Project allocation	24,000	N/A	24,000
ID technology project	46,992	N/A	46,992
Advisory committee	3,000	N/A	3,000
Bank service charges	2,573	858	3,431

For the year ended December 31, 2022 (Continued)

Description	Program Services (\$)	General & Administrative (\$)	Total Expenses (\$)
Dues and subscriptions	2,158	719	2,877
Shipping & mailing	1,386	N/A	1,386
Office expense	1,071	357	1,428
Telephone	3,833	1,278	5,111
Insurance	1,237	1,239	2,476
Depreciation	848	N/A	848
Miscellaneous	231	74	305
Total	30,444,843	1,151,141	31,595,984

The accompanying notes are an integral part of these financial statements.

California Carpet Stewardship Program

Statement of Functional Expenses (Continued)

For the year ended December 31, 2021

Description	Program Services (\$)	General & Administrative (\$)	Total Expenses (\$)
Salaries and benefits	705,678	307,040	1,012,718
Payroll taxes	47,745	10,481	58,226
Subsidies	23,141,551	N/A	23,141,551
Collection program	1,048,366	349,455	1,397,821
Communications (E&O)	796,381	265,460	1,061,841
Grants for capacity expansion	1,234,974	N/A	1,234,974
Professional services	247,898	N/A	247,898
Legal expense	48,799	5,416	54,215
Technical assistance	83,778	N/A	83,778
Program studies	227,838	N/A	227,838
Reporting database	31,920	N/A	31,920
Product testing	5,355	N/A	5,355
Accounting	N/A	345,911	345,911
CalRecycle expenses	634,869	N/A	634,869
Facilities	15,286	15,286	30,572
Leases	2,400	N/A	2,400
Program travel expense	19,077	2,120	21,197
Annual report to CalRecycle	70,848	N/A	70,848
Modeling consultant	74,123	N/A	74,123
PET Project allocation	20,400	N/A	20,400

The accompanying notes are an integral part of these financial statements.

California Carpet Stewardship Program

Statement of Functional Expenses (Continued)

Description	Program Services (\$)	General & Administrative (\$)	Total Expenses (\$)
ID Technology Project	22,077	N/A	22,077
Advisory committee	7,500	N/A	7,500
Bank service charges	696	232	928
Dues and subscriptions	2,852	951	3,803

For the year ended December 31, 2021 (Continued)

Description	Program Services (\$)	General & Administrative (\$)	Total Expenses (\$)
Shipping & mailing	1,311	N/A	1,311
Office expense	311	104	415
Telephone	2,231	2,231	4,462
Insurance	1,028	1,030	2,058
Miscellaneous	3,698	1,229	4,927
Total	28,498,990	1,306,946	29,805,936

The accompanying notes are an integral part of these financial statements.

California Carpet Stewardship Program

Statements of Cash Flows

Cash Flows from Operating Activities

Description	2022 (\$)	2021 (\$)
Changes in net assets	-9,000,200	-6,221,787

Adjustment to Reconcile Change in Net Assets to Net Cash Used in Operating Activities

Description	2022 (\$)	2021 (\$)
Depreciation	848	N/A

Changes in Operating Assets and Liabilities

Description	2022 (\$)	2020 (\$)
Accounts receivable	435,658	471,921
Prepaid expenses and other assets	1,150	-4,250
Due to recyclers	639,806	339,208
Due to CalRecycle	54,643	46,662
Due to related party	91,972	38,860
Grants payable	-123,589	161,337
Accounts payable and accrued expense	421,525	-146,753
Deferred revenue	35	N/A
Net cash provided by (used in) operating activities	-7,478,152	-5,314,802

Changes in Investing Assets and Liabilities

The accompanying notes are an integral part of these financial statements.

California Carpet Stewardship Program

Statements of Cash Flows

Description	2022 (\$)	2021 (\$)
Purchase of property and equipment	-5,086	N/A

Cash and Cash Equivalents

Description	2022 (\$)	2021 (\$)
Net change in cash and cash equivalents	-7,483,238	-5,314,802
Cash and cash equivalents at beginning of year	10,788,847	16,103,649
Cash and cash equivalents at end of year	3,305,609	10,788,847

The accompanying notes are an integral part of these financial statements.

