



September 25, 2019

Scott Smithline
Department of Resources Recycling and Recovery
1001 I Street Sacramento, CA 95812

Submitted via email: scott.smithline@calrecycle.ca.gov

Re: Disapproval of CARE's Chapter 0 Report and Supporting Documents

Dear Director Smithline,

The National Stewardship Action Council (NSAC) and the California Product Stewardship Council (CPSC) **recommend disapproval of CARE's Chapter 0 Report** and supporting documents as submitted on September 3, 2019. CARE has not provided §42973.5 "all data necessary for the Department to evaluate the effectiveness of the program" in their Plan submission on 9/24/18, Chapter 0 on 12/24/19, and now again in the Chapter 0 Report submitted on 9/3/19.

Our primary concerns with the Chapter 0 Report are as follows:

1. **Transparency on use of public fee money-** CARE does not have participation standards for incentive recipients to provide necessary data required for full transparency to protect public money, meet program goals and regulations. Lack of participation standards are evidenced in the submitted documents, in the collapse of Carpet Solutions and subsequent auctioning of public grant funded equipment, and in the uncorroborated authority to use post-consumer carpet materials in direct land and water use applications;
2. **Transparency on carpet material flows-** The studies do not adequately address the cost of the infrastructure needed to meet program requirements, nor do they provide enough information on carpet material flows needed to justify the assessment levels;
3. **Lack of validation the models are accurate-** The Economic, Cost Conversion, and Subsidy Justification Models do not have enough California-specific data or prioritize processor capacity in California. The Chapter 0 Report does not clearly lay out how CARE will adjust their models to incorporate the recommendations from Crowe's independent audit and verifying there is no need to change the assessments or subsidies while still meeting the goals of the program.

We are disappointed that after eight years into the program, CARE has not proven their stewardship model works for California and refuses to provide the data to prove otherwise.

Respectfully,

Heidi Sanborn, Executive Director
National Stewardship Action Council

Doug Kobold, Executive Director
California Product Stewardship Council

cc: CalRecycle Carpet Team, carpet@calrecycle.ca.gov