

News Collection/Transfer

California Carpet Circularity Bill Signed into Law by Governor Newsom

September 30, 2024

Governor Newsom signed into law California's AB 863 by Assembly Majority Leader Aguiar-Curry. Sponsored by the National Stewardship Action Council (NSAC), AB 863 will make critical improvements to the state's first in the world carpet recycling program, including closed-loop recycling with the world's first carpet-to-carpet minimum recycled content requirement.

"I want to thank the Governor for his support of AB 863. This bill strengthens transparency and accountability for CARE and will greatly increase the program's performance by training more workers to improve product recyclability," said Cecilia Aguiar-Curry (D-Winters). "Even with constant intervention and enforcement actions by CalRecycle and the California legislature, CARE's failure to successfully manage California's carpet recycling program has resulted in more carpet in landfills, wasted consumer fee money, constant litigation with the state, and serious damage to recycling infrastructure in this state. We will fix this program by expanding auditing and increasing fines for bad performance. We owe it our state's consumers to make sure the fees they pay are used effectively, create jobs for California workers and invest in California's carpet recycling industry."

Since July 2011, California consumers have paid a carpet stewardship fee when purchasing carpet sold in California. This fee funds a statewide carpet recycling program known as the Carpet America Recovery Effort (CARE), which is a Producer Responsibility Organization (PRO) designed and implemented by carpet manufacturers with oversight by CalRecycle. However, CARE has repeatedly failed to submit adequate reports and hit recycling targets, resulting in repeated enforcement actions and fines by CalRecycle. Recyclers and collectors have left the state or gone out of business due to a lack of feedstock because the program was not collecting and sorting enough carpet, while over 50% of used carpet is still landfilled each year.

AB 863 will improve this situation in many ways, with two key requirements being: 1) all carpet collectors will be reimbursed for their costs thereby increasing collection locations, and 2) used carpet will be sorted by January 1, 2029, to direct recyclable carpet to recyclers thereby keeping the jobs and infrastructure already built in California thriving.

AB 863 includes the first-in-the-nation carpet-to-carpet closed loop recycling requirement set at 5% by 2028, helping to keep food-grade plastic such as water bottles at their highest and best use as recycled, food-grade materials. California has a recycled content mandate of 50% by 2030 (AB 793 – Ting, 2021) for plastic drinks covered under the state's existing deposit return system, but a third of all plastic water bottles in the U.S. are currently being downcycled into carpet.

"Beverage bottlers, like Niagara, are leading the way in increasing recycled content in our plastic bottles while also under some of the strictest recycling content mandates; therefore, bottlers need as much #1 plastic from the marketplace as possible. Unfortunately, carpet manufacturers are using about 30% of that valuable #1 plastic in carpets. AB 863 calls for carpet-to-carpet recycling ensuring the availability of more #1 plastic bottles made from recycled content," said Brian Hess, Executive Vice President, Niagara Bottling.

SPONSOR

Additionally, AB 863 makes other important program improvements including:

- CalRecycle review and update to the recycling rate formula based upon historical sales data as the current formula is flawed, falsely inflating the recycling rate.
- Requiring the backstamping of carpet or use of another visual mark to identify synthetic materials for cost-effective sorting by 2027.
- The PRO must provide grants to apprenticeship programs to ensure carpet installers are properly trained on the proper installation of carpet so it can be easily removed and recycled, and how to properly manage used carpet to ensure it is prepared and brought to a collection location ready to be sorted for recycling.
- The PRO must conduct a survey of consumers and contractors every three years regarding their awareness of the carpet stewardship program and their utilization of the program to improve the program in the future.
- Penalties increased from \$5,000 to \$10,000 a day for failing to meet mandates and from \$10,000 to \$25,000 per day for intentional and negligent violations.
- If CalRecycle determines that the PRO has not complied with one or more of the requirements, the Department can, through a public process, adopt regulations that establish requirements for the PRO to take specific actions to bring the program into compliance.