



Executive Committee - Tehama County Solid Waste Management Agency
December 7, 2017
Prepared By: Rachel Ross

Carpet Recycling Program Update

Requested Action:

This item is for informational purposes only. No further action is required.

Financial Impact:

Background Information:

In October, Governor Brown signed AB 1158 into law. AB 1158 amends several sections of the existing Carpet Stewardship Law, as summarized below, and will take effect January 1, 2018. The amendments to the existing law are largely in response to the current carpet recycling rate in California having increased only five percent in five years.

- Sets a statewide carpet recycling rate goal of 24% by January 1, 2020 and requires that the carpet recycling rate meet or exceed that rate thereafter. The current post-consumer carpet recycling rate is approximately 16%.
- Requires quantifiable five-year goals and annual goals.
- Requires the carpet stewardship organization to provide all data necessary for CalRecycle to evaluate the effectiveness of the program.
- Authorizes CalRecycle to allow a manufacturer to continue to sell carpet for up to one year if a plan is terminated or revoked without facing penalties.
- Prohibits a carpet stewardship organization from expending funds from fee assessment for specified costs and penalties, including for waste conversion or fines levied by the State for noncompliance.
- Creates an advisory committee that is required to provide comments and recommendation on carpet stewardship plans, amendments, and annual reports. The carpet stewardship organization must incorporate recommendations or provide reason why recommendations are not incorporated.

- Requires that carpet purchased by state agencies contain a minimum amount of postconsumer content.

As previously reported, in September 2016, CalRecycle found the 2015 Annual Report submitted by the carpet stewardship organization, Carpet America Recovery Effort (CARE), noncompliant for the third year in a row because it did not demonstrate continuous and meaningful improvement towards achievement of Program goals, including increased diversion of carpet from landfills. CalRecycle filed an accusation against CARE for non-compliance in 2013, 2014 and 2015. The administrative penalties for non-compliance total \$3,285,000. CalRecycle subsequently found CARE's 2016 Annual Report noncompliant.

In December 2016, CalRecycle's Director, Scott Smithline, disapproved CARE's Carpet Stewardship Plan 2017-2021 because it did not ensure continuous meaningful improvement in carpet recycling and diversion in 2017 and beyond, did not address the possibility of providing subsidies to points in the supply chain that may have significant success, including funding for discounted drop-off fees, and failed to address other Program elements that could be expanded to improve the chances of success. Director Smithline directed CARE to submit a revised 2017 Plan within 60 days to address the findings and allowed CARE to continue operating under the existing Carpet Stewardship Plan until a new plan is approved, but no longer than 120 days. CARE resubmitted the Plan in February 2017, which was subsequently disapproved by Director Smithline in April 2017. CalRecycle is drafting an enforcement plan against carpet manufacturers selling carpet in California if they are not part of a carpet stewardship organization. As AB 1158 requires the to-be-appointed advisory council to review and comment on any proposed plan, it is not expected that a new Plan proposal will be submitted by any carpet stewardship organization until late winter 2018.