



June 18, 2021

**CARE Response to Advisory Committee Recommendations related to
June 30, 2021 Deliverables Required by Carpet Stewardship
Legislation and Approved Stewardships Plan 2018-2022**

CARE has carefully reviewed the comments and recommendations of the Advisory Committee. As required by the Product Stewardship for Carpets Law (Public Resources Code Section 42970 42983), CARE is providing a response to the recommendations generated by the Advisory Committee on CARE's reports resulting from the Advisory Committee Zoom meeting of May 11 & 12, 2021.

The recommendations section of the Advisory Committee's letter dated April 17, 2020, Attachment 1, is reproduced below. CARE responses immediately follow each recommendation and are in **blue, bold**, 12-Point Arial font. In all cases where recommendations have been adopted, any appropriate language has been incorporated into the referenced sections of the relevant document.



May 21, 2021

To: Bob Peoples, Executive Director CARE
Rachel Machi Wagoner Director CalRecycle

From: California Carpet Stewardship Advisory Committee (members listed below)

Re: Advisory Committee Recommendations Regarding CARE Deliverables Required by Carpet Stewardship Legislation and Approved California Carpet Stewardships Plan 2018-2022

As required by the Product Stewardship for Carpets Law (Public Resources Code Section 42970 - 42983), the California Carpet Stewardship Advisory Committee ("Advisory Committee") has received copies of the following CARE draft Deliverables that will be Amendments to the California Carpet Stewardship Plan 2018-2020. They include: (1) *Highest Recyclability*; (2) *Differential Assessments*; (3) *Convenient Collection Study Results*, and (4) *Discards Formula* ("Deliverables"). The Advisory Committee received the draft Deliverables prior to submittal to CalRecycle as required in Section 42972.1 (b).

Included in this letter are recommendations to CARE by the Advisory Committee based on the review of the following draft Deliverables during a Zoom Video Conference on May 11-12, 2021: *Highest Recyclability*; *Differential Assessments*; and *Convenient Collection Study Results*. The draft *Discards Formula* Deliverable will be reviewed at a later Advisory Committee meeting. Per the request of CARE, the Advisory Committee has also added "Clarifying Questions/Comments" regarding the draft *Deliverables*.

As required in Section 42971.1 (c), to the extent feasible the Advisory Committee's recommendations are to be incorporated by CARE into the *Deliverables* before being submitted to CalRecycle. If CARE is unable to incorporate these recommendations, a written explanation must be provided to the California Carpet Stewardship Advisory Committee and CalRecycle. The explanation should detail whether CARE plans to incorporate recommendations into subsequent Amendments to the California Carpet Stewardship Plan 2018-2022.

California Carpet Stewardship Advisory Committee Members

The Product Stewardship for Carpets Law (Public Resources Code Section 42970 - 42983), requires CalRecycle to appoint an Advisory Committee to provide recommendations to a carpet manufacturer or stewardship organization and to the department on carpet stewardship plans, plan amendments, and annual reports.

An additional appointee to the Advisory Committee is also made by both the Senate Committee on Rules and the Speaker of the Assembly.

The Director of CalRecycle appointed the members to the California Carpet Stewardship Advisory Committee according to the general stakeholder categories recommended in the statute. The committee member from the Senate Committee on Rules has also been appointed. The committee member appointed by the Speaker of the Assembly is currently vacant.