California Carpet Stewardship Program

Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

The California Carpet Stewardship Program (the Program) has previously been referred to as the AB2398 California Carpet Stewardship Plan. Due to the passage of new legislation, the program is now called the California Carpet Stewardship Program.

The California Carpet Stewardship Plan (the Plan) is authorized by California Assembly Bill (AB2398) to implement measures to achieve measurable improvements in the landfill diversion and recycling of post-consumer carpet. AB2398 was signed into law by the governor of California on September 30, 2010.

In October 2017, California Governor Jerry Brown signed into law AB1158 placing additional requirements on any Carpet Stewardship Organization (CSO). Key Changes to the law include:

- Achieve 24% recycling rate by January 1, 2020 and meet or exceed annually thereafter;
- Incentivize (grants or subsidies) materials that have the “highest recyclability”;
- Supply all data necessary for CalRecycle to evaluate effectiveness of program;
- The Program cannot use funds to pay penalties or litigation against the state;
- The Program cannot pay subsidies for kiln, waste to energy (WtE), carpet as alternative fuel (CAAF) or incineration;
- All state projects must be managed in a way consistent with carpet stewardship laws;
- Department of General Services must publish minimum post-consumer carpet (PCC) content specs for purchases of carpet by 7/1/18;
- Must increase diversion and increase collection;
- Must increase collection convenience;
- Must expand and incentivize markets for products made from PCC;
- Must increase processor capacity, including in California;
- Must increase recyclability of carpet;
- Must describe measures that enable source reduction, source separation & processing to segregate & recover recyclable materials, environmentally safe management of materials that cannot feasibly be recycled; and
- Must provide incentives or grants to state-approved apprenticeships programs for training apprentices and journey-level installers in proper practices for recycling PCC.

California Carpet Stewardship Program

Notes to Financial Statements

In October 2019, California Governor Gavin Newsome signed into law AB729 placing additional requirements on any CSO. Key changes to the law include the inclusion of a contingency plan, the establishment of a trust fund or escrow account for unexpended funds and required approval of increases or decreases in the assessment rate.

Collectively, AB2398, AB1158 and AB729 are referred to as the carpet stewardship laws. Approved regulations are found in Title 14, Division 7, Chapter 11.

The Plan became effective on July 1, 2011, and is managed by the Carpet America Recovery Effort, Inc. (CARE). The Plan is a set of guidelines that CARE uses to administer the Program. The Plan was developed by CARE and an initial plan document was conditionally approved by the California Department of Resources Recycling and Recovery (CalRecycle). A revised stewardship plan document (version 3.2.2) was approved by CalRecycle on January 21, 2014, and plan amendments on January 5, 2015 (Addendum #1), October 21, 2015 (Addendum #2), and January 26, 2016 (Addendum #3). Collectively this Plan was referred to as Version 3.2.2.

On October 16, 2018, CalRecycle conditionally approved CARE's 5-Year Plan for 2018-2022 and gave CARE 60 days to resubmit addressing findings of non-compliance. On February 19, 2019, the revised Plan was approved by CalRecycle. Version 3.2.2 continued in force and CARE continued to manage the Program until the new Plan was approved.

CARE was the sole carpet stewardship organization until April 1, 2015. At that time, other organizations could apply for status as a "Carpet Stewardship Organizations". As of August 25, 2023, no other Carpet Stewardship Organizations have submitted a Plan or approved.

The carpet stewardship laws require carpet manufacturers or retailers to collect an assessment based on the square yardage of carpeting sold in California. CARE mill members participating under the Plan collect the funds from California retailers. Mills (manufacturers) submit funds directly to CARE quarterly based on reported yards sold in the prior quarter. CARE disburses the proceeds in accordance with the Plan.

Disbursements are to promote carpet recycling in California and cover the costs of administering the Plan. The primary use of funds is to carpet recyclers who are paid by the pound of qualifying products that are processed and subsequently sold.

