

# Interface supports California AB 1158

By Janet Herlihy

[Atlanta] Breaking with the Carpet & Rug Institute and its concerns regarding the new California carpet recycling law AB 1158, Interface came out in favor of the law last fall when it was signed by Governor Jerry Brown.

FCW spoke with Eric Nelson, vice president for strategic alliances, Interface Americas, about its support. "It is no secret that Interface is committed to a circular economy, or a closed loop system," said Nelson. "Diverting as much postconsumer material as possible

back into other products is what Interface believes in. The new California law, AB 1158, creates a stronger infrastructure for carpet recycling. California is the center of the carpet recycling universe (in the U.S.) because they have a system that provides subsidies to help recyclers when the economy is adverse. That gives California-based recyclers a fighting chance."

The national carpet recycling output — what percentage of material actually ends up in new product — was as high

as 8 percent but was only 5 percent in 2016 and will be even lower for 2017, Nelson explained. "But, in California, it is three or four times higher."

There are three aspects of the new California law that Interface thinks will improve the system, Nelson added. "It includes rates and dates. It spells out that the system must recycle 24 percent by 2020. The old law had vague language citing 'continuous, meaningful improvement.' Second, the law stipulates that the California Department of General Services review how the state buys new carpet. Third, the law creates an Advisory Committee to CARE (Carpet America Recovery Effort) that will look at what CARE is doing and make suggestions. The committee is a diverse group of stake holders, including carpet recyclers and processors, carpet collectors, non-profits, unions and retailers. Interface likes that the new law gives a new perspective," Nelson reported.

The new law does not allow waste-to-energy to be used to divert recycled carpet materials in California, Nelson added.

Supporting the new law when most

of the carpet industry does not has been an issue. "Interface resigned from the Carpet & Rug Institute (CRI) in October 2017. But our customers are almost unanimously supporting the Interface stand. Architects and designers are mostly on the progressive side of product stewardship," Nelson said.

California is roughly 10 percent of the U.S. economy and represents about that same percentage of Interface business in the U.S., noted Nelson. "With the new law, Interface is considering opening a carpet recycling center in California. The freight to bring all the material from the West to Georgia is significant. If we can split the postconsumer carpet between two recycling centers, it might be helpful."



Interface processes recycled backing into pellets for its GlasBacRE backing.

## RECYCLING REWARDS

In 2008, Interface received the first GreenStep Process Honoree award for its ReEntry program that recycles postconsumer carpet and carpet backing back into carpet. Further enhanced as ReEntry 2.0 in 2009, the program has diverted 360,120,088 pounds from the landfill since 1994, when the first program began, through year end of 2017. The material, including post-industrial and postconsumer carpet and carpet tile, was recycled, down-cycled and/or repurposed. "ReEntry is a wildly successful program," stressed Eric Nelson, vice president for strategic alliances, Interface Americas. "We used to bring back whole carpet tiles, shred it whole and melt it down, but now we have a more sophisticated, proprietary process which is actually the third method we've used. About 18 months ago, we began to separate the face fiber from the backing which is vinyl on Interface tiles and is great to recycle." ReEntry 2.0 reclaims all types of carpet (commercial and residential) regardless of face fiber type or backing used.



## CRI responds to California Stewardship Law

By Joe Yarbrough, president, The Carpet and Rug Institute (CRI)

In 2010, California became the first and only state in the U. S. to put into law a mandatory carpet recycling program. This law placed an Assessment Fee on every square yard of carpet sold in the state to fund its efforts. Since its inception, the Carpet America Recovery Effort (CARE); the Carpet & Rug Institute (CRI) and its members; as well as many other carpet industry participants, have attempted to work with the regulatory agency in charge of this program, Cal Recycle, to ensure that the program is successful and balanced in its implementation — making meaningful progress in meeting carpet recycling goals, at the lowest possible cost to California consumers. Despite our best efforts, this task has not been easy and, because of additional carpet recycling legislation passed last year, will become even more difficult in the future.

Last year, Governor Jerry Brown signed into law Assembly Bill 1158 which changed the carpet recycling law significantly including: (i) eliminating the flexible and subjective standard of "continuous and meaningful improvement" and replacing it with a goal/requirement that the program achieve a 24 percent recycling rate for postconsumer carpet by Jan. 1, 2020; (ii) requiring a review after Jan. 1, 2020 of the recycling rate/goals and giving CalRecycle the authority to make unrestricted adjustments to the goals; (iii) revising the criteria that CARE is required to meet in order to achieve compliance with the carpet stewardship law; and (iv) creating an advisory committee to provide comments and recommendations to CARE on the carpet stewardship plan and requiring CARE to incorporate those recommendations to the extent feasible.

The most impactful of these and other legislative changes is that CARE had to submit on March 16 a carpet stewardship plan that must achieve an almost 100 percent increase in the actual recycling rate for postconsumer carpet, from 14 percent

to 24 percent, in less than two years. That forced action on CARE comes at a cost.

The fee for this program began at 5 cents and has grown to 25 cents per square yard over the last several years as CARE has worked to achieve the requirements of the law. Industry statistics show that for every 5 cents per square yard assessment fee applied, there has been an approximate 2 percent reduction in annual shipments to California, and in the last two years we are seeing the rate of decline accelerate 3 percent to 4 percent per year. This fact is in contrast to a relatively flat to upward trend for carpet sales nationally.

To achieve the requirements of the new law, CARE has had to submit a new carpet stewardship plan with a proposed increase in the Assessment Fee to 40 cents per square yard effective Jan. 1, 2019. We do not know whether Cal Recycle will accept this plan. As onerous as this will be, we must make you aware that we expect the opponents of our industry in California to demand that CalRecycle reject the CARE plan as submitted and call for an immediate increase in the Assessment Fee to even more than CARE's proposed 40 cents per square yard.

They will continue to claim that the only way to increase carpet recycling rates is to spend even more money. They will not be concerned that:

- Further increases to the proposed Assessment Fee might deter a consumer from purchasing at all.
- Further increases to the proposed Assessment Fee will influence consumer preference away from carpet when your customers are choosing which type of flooring to purchase.

While we will continue arguing in support of CARE for balance and reasonableness in the implementation of this program, policy makers in California must also be encouraged to recognize the impact their decisions are having on California businesses and the citizens that purchase the products they sell.