California Carpet Stewardship Advisory Committee Members

Committee Member	Organization	Representing
DOUGLAS WILLIAMS	Los Angeles Fiber Co./ Reliance Carpet Cushion	Collection and sorting, processing and manufacturing
ERIC NELSON	Circonomey Innovations	Independent Industry Expert
FRANCO ROSSI	Aquafil USA	Processing & recycling of carpet, Manufacturing
GAIL BRICE	XT Green, Inc.	Processing & recycling of carpet
HOWARD SAPPER	Carpet Manufacturers Warehouse	Carpet Retailers
JEN JACKSON	San Francisco Department of the Environment	Local Government
JOANNE BRASCH, Ph.D	CA Product Stewardship Council	Environmental Community
JOE YARBROUGH	The Carpet & Rug Institute	Carpet Mills
NAT ISAAC	City of Los Angeles Environment and Sanitation	Local Government
NICK LAPIS	Californians Against Waste	Environmental Community
RACHEL PALOPOLI	Planet Recycling	Carpet Collections/Sorting
STEVE BELONG	Carpet, Linoleum, & Soft Tile Workers Local Union No. 12, District Council 16	Northern CA Floor Covering Finishing Trades Institute Joint Apprenticeship Training Committee
STEVE LANDRETH	ProSpectra Flooring	Senate Committee on Rules
WES NELSON	GreenWaste Carpet Recycling	Carpet Collections/Sorting
VACANT		Speaker of the Assembly

Advisory Committee Plan Review Meeting and Recommendations

The California Carpet Stewardship Advisory Committee met through a Zoom Video Conference on May 11-12, 2021. The following draft Deliverable amendments to the California Carpet Stewardship Plan 2018-2022 were discussed: *Highest Recyclability; Differential Assessments; and Convenient Collection Study Results*. The draft *Discards Formula* Deliverable also provided by CARE will be reviewed at a later Advisory Committee meeting.

All the current members of the committee attended. A quorum was met. Nick Lapis had to leave the meeting early on the second day and was absent for votes on the final three motions. Members of the public also attended the meeting through the Zoom Video Conference. The meeting was conducted in compliance with the Bagley-Keene Open Meeting Act with COVID-19 modifications per Executive Orders N-25-20 and N-29-20 signed by Governor Newsom on March 12, 2020 and March 17, 2020.

The Committee recommendations and clarifying questions from the May 11-12, 2021 meeting regarding the *Deliverables that will be Amendments to the California Carpet Stewardship Plan 2018-2020* are provided as Attachment 1.

The Advisory Committee looks forward to continuing to work with CARE and CalRecycle regarding the California Carpet Stewardship Program.

Respectfully,

Joanne Brasch

5/21/21

Joanne Brasch Ph.D., Date
Acting Advisory Committee Chair

Committee Members Vote Record on this letter as sent 5/19/21

Committee Member	Vote
DOUGLAS WILLIAMS	Aye
ERIC NELSON	Aye
FRANCO ROSSI	Aye
GAIL BRICE	Aye
HOWARD SAPPER	Aye
JEN JACKSON	Aye
JOANNE BRASCH, Ph.D	Aye
JOE YARBROUGH	Aye
NAT ISAAC	Aye
NICK LAPIS	Aye
RACHEL PALOPOLI	Aye
STEVE BELONG	Aye
STEVE LANDRETH	Aye
WES NELSON	Aye
VACANT	

Attachment 1

California Carpet Stewardship Advisory Committee Recommendations and Clarifying Questions/Comments Regarding Draft Deliverables that will be Amendments to the California Carpet Stewardship Plan 2018-2020

CARE responses to all motions are shown in bold, blue, 12-point Arial font.

HIGHEST RECYCLABILITY

Motion 1.0

The Advisory Committee recommends that CARE make the following changes to the draft Highest Recyclability document:

- a. Add the definitions of the asterisks on Table 6.

CARE Response: Agreed as indicated during the meeting.

- b. Describe the member composition and application process for the “Highest Recyclability Committee” referenced in the document.

CARE Response: Please refer to page 2 of the Highest Recyclability document, second full paragraph: Because it is a complex subject, a review must be done with knowledgeable people familiar with carpet recycling and CARE will form a Highest Recyclability Committee composed of knowledgeable and experienced professionals in the areas of recycling technology, business, and sustainable concepts to monitor and refine highest recyclability on an ongoing basis. The HR Committee is led by a former CARE Board member who is also a former recycler with an engineering background. The HR Committee is made up of 4 individuals including the CARE Executive Director.

- c. Add a member or members of the Advisory Committee to the “Highest Recyclability Committee” (voting or nonvoting).

CARE Response: CARE respectfully declines this recommendation as it is not a statutory requirement and beyond the scope of the Advisory Committee’s statutory responsibilities. The HR Committee will reach out to knowledgeable individuals as necessary to inform the work of the Committee.

