

AB 1158 (Chu)

California Carpet Stewardship Act

SUMMARY

Existing law requires carpet manufacturers that sell carpet in California to implement a stewardship program to increase the recycling rate of carpet in the state. The current carpet stewardship program has not met goals set in statute, resulting in California fee payers unable to recycle their carpet, waste management costs remaining on local governments and waste haulers, recyclable materials in landfills and incinerators, and missed opportunities to expand California's carpet recycling processing capacity and develop new markets.

BACKGROUND

Authored by Speaker Perez, AB 2398 (Chapter 681, Statutes of 2010), required carpet manufacturers to implement a stewardship program to increase the recycling rate of carpet in California. The program is paid for by a consumer fee per unit of carpet sold in the state. At the time AB 2398 passed, carpet was one of the top 10 materials landfilled, consuming 3.2% of landfill space, making it a priority to recycle to help California achieve the 75% diversion goal by 2020.

The weight and bulk of discarded carpet are difficult to manage, and thus impose a significant burden and cost to local governments. Numerous secondary products can be manufactured from recycled carpet, including carpet itself, carpet padding, and outdoor decking, so an effective stewardship program is both economically and environmentally beneficial for California.

PROBLEM

The Carpet America Recovery Effort (CARE) is the stewardship organization designated by the carpet industry to carry out their responsibilities under AB 2398. From 2013-2016, CARE has failed to meet the required continuous meaningful improvement of diverting carpet from landfills. As the regulatory agency overseeing the stewardship program, the Department of Resources Recycling and Recovery (CalRecycle) found CARE to be noncompliant for three consecutive years, and in March of this year filed an administrative accusation, resulting in more than \$3 million in penalties against CARE.

While CARE formed the California Council on Carpet Recycling (CCCR), an advisory council formed to consider all aspects of the carpet stewardship program and provide

recommendations to enhance the performance of the stewardship program recycling rates, progress on increasing carpet recycling under this program has remained very slow despite numerous recommendations by the CCCR to improve program performance.

In December of 2016, CalRecycle disapproved CARE's *California Carpet Stewardship Plan 2017-2021*. Along with the disapproval, CalRecycle provided recommendations on fixes to the current program. CARE then submitted a revised plan in February, which CalRecycle also disapproved in April. CARE is in the process of developing yet another revised plan.

The carpet industry's inability to meet the modest performance standards currently in statute and the goals of its own stewardship plan has and will result in burdens on local governments, crowded landfills, carpet being shipped to Georgia instead of building California's recycling infrastructure, and incineration of useful material that could otherwise be recycled. As the program run by CARE is being paid for by California consumers, we need to ensure that it will be convenient for California fee payers to recycle carpet.

SOLUTION

AB 1158 makes meaningful but reasonable changes to the authorizing statute for California's Carpet Recycling Program that will improve program performance, increase recycling, and protect the California consumers that are funding the program.

Specifically, AB 1158 does the following:

1. IMPROVES COMPLIANCE STANDARD

California's carpet recycling program has consistently failed to achieve compliance. AB 1158 strikes the vague performance standard of "continuous meaningful improvement" in state law and replaces it with a clear target rate of recycling 24% of postconsumer carpet by 2020. CalRecycle will have the authority to establish recycling targets beginning in 2020 and every three years thereafter.

The 24% target adopted by AB 1158 is consistent with the most recently submitted plan by the current stewardship organization.

AB 1158 requires the stewardship plan to include five year and annual goals on how the recycling rate will be achieved, including how it plans to increase the volume of recycled postconsumer carpet, improve convenience for recycling and collection, incentivize markets, increase processor capacity, and increase recyclability of new carpet.

2. PROTECTS CONSUMER FEE REVENUE

California consumers pay a point-of-sale fee when purchasing carpet. Those funds are intended to facilitate the recycling of post-consumer carpet. AB 1158 protects consumers by restricting the use of consumer assessment money so that it cannot be used to pay for civil penalties assessed for noncompliance, litigation against the state of CA, or for activities related to incineration of carpet.

3. FORMALIZES ADVISORY COMMITTEE

AB 1158 formalizes a currently informal advisory committee, and requires the stewardship organization to consider and respond, in writing, to the advisory committee's recommendations. The advisory committee will include a member from a labor organization that represents carpet installers.

4. SUPPORTS TRAINING FOR CARPET INSTALLERS

AB 1158 includes in the stewardship plan incentives or grants for training apprentices and journey-level carpet installers on proper carpet recycling practices.

5. INCENTIVIZES RECYCLABLE CARPET

AB 1158 requires grants or subsidies to be structured to incentivize carpet materials that have the highest recyclability.

6. IMPROVES TRANSPARENCY

AB 1158 ensures that a carpet stewardship organization provides the data necessary for CalRecycle to evaluate the effectiveness of the program.

7. ALLOWS FLEXIBILITY FOR COMPLIANCE AND ENFORCEMENT

Should an approved stewardship plan be terminated or revoked, AB 1158 allows manufacturers to continue to operate under the most recently approved plan's elements and sell carpet in California, without being subject to

penalties, for one year, by which point an alternative plan will need to be approved.

SPONSOR

- National Stewardship Action Council

SUPPORT

- 5 Gyres
- Californians Against Waste
- California Association of Environmental Health Administrators
- California League of Conservation Voters
- California Product Stewardship Council
- California Public Interest Research Group
- California Recycling Market Development Zone
- California Refuse Recycling Council
- California Resource Recovery Association
- California State Association of Counties
- CalPIRG
- Center for Environmental Health
- City of Clovis
- City of Cupertino
- City of Napa
- City of San Francisco
- City of Torrance
- City of Thousand Oaks
- County of Alameda Dist. 4
- County of Napa
- County of Santa Clara
- Changing Markets
- Colorado Medical Waste, Inc.
- Full Circle Environmental, Inc.
- East Yard Communities for Environmental Justice
- Environment California
- Environmental Working Group
- Fiber Commercial Technologies
- Fiberon
- Global Alliance for Incinerator Alternatives
- Green Science Policy Institute
- Heal the Bay
- Institute for Local Self Reliance
- Interface Carpet
- International Union of Painters and Allied Trades
- League of California Cities
- Los Angeles County Solid Waste Management Committee/ Integrated Waste Management Task Force
- Marin Sanitary Service
- Napa Recycling and Waste Services
- Natural Resources Defense Council
- Peninsula Sanitary Service Inc.
- Plastic Pollution Coalition

- ReFiber
- Regional Council of Rural Counties
- Salinas Valley Recycles
- South San Francisco Scavenger Co.
- 7th Generation Advisors
- Sierra Club
- Sonoma County Waste Management Agency
- Stop Waste
- Story of Stuff Project
- State Building and Construction Trades
- Surfrider
- SWANA Legislative Task Force
- Tandus Centiva Inc.
- Upper Valley Waste Management Agency
- UPSTREAM Policy Institute
- Valley Improvement Projects for Social and Environmental Justice
- Voices for Progress
- XT Green
- Western Placer Waste Management Authority
- Wishtoyo Chumash Foundation
- Zanker Recycling
- Zero Waste USA

Individuals: Mark Gagliardi, City of Oakland

OPPOSITION

- SHAW
- Mohawk
- The Carpet and Rug Institute
- Carpet America Recovery Effort

STAFF CONTACT

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