

# Tackling carpet recycling head on

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by MAURA KELLER

For the last several years, the issue of carpet recycling has been a much-discussed topic within the waste and recycling industry.



As Erin Meezan, vice president and chief sustainability officer at Interface explained, carpet recycling has been under fire because there has not been a significant increase in recycling rates in over two decades. In 2002, the national recycling rate for post-consumer carpet was around 5 percent. The most recent data available indicates that this rate remains essentially the same.

Interface, a worldwide commercial flooring company, established its ReEntry recycling program in 1995, which reclaims carpet to ensure used flooring tiles do not end up in landfills. The company partners with yarn suppliers to develop recycled nylon and developed its first product with 100 percent recycled nylon with Aquafil in 2010. And since 1995, Interface has kept more than 300 million pounds of carpet and carpet waste out of landfills – including carpet from the company’s competitors. Moreover, Interface recycled much of that back into new products. In the last three years alone, the company recycled or repurposed more than 20 million pounds of post-consumer carpet that was brought back from customers through the ReEntry programs worldwide.

According to Meezan, the lack of improvement within the carpet recycling industry can be traced to two significant points – the lack of policy and legislation to enable carpet recycling, which necessitates a response entirely driven by voluntary industry effort, and the challenging economics of carpet recycling.

“The lack of progress by the industry to increase recycling through its voluntary association led to the realization that voluntary efforts would not deliver significant carpet recycling rates, leading some states to pursue programs mandated by state policy,” Meezan said.

The most successful carpet recycling effort is in California. In 2010, the state enacted mandatory carpet recycling legislation. This, coupled with Carpet America Recovery Effort’s (CARE) state-level efforts at managing California’s stewardship program, has yielded positive results.

As Meezan explained, a handful of other states, including New York, Minnesota and Illinois, are now considering action.

“The example of California shows that, with a state policy effort, recycling is possible and can improve over time,” Meezan said. “California’s law was passed a decade ago, and as of Q4 2019, the recycling rate of carpet in the state is 22 percent, almost 5 times the national average.”

### **Pandemic Response Action Plan for California Carpet Recyclers**

The following six actions will be taken by CARE within the authority provided to it via statute and CARE’s approved five year plan. CARE will:

1. Issue a one time payment to each qualified recycler, calculated as the average monthly subsidy received over last 12 months. CARE estimates the one time payment will total approximately \$1.13 million. This payment will not affect the cash reserve.

2. Pay 80 percent of earned subsidies after initial reporting by recyclers (as opposed to the usual 40 to 45 days). The situation will be reassessed after 90 days.

3. Monitor retail sales and PCC availability to aid recyclers in planning for dramatically reduced raw material flows.

4. Institute an additional temporary \$0.02 per lb. subsidy for PCC collection for 90 days, effective April 1 (total \$0.04 per lb.) This adjustment will be in place for 90 days, through the end of June. CARE is not increasing the current approved plan based collector sorter entrepreneur subsidy; it is providing a temporary collection incentive to address rapidly changing market conditions.

5. Coordinate and communicate with other Product Stewardship groups to identify the best ways to tackle shared challenges.

6. Suspend routine audits for 90 days. This applies to all recipients of California subsidy payments and does not suspend the requirement to comply with agreed upon procedures (AUP). The AUP suspension does not apply to mills. CARE will revisit the status in 90 days to determine if a further delay is warranted.

## Challenges Aplenty

For many industries, the impact of the COVID-19 pandemic is top of mind. And this is certainly the case for carpet recyclers in California and elsewhere.

In an effort to help these recyclers affected by the pandemic, CARE is implementing 10 specific actions to help offset the effects of the pandemic on carpet recyclers in California. These actions include a one-time payment to recyclers, a temporary 90 day increased subsidy payment, accelerated payment schedule and relaxed reporting and proposed loan payment requirements.

As CARE executive director Bob Peoples explained, “Cash flow considerations for the recycling community were our primary concern in forming this action plan. The current crisis, precipitated by the COVID-19 pandemic and the plunge in oil prices, has seriously interrupted the supply chain for new carpet sales and the flow of post-consumer carpet (PCC) materials into new products. Additionally, the automotive sector, a major user of post-consumer nylon carpet material, has been shut down. The depth and duration of the impact to our industry is currently unknown and cannot yet be quantified.”

In addition to the steps taken by CARE, the organization has also requested that CalRecycle take the following actions:

- Designate recycling as essential infrastructure and essential businesses.
- Suspend all Recycling Market Development Zone (RMDZ) loan payments (P&I) for six months. RMDZ loans are a major debt service requirement for many recyclers, including carpet. This would help with cash flow during the crisis.
- Support action to request that utilities not cut off service to any commercial enterprise for 90 days.
- Work with Governor Newsom’s staff to stop any commercial enterprise eviction actions for 90 days.

As the coronavirus pandemic continues to wreak havoc across the carpet recycling industry, there are ongoing economic challenges that these companies face.

For instance, the challenging economics of running a recycling program, with the changing value of carpet’s raw materials, has also been an obstacle for carpet recycling. According to Meezan, when the price of petroleum is low, the value of virgin plastic raw materials is low, and this depresses the value of materials harvested from carpet.

“In this environment, the industry needs financial help to succeed – either from the manufacturing industry or from public policy – or both – and the carpet manufacturing industry has largely remained on the sidelines,” Meezan said.

It is important to note that the success of a state's carpet recycling program can also depend on factors outside of any person's or entity's control. Even during good economic times, managing this type of program can be a challenge.

"However, when states face instances like today's coronavirus situation, the resulting uncertainty can have far-reaching implications," Meezan said. "As the economy slows down, it is possible that we could see disruptions to carpet recycling efforts – even among highly effective programs like California's."

On a more positive note, in the past five years, Meezan said the importance of carpet recyclability has become much more significant to both manufacturers and purchasers as they all look to address the carbon emissions from our companies, and buyers look to reduce the carbon impact of their purchased materials.

"Using recycled materials, particularly recycled nylon in carpets, is an important way to reduce the carbon footprint of the product," Meezan said. "Similarly, purchasers of carpet are increasingly interested in being able to buy products with lower carbon footprints to reduce their environmental impacts. As manufacturers and buyers look to lower carbon emissions, the ability to recycle products after customer use is increasingly important to buyers."

## **Steps to Take**

While carpet recycling continues to be problematic, there are some significant steps that need to be taken to offset these issues. Meezan said that the industry needs good state policies like the legislation in California and the proposed legislation in New York, Minnesota and Illinois.

"Ideally, we would have a federally mandated law or strong state-by-state programs that can enable carpet recycling in all states following California's lead," Meezan said. "Manufacturers have to be prepared to become more active in advocacy to push for circular economy policies. California and other states are doing their part in implementing laws that support a circular economy. Still, the carpet industry can further bolster these initiatives and the carpet recycling program, supporting a circular economy and making a difference."

What's more, the waste industry can better participate in the circular economy by recognizing that certain types of post-consumer carpet are indeed recyclable and by putting policies in place to help keep this material out of their landfills. This could include the banning of curbside pickup and/or increasing tipping fees for carpet in the landfills.

"More than anything else, there needs to be a shift away from the old model of 'use and dispose' to a model of 'use and recycle.' Everyone that touches a carpet – from its design, through its use, to its end-of-life – needs to be asking questions along the way."