- d. Modify and/or clarify the accuracy of the sentence on toxics on page two, and specifically address PFAS and Phthalates which are on the Prop 65 lists.

CARE Response: The best information CARE currently has available from the carpet industry is that PFAs have been removed from carpets and have not been used in carpet production since approximately 2015. We understand OEHHa is currently reviewing various PFAS for potential

listing (see: <https://www.jdsupra.com/legalnews/california-moves-on-pfoa-pfos-and-other-2270685/>). We recognize PFOA and PFOS are on the Prop 65 list.

There are six phthalates on the Proposition 65 list. CARE has surveyed manufacturers and confirmed none of the 6 are used in carpet nor have they been used since at least 2015 or earlier. Any use of phthalates has been historically limited to carpet tile (none today) to the best of CARE's knowledge.

Based on this response, CARE's statement on page 2 is considered accurate.

Motion to Approve: Rachel Palopoli

Second: Nat Isaac

Ayes (13): Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Jen Jackson, Joanne Brasch, Joe Yarbrough, Nat Isaac, Nick Lapis, Rachel Palopoli, Steve Belong, Steve Landreth, Wes Nelson

Nays (1): Doug Williams Abstain (0): Absent (0):

The motion passes

Motion 2.0

The Advisory Committee recommends that CARE make the following changes to Table 6. Highest Recyclability Criteria when it's re-evaluated in 2021:

- a. Include mixed fiber under residential and commercial sections.
- b. Reconsider some of the carpet types that are downcycled and not accounted for in the Table.
- c. Re-evaluate commercial broadloom especially with the addition of new recycling options funded by CARE grants.
- d. Increase the weight value of "available volume" as a factor of recyclability.
- e. Change "energy savings" to "GHG reduction benefit" as a criterion.
- f. Provide transparent methodology for calculating values and weights on Table 6.

CARE Response: CARE will consider these recommendations for feasibility and program impacts in our evaluations of the HR matrix criteria in our normal course of periodic analyses and in preparation for the next Plan beginning in 2023. The Advisory Committee will recall prior discussions on the appropriate criteria were all over the map. It is interesting to observe that originally there was a recommendation to remove volume as a criterion for consideration by the original Advisory Council. The Advisory Committee was however supportive of this variable. The selection of the criteria is a very subjective process. That is why CARE has convened the HR Committee composed of knowledgeable and experienced professionals.

Motion to Approve: Gail Brice

Second: Joanne Brasch

Ayes (14): Doug Williams, Eric Nelson, Franco Rossi, Gail Brice,

Howard Sapper, Jen Jackson, Joanne Brasch, Joe Yarbrough, Nat Isaac, Nick Lapis, Rachel Palopoli, Steve Belong, Steve Landreth, Wes Nelson

Nays (0): Abstain (0): Absent (0):

The motion passes

DIFFERENTIAL ASSESSMENTS

Motion 1.0

The Advisory Committee recommends that CARE act as quickly as allowed by law to address differential assessments based on fiber types when fiber type subsidies are not in parity and a significant delta between fiber type subsidies exist (as described in the conclusions on page 27 under Section XVIII).

CARE Response: CARE is required by law to examine and implement differential assessments when justified based on the financial burden to recycle. CARE regularly examines on a semi-annual basis justifiable subsidy changes through it modeling efforts. If/when subsidy changes or other changes to a particular carpet material's financial burden occurs, the topic will be addressed as part of our program administration.

Motion to Approve: Eric Nelson Second: Franco Rossi

Ayes (8): Eric Nelson, Franco Rossi, Gail Brice, Jen Jackson, Joanne Brasch, Nat Isaac, Nick Lapis, Rachel Palopoli

Nays (5): Doug Williams, Howard Sapper, Joe Yarbrough, Wes Nelson, Steve Landreth

Abstain (1): Steve Belong Absent (0):

The motion passes

Motion 2.0

The Advisory Committee commends CARE for coming up with a fair and equitable way of incorporating a system of differential assessments and recognizes the need to adjust the differential assessments as market conditions change.