Manufacturers or retailers participate voluntarily in the Plan; however, the carpet stewardship laws require that they participate in CARE's Plan, or development and implement their own Carpet Stewardship Plan.

CARE does not have authority to levy administrative penalties for failure to comply with contractual requirements. That authority belongs solely to the state of California.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to useful lives of depreciable assets and the allocation of functional expenses.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Program provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Program's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Net Assets

The Program reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Program, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Contributions with donor restrictions that are both received and released within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

Revenue Recognition

Revenue from carpet recovery assessments under various contracts is recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance are deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on a fixed percentage.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 25, 2023. See Note 10 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit *Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU specifies requirements for the recognition and initial measurement of contributions and disclosure requirements for contributed services. The ASU is effective for fiscal years beginning after June 15, 2021. The Organization adopted this ASU for the year ended December 31, 2022. This change in accounting principal did not have an impact on the financial statements.

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Program adopted the standard effective January 1, 2022 and recognized and measured leases existing at, or entered into after, January 1, 2021 (the beginning of the earliest comparative period presented) using a modified retrospective approach, with certain practical expedients available. This change in accounting principal did not have an impact on the financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Program maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Program’s expenditures come due. The following reflects the Program’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

Description	2022 (\$)	2021 (\$)
Total assets at year end	8,301,302	16,217,110

California Carpet Stewardship Program

Notes to Financial Statements

Description	2022 (\$)	2021 (\$)
Less non-financial assets: prepaid expenses and other assets	-5,250	-6,400
Less non-financial assets: property and equipment, net	-4,238	N/A
Financial assets at year-end	8,291,814	16,210,710
Financial assets available to meet cash needs for general expenditures within one year	8,291,814	16,210,710

The Program is principally supported by assessments collected on carpet sold in California.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

Description	2022 (\$)	2021 (\$)
Carpet recovery assessments	4,986,205	5,421,863
Accounts receivable, net	4,986,205	5,421,863

Note 5: PROPERTY AND EQUIPMENT

The components of property and equipment at December 31, 2022 and 2021 are as follows:

Description	Estimated Useful Lived (in years)	2022 (\$)	2021 (\$)
Computer equipment	3	8,779	3,694
Less accumulated depreciation		-4,541	-3,694
Property and equipment, net		4,238	N/A

California Carpet Stewardship Program

Notes to Financial Statements

Depreciation expense for the years ended December 31, 2022 and 2021 amounted to \$848 and \$0, respectively.

Note 6: REVENUE

The Program recognizes revenue at a point in time for its assessments. As of December 31, 2022 and 2021, there were no performance obligations to be satisfied.

Contract assets and liabilities related to revenue from contracts with customers consists of the following:

Description	2022 (\$)	2021 (\$)
Receivable from contracts, beginning of year	5,421,863	5,893,784
Receivable from contracts, end of year	4,986,205	5,421,863

Note 7: CONCENTRATIONS

At December 31, 2022 and 2021, the Organization's cash balances consist of deposits with two financial institutions. The amounts in the Organization's bank accounts at one of the financial institutions are in an insured cash sweep account, and therefore, there are no amounts that exceed FDIC's insured limits. The Organization's cash balances at the other institution did not exceed the FDIC's insured limits at December 31, 2022 and 2021.

For the years ended December 31, 2022 and 2021, a small number of carpet manufacturers accounted for approximately 80% and 82%, respectively, of the carpet recovery assessments. These manufacturers also accounted for 79% and 82% of assessments receivable at December 31, 2022 and 2021, respectively.

Note 8: COMMITMENTS AND CONTINGENCIES

During the years ended December 31, 2022 and 2021, the Sustainable Funding Oversight Committee (SFOC) allocated \$625,000 and \$1,217,000, respectively, to support grants. Additionally, for the year ended December 31, 2018, the SFOC allocated \$3,484,673 to support grants. The actual amount of reimbursements is expected to differ from the authorized amounts depending on the number of applicants, projects selected, changes in project scope, and grantees' ability to meet contract obligations. As of December 31, 2022, \$50,069 remains committed for the grants committed during the year ended December 31, 2018, \$192,000 remains committed for the grants committed during the year ended December 31, 2021, and \$269,753 remains committed for the grants committed during the year ended December 31, 2022. Amounts were allocated to support grants for the years ended December 2019 and

California Carpet Stewardship Program

Notes to Financial Statements

2020; however, no amounts remain committed for the grants committed during the years ended December 31, 2019 and 2020.

During the year ended December 31, 2021, CalRecycle found CARE noncompliant with its California Carpet Stewardship Plan 2018-2022 for failure to achieve recycling goals in 2019 and 2020. CARE was referred to the Waste Permitting, Compliance and Mitigation Division for enforcement. In May 2022 CalRecycle presented an accusation regarding noncompliance covering CARE's performance during fiscal years 2019 and 2020. CalRecycle was seeking penalties in the amount of \$1,538,365. CARE has rejected this ruling and has filed an appeal with the State of California. During 2020 measures were implemented by CARE including contributing approximately \$11,000,00 of unbudgeted funds to avoid a collapse of the recycling system during the pandemic. This consisted of two direct cash infusions to qualified recyclers in April and July of 2020, along with enhanced Covid Action Plan (CAP) subsidy increases meant to last through Q2 of 2020. However, the CAP subsidies have remained through the end of 2022 due to other factors. In May 2023, an order was issued by the California Office of Administrative Hearings, which ordered CARE to pay a total of \$737,000 in civil penalties. The Director of CalRecycle has rejected the ruling. The Organization's liability under the above referenced litigation remains unknown as of the date of issuance of these financial statements. Therefore, no amounts have been recorded in the accompanying financial statements.

Note 9: RELATED PARTIES

The Program is administered by the Carpet America Recovery Effort, Inc. (known by the trade name CARE). CARE was established in 2002 to represent the carpet industry's effort to support market-based carpet recycling solutions. CARE is a not-for-profit, 501(c)(3) organization that was formed to oversee and enable market-based solutions for the recovery and recycling of post-consumer carpet.

To participate in the Program, manufacturers and retailers must maintain a membership in good standing with CARE. Recyclers who wish to receive disbursements must also maintain a membership in good standing to receive funds.

The primary organizer of CARE was the Carpet and Rug Institute, Inc. (known by the trade name CRI). CRI is a 501(c)(6) organization under the Internal Revenue Code and one of the primary trade groups of the carpet industry. CRI initiated CARE's organization to represent and to promote the industry's carpet recycling efforts and manage the industry's recycling programs.

CARE was created in dialog with the U.S. Environmental Protection Agency (EPA), several States, non-governmental organizations (NGOs), and carpet industry members as a result of a Memorandum of Understanding signed January 8, 2002.

CRI acts as an advocate of the carpet industry and actively works to represent its interest in legislative, regulatory, and judicial issues at the federal, state, and local

California Carpet Stewardship Program

Notes to Financial Statements

levels. CRI played an active role in the development of the current legislation in California, and actively lobbies for the carpet industry in other states considering similar product stewardship or extended producer responsibility (commonly referred to as EPR) legislation.

CARE and CRI share one common non-voting director and facilities and they provide administrative and technical support to each other and the Program.

Under the carpet stewardship laws, CARE is allowed to be reimbursed for costs it incurs administering its Carpet Stewardship Plan. Costs incurred directly by the Program are paid from Program funds. Shared labor and other costs of the Program and CARE are systematically allocated and periodically settled. These shared labor costs totaled \$941,047 and \$1,019,358 for the years ended December 31, 2022 and 2021, respectively.

The Program has accounts payable of \$287,318 and \$224,877 due to CARE as of December 31, 2022 and 2021, respectively for expenses paid by CARE but incurred by the Program.

Some of the members of the Board of Directors work for various organizations that receive subsidies from the Program. Management does not believe the risk of undue influence associated with these relationships is significant.

Note 10: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after December 31, 2022 through August 25, 2023, the date the Program's financial statements were available to be issued.