CARE Response: No response required.

Motion to Approve: Howard Sapper Second: Wes Nelson

Ayes (6): Doug Williams, Howard Sapper, Joe Yarbrough, Nick Lapis, Steve Landreth, Wes Nelson

Nays (8): Eric Nelson, Franco Rossi, Gail Brice, Jen Jackson, Joanne Brasch, Nat Isaac, Rachel Palopoli, Steve Belong

Abstain (0): Absent (0):

The motion does not pass

NOTE: See Motion 6.0 for a modification of this Motion 2.0 that did pass

Motion 3.0

The Advisory Committee recommends that CARE increase the eligibility threshold for post-consumer content to 40% from non-carpet sources or 20% for post-consumer content from carpet. Additionally, when the eligibility threshold for post-consumer content increases the assessment per square yard should be reduced starting at 50% (or the best possible tier percentage) and continued to be reduced as the eligibility threshold for post-consumer content increases.

CARE Response: No response required.

Motion to Approve: Nat Isaac Second: Eric Nelson

Ayes (7): Eric Nelson, Franco Rossi, Gail Brice, Joanne Brasch, Nat Isaac, Nick Lapis, Rachel Palopoli

Nays (6): Doug Williams, Howard Sapper, Joe Yarbrough, Steve Belong, Steve Landreth, Wes Nelson

Abstain (1): Jen Jackson Absent (0):

The motion does not pass

NOTE: See Motion 5.0 for a modification of Motion 3.0 that did pass

Motion 4.0

The Advisory Committee recommends that CARE not extend the implementation of differential assessments to January 2023 and that the differential assessments implementation should occur independently from the approval of the new Plan.

CARE Response: Given the timeframe for final acceptance of an approved approach and the timeline for implementation of this more complex assessments system (programming, rollout and testing, development of communications and training materials for retailers, Point of Purchase collateral), implementation prior to the new Plan introduction in January 2023 is not considered feasible nor prudent. Final approval from CalRecycle is not anticipated until September 2021 at the earliest. Should additional modifications to the differential assessment plan be necessary based on CalRecycle feedback, there must be time sufficient to effectively communicate and implement such changes. A Minimum 12 months or longer appears more realistic at this stage of feedback from programmers. Given the timing and execution complexity for a new Plan rollout, introducing such a complex and dramatic change would create too much confusion if implemented in such close proximity to the new Plan rollout.

Motion to Approve: Rachel Palopoli Second: Nat Isaac

Ayes (9):, Eric Nelson, Franco Rossi, Gail Brice, Jen Jackson, Joanne Brasch, Nat Isaac, Nick Lapis, Rachel Palopoli, Wes Nelson

Nays (5): Doug Williams, Howard Sapper, Joe Yarbrough, Steve Belong, Steve Landreth

Abstain (0): Absent (0):

The motion passes

Motion 5.0

The Advisory Committee recommends that CARE increase the eligibility threshold for post-consumer content to 40% from non-carpet sources or 20% for post-consumer content from carpet (if it's free of toxins as per DTSC's SCP Candidate Chemical list). Additionally, when the eligibility threshold for post-consumer content increases the assessment per square yard should be reduced starting at 50% (or the best possible tier percentage) and should continue to be reduced as the eligibility threshold for post-consumer content increases.

CARE Response: CARE is required by law to take the amount of post-consumer recycled content contained in a particular carpet into account in establishing a system of differential assessments. The law is not prescriptive in the type of post-consumer recycled content nor in the thresholds to be considered. CARE considered current industry thresholds (e.g. NSF 140) in setting the 10% level for evaluation. The introduction of non-industry thresholds and tiers would create confusion and increase the potential for errors. CARE must evaluate the impact of any potential reduction of the assessment in consideration of the law's requirement that the assessment shall be sufficient to meet, but not exceed, the anticipated costs of carrying out the plan. Given the uncertainty around market dynamics within the carpet industry regarding carpet composition, CARE is not able to determine that a 50% reduction to the assessment would not jeopardize the assessment's sufficiency to meet the costs of carrying out the plan. As a result, CARE finds this recommendation is not required by statute and is not feasible.