On September 22, 2022, CARE submitted its California Carpet Stewardship Plan 2023 to 2027 (2023 to 2027 Plan) to the California Department of Resources Recycling and Recovery (CalRecycle). On November 18, 2022, CalRecycle's director disapproved CARE's 2023 to 2027 Plan, provided notice of the reasons for disapproval, and allowed CARE to revise and resubmit its 2023 to 2027 Plan within 60 days of disapproval pursuant to Public Resources Code (PRC) section 42973 and Title 14, California Code of Regulations (CCR) section 18942(b)(2).

On December 31, 2022, CARE's California Carpet Stewardship Plan 2018 to 2022 Plan (2018 to 2022 Plan) expired, and on January 1, 2023, CARE's California Carpet Stewardship Program Contingency Plan (Contingency Plan) became effective. Pursuant to PRC section 42972(a)(7) and 42972.7, CalRecycle began administering the carpet stewardship program via the Contingency Plan until a new carpet stewardship plan was approved by CalRecycle. CARE continued to run the Program under contract with CalRecycle.

California Carpet Stewardship Program

Notes to Financial Statements

On January 17, 2023, CARE submitted a revised California Carpet Stewardship Plan 2023 to 2027 (January 2023 Revised Plan) to CalRecycle to address the requirements specified in CalRecycle's November 2022 Request for Action. On March 6, 2023, CalRecycle's director conditionally approved CARE's January 2023 Revised Plan and specified that CARE's plan is not approved until the necessary revisions are submitted by CARE within 60 days and approved by CalRecycle. CalRecycle is continuing to carry out the activities in the previously approved 2018 to 2022 Plan pursuant to the Contingency Plan.

On March 29, 2023, CARE submitted its revised California Carpet Stewardship Plan 2023 to 2027 (Revised Plan) to CalRecycle to address the conditions specified in CalRecycle's March 2023 Request for Action. CalRecycle approved the Revised Plan on April 21, 2023, and CARE resumed administering the Program under that plan.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
The California Carpet Stewardship Program:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of The California Carpet Stewardship Program, (the Program), which comprise the statements of financial position as of December 31, 2022 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated August 25, 2023.

Reporting on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Program's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Program's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified..

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and responses as finding number 2022-001. There were no other findings except for the CalRecycle accusations included in Note 8 of the Program's financial statements.

Carpet America Recovery Effort's Response to Findings

Carpet America Recover Effort's (CARE) response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. CARE's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
August 25, 2023

SUMMARY OF COMPLIANCE FINDINGS

Compliance Findings

2022-001

Criteria: California laws and regulations require the Program reach a goal of 84 million pounds of postconsumer carpet recycled during the year ended December 31, 2022, as outlined in the plan.

Condition: As a result of our audit procedures, it was determined that the methods used to measure whether California carpet is managed in a manner consistent with the state's waste management hierarchy are accurate. However, we noted the Program did not reach the goal of 84 million pounds of postconsumer carpet recycled.

Effect: By not reaching this goal by the target date, CalRecycle may find CARE non-compliant and assess penalties or other performance requirements against CARE.

Recommendation: We recommend procedures be implemented to ensure the program meets future recycling goals as outlined in the plan.

Cause and Views of Responsible Officials and Planned Corrective Actions: CARE has worked diligently and aggressively to meet or exceed all compliance requirements. The year 2022 was the best performance year the Program has delivered, despite some formidable challenges in the marketplace. But this is a complex program with many outside influences and market dynamics over which CARE has no control. CARE exceeded the Recycling Rate (RR) goal by a wide margin (33.9% vs. 27% target) with the RR up more than 335% since 2015. The recycled output (RO) goal is set more than a year in advance and represents our best guess based on what level of RO would be needed to achieve the RR. The RO estimate is based on sophisticated modeling of future sales and market activity. The key goal is the RR and its continued growth. As indicated by our new Plan, CalRecycle accepted that the RR is the key Goal, and RO is an indicator that contributes to the overall RR based on our discards formula. Therefore, it is our understanding there is no RO goal in the new Plan. We continue to diligently review all compliance requirements and have successfully implemented procedures to ensure the program continues to meet future recycling goals as outlined in the plan.