Motion to Approve: Nat Isaac

Second: Eric Nelson

Ayes (8):, Eric Nelson, Franco Rossi, Gail Brice, Jen Jackson, Joanne Brasch, Nat Isaac, Nick Lapis, Rachel Palopoli

Nays (6): Doug Williams, Howard Sapper, Joe Yarbrough, Steve Belong, Steve Landreth, Wes Nelson

Abstain (0): Absent (0):

The motion passes

Motion 6.0

The Advisory Committee commends CARE for proposing a system of differential assessments but recommends that a mechanism be added to adjust the differential assessments as market conditions change, including changes to fiber subsidies.

CARE Response: CARE thanks the Advisory Committee for recognition of the significant challenges of meeting this statutory requirement and the proposal of a satisfactory approach. This recommendation is redundant to CARE's statutory requirements; therefore no action is required.

The statute requires CARE to implement a system of differential assessments based on the financial burden (subsidy levels) of different carpet materials. CARE's DA proposal accomplishes this given current market conditions, and CARE recognizes the requirement to alter the DA when market conditions change justifiably. However, given the uncertainty of future market conditions, it is not feasible at this time to outline specific criteria for unknown market conditions. It should also be noted, this recommendation seems to overlap with Motion 1.0.

Motion to Approve: Howard Sapper Second: Wes Nelson

Ayes (13): Doug Williams, Eric Nelson, Franco Rossi, Gail Brice,
Howard Sapper, Jen Jackson, Joanne Brasch, Joe Yarbrough, Nat Isaac, ,
Rachel Palopoli, Steve Belong, Steve Landreth, Wes Nelson

Nays (0): Abstain (0):

Absent (1): Nick Lapis

The motion passes

CONVENIENT COLLECTIONS

Motion 1.0

The Advisory Committee recommends that CARE consider in the section regarding cost implementing an installer incentive pilot program where installers/contractors/retail-haulers/self-haulers receive some form of monetary incentive for their clean post-consumer carpet.

CARE Response: CARE has considered this idea in the past and will continue to evaluate feasibility as we work to expand collections. CARE also notes the implementation of an installer incentive is a complex concept to administer and one fraught with the potential for fraud.

Motion to Approve: Rachel Palopoli Second: Jen Jackson

Ayes (13): Doug Williams, Eric Nelson, Franco Rossi, Gail Brice,
Howard Sapper, Jen Jackson, Joanne Brasch, Joe Yarbrough, Nat Isaac,

Rachel Palopoli, Steve Belong, Steve Landreth, Wes Nelson

Nays (0): Abstain (0):

Absent (1): Nick Lapis

The motion passes

Motion 2.0

The Advisory Committee recommends that CARE expand this document to address the unique challenges and opportunities for carpet from C&D projects including a study to work with residential and commercial property managers to determine if their carpet turn-around activities with new occupants could support the carpet stewardship program. Program should include a pilot program, education, contamination prevention, and possibly incentives for contractors to remove carpet first, before removing other materials, especially drywall.

CARE Response: The Convenient Collection Study was an independent report prepared to address the implementation plan and update on progress of the Convenient Collection proposal that was approved by CalRecycle. CARE continues to explore all avenues to expand collections, including engagement with property owners and managers as it relates to C&D projects. Covid-19 impacted many areas of activity and this was one of them. CARE appreciates the suggestions incorporated into this recommendation.

Motion to Approve: Gail Brice

Second: Steve Landreth

Ayes (13): Doug Williams, Eric Nelson, Franco Rossi, Gail Brice, Howard Sapper, Jen Jackson, Joanne Brasch, Joe Yarbrough, Nat Isaac, Rachel Palopoli, Steve Belong, Steve Landreth, Wes Nelson

Nays (0): Abstain (0): Absent (1): Nick Lapis

The motion passes

Clarifying questions/comments for CARE regarding the Highest Recyclability and Differential Assessments*

CARE Response: CARE will point out it is not required by statute to address clarifying questions. However, in the spirit of cooperation, the following brief responses are made.

1. On page 5, "Design for Recyclability" is named as a guiding principle, but it's not mentioned again in the document thereafter.
 - a. Was it included in your consideration?

CARE Response: This statement is taken from CARE's approved operating plan, where CARE's mission includes the goal to "encourage design for recyclability." The system of differential assessments was designed to be consistent with CARE's mission and the 5 Guiding Principles for this project are clearly laid out

on page 5 and took precedent in terms of designing a practical approach for the implementation of a differential assessment system.

- b. Does the definition of “Design for Recyclability” include toxics elimination?

CARE Response: See response to Motion 1a above. There are no PFAs in carpet produced today. BFRs have never been used in carpets.

- c. Does this include a consideration of mixed fibers?

CARE Response: See response to Motion 1a above. In early work on the matrix CARE considered many elements, including mixed fibers. Based on feedback, confusion, wide differences in opinions, many of these elements were dropped from consideration. Practically, there are multiple fiber agnostic product options today and the issue of mixed fiber outlets is not a major concern.

2. Can more statistical data be provided on the retailer webinars?

- a. What was the percentage of retailers attended out of how many retailers? **CARE Response: Emails were sent to 1,681 retailers, 44% open rate (excellent), 7.5% click through rate. Attendance at the 3 webinars was very low.**
- b. How many survey invitations were sent out? **CARE Response: 1,677 survey notices sent plus reminders, 47% open rate, 20% click through. 75 completed responses: 71% retailers, 26% manufacturers, 9% flooring related (commercial dealer, wholesaler, hard surface, and 5% distributors.**
- c. Please include some of the positive feedback from the retailers.
CARE Response: See data above next to a & b. There were no positive responses. The closest response was neutral: “Miniscule increase when compared to the overall cost of any project.”

3. Can the implementation date for the differential assessments be more flexible?

Please explain the reasons for starting Jan 2023. **CARE Response: This was addressed in the CDA draft and above under Differential Assessments section in response to Motion 4.**

4. What systems be implemented when reconsidering assessment rate changes? **CARE Response: Question is too vague to respond.**

5. Please describe the threshold for unfair competition. **CARE Response: This is a complex topic and one that requires legal analysis.**

6. What percentage of PET carpet is currently using PET bottles? **CARE Response: We estimate 50-60%.**

7. How will CARE handle the natural fibers and bio-based materials with the post-consumer content requirements? **CARE Response: This issue is not considered significant at this time as natural fibers make up approximately 1% of sales of carpet.**

8. When presenting information on the cost burdens of carpet to the program:

- a. Were mixed fibers considered? **CARE Response: No**

- b. Will the final draft consider including information specifically on mixed fibers and commercial broadloom? **CARE Response: No, intimate sales statistics were employed for the CDA analysis to guide understanding and decision making. Such details are considered confidential business information and not shared with CARE.**

Clarifying questions/comments for CARE regarding Convenient Collections*

1. Will the list of the carpet retailers be made publicly available? **CARE Response: This list has been refined by CARE over several years. This is not a function CARE is required to perform. It is used by CARE to distribute important program information or changes and to target new collection possibilities.**
2. Can CARE communicate with drop off sites on how to estimate the cost to the resident/installer? Could be included in monthly calls, outreach material, and/or website. **CARE Response: Question and context are too vague to respond.**
3. Would CARE consider consulting with residents that plan on removing and recycling carpet? **CARE Response: No, not directly as there are 39M people in CA. We might consider a DIY document for the webpage in future.**
4. Will the AC get to see the outreach material before releasing to installers? **CARE Response: No, this is not required and outside the scope of the AC. This is part of CARE's routine program administration.**

* The clarifying question/comments from members of the Advisory Committee as requested by Bob Peoples during the May 11 meeting were not voted on with public comment, nor were they answered by CARE during the meeting.

CARE Response: For the record, Bob Peoples did not ask for clarifying questions. He said, IF there are clarifying questions they should be submitted in writing by the AC. CARE notes the AC did not discuss nor vote on questions, but simply compiled a random set of questions from a few members. Out of courtesy CARE has tried to respond.

- End response -