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE REQUIREMENTS

To the Board of Directors of
The California Carpet Stewardship Program
100 S. Hamilton Street
Dalton, GA 30720

Compliance

We have audited Carpet America Recovery Effort Inc.'s (CARE) compliance with the requirements specified in the State of California's Code of Regulations, Title 14, Division 7, Chapter 11, Article 1 applicable to CARE's statutory requirements identified below for the year ended December 31, 2022.

We have also audited the basic financial statements of The California Carpet Stewardship Program (the Program) as of and for the year ended December 31, 2022 and have issued our report thereon dated August 25, 2023.

Both audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

CARE's management is responsible for the Program compliance with laws and regulations. In connection with our audits referred to above, we selected and tested transactions and records to determine compliance with state laws and regulations applicable to CARE's program.

Auditors' Responsibility

Our responsibility is to express an opinion on CARE's compliance based on our audit. We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State of California's Code of Regulation, Title 14, Division 7, Chapter 11, Article 1 applicable to CARE's statutory requirements. Those standards and the State of California's Code of Regulations require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the statutory requirements listed below occurred. An audit included examining, on a test basis, evidence about CARE's compliance with those requirements and performing

such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of CARE's compliance with those requirements. In connection with the audit referred to above, we selected and tested transaction and records to determine CARE's compliance with state laws and regulations including, but not limited to, the following applicable items:

Performance Goals and Activities

Description	Audit Procedures Performed	Compiled
List each compliance requirement	(Yes/No)	(Yes/No)
Measurement methods accurately identify:		
a. Amount of California carpet that is diverted to landfills	Yes	Yes
b. Amount of California carpet that is processed in new commodity	Yes	Yes
c. That California carpet is managed in a manner consistent with the state's waste management hierarchy.	Yes	No See Note 1
d. Amount of California carpet discarded each year (estimated using a formula based on sales). Assumption used in the formula are appropriate for California.	Yes	Yes

Financing Mechanisms

Description	Audit Procedures Performed	Compiled
List each compliance requirement	(Yes/No)	(Yes/No)
a. Assessments are paid to CARE on all carpet sold in the state of California at the rate indicated in the Plan (i.e., 5 or 10 cents per sq. yd).	Yes	Yes
b. The assessments collected for the Program are only spent on the program.	Yes	Yes
c. The payments are accurately presented by categories found in the Regulations, Section 18944 (7). Annual Report Compliance Criteria, Financing Mechanism.	Yes	Yes
d. The annual report accurately presents information.	Yes	Yes

Program Performance Measurement

Description	Audit Procedures Performed	Compiled
List each compliance requirement	(Yes/No)	(Yes/No)
a. Applicants applying for incentive payments submit documentation as required in the Plan (and Agreed Upon Procedures) that are in place at the time documents are submitted.	Yes	Yes
b. CARE is tracking information needed to include in Annual Report per regulations Section 18944.	Yes	Yes
c. CARE's practices support a level playing field among those requesting Program funds.	Yes	Yes
d. CARE has a method to determine the effectiveness of educational and outreach activities that is appropriate for use in California.	Yes	Yes

Note 1: See audit finding 2022-001 in the Audit of California Carpet Stewardship Program financial statements. As a result of our audit procedures, it was determined that the methods used to measure whether California carpet is managed in a manner consistent with the state's waste management hierarchy are accurate. However, during our testing, we noted one goal within the waste management hierarchy that were not met as of December 31, 2022. The Program did not reach the goal of 84 million pounds of postconsumer carpet recycled.

CARE has taken a number of steps to address this important metric. Management's response to the finding is detailed in the Audit of California Carpet Stewardship Program financial statements.

Opinion

In our opinion, except for the noncompliance noted above, CARE complied, in all material respects, with the compliance referred to above that are applicable to the statutory requirements listed above for the year ended December 31, 2022.

This report is intended solely for the information of the Board of Directors of the Carpet America Recovery Effort, Inc. and CalRecycle and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

CARR, RIGGS & INGRAM, LLC

Atlanta, GA
August 25, 2023