

2010 MOU-related Negotiations

CARE Board of Director's Meeting

October 27, 2009 – Dalton, GA

6th Annual CARE Entrepreneur Meeting

October 28, 2009 – Atlanta, GA

History: there were 2 MOUs

MOU I: January 2001 – between the carpet industry and the Midwestern Working Group (Minnesota, Iowa and Wisconsin)

- Establish 3rd party organization – CARE
- Negotiate outcomes (landfill diversion)
- Model Procurement Guidelines

Negotiated Outcomes Group

- Carpet manufacturers, CRI, fiber manufacturers, material suppliers, 7 states (CA, IA, MD, MA, MN, NC and OR), EPA, 2 NGOs (NERC and Reuse Dev. Center
- Resulting in MOU II signed January 2002

MOU II

- Good faith, non-binding agreement
- Recognizes significant technical and logistical challenges exist which will require finding new or yet unrecognized solutions
- The carpet industry recognizes that it has primary financial responsibility for the implementation of the Negotiated Outcomes

Signatories agree as follows:

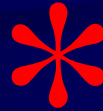
Section 4 of MOU II -- Evaluation and Performance Schedule:

“In each case where a report is required...(it) shall at a minimum include progress toward meeting the Negotiated Outcomes Goals...”

Negotiated Outcomes Goals

40% * by 2012...

- Reuse: 3-5% -- At least 200 million to 340 million pounds
- Recycling: 20 – 25% -- At least 1.4 to 1.7 billion pounds
- Cement kilns (alternative fuels?): -- 3% or 200 million pounds
- Waste-to-energy: 1% or 67 million pounds



- The goals do not add up to 40%
- Range is actually 27% to 34%
- “The goals for individual management methods are expressed as a range to allow some flexibility to achieve and possibly exceed the 40% overall diversion rate.”

The CARE Reporting Schedule: Section 4. a. of MOU II

- (1) Annual Report
- (2) 2005 Report
- (3) 2007 Report
- (4) 2010 Negotiations
- (5) Final Report (for another time)

The CARE reporting schedule:

- (1) Annual Report: on or before March 31st of each year commencing in March 2003
- (2) 2005 Report: on or before March 31, 2005 document progress made toward meeting interim management goals (amount discarded, reused, recycled, w-t-e, cement kilns, landfill; also recycling and landfill diversion rates)

CARE Reporting schedule

(continued)

- (3) 2007 Report - Independent Study shall be commissioned:

“to evaluate the progress and identify existing barriers toward meeting the Negotiated Outcomes Goals (reuse, recycling, cement kilns and waste-to-energy).”

2007 Report

(continued)

“...the study shall conclude with recommendations for improving the recovery and integrated management of post-consumer carpet.”

(4) 2010 Negotiations

“In year eight (2010) CARE and other stakeholders shall create a multi-stakeholder process for developing recommendations and goals for the next ten-year period.”

Invited stakeholders shall include
but not be limited to no less than:

- 5 states
- 10 members of the carpet industry
- The US Environmental Protection Agency
- 1 Non-governmental organization

For consideration (topics)

- **Goals for 2012** (reuse, recycling, cement kilns and waste-to-energy)
- 2007 Report – independent study
- Roles and responsibilities of parties
 - a. CARE
 - b. CRI
 - c. Carpet industry
 - d. Government entities
 - e. Non-governmental organizations

For consideration (logistics)

- Who is invited to participate (what's new? Product Stewardship Institute, SERDC)
- Start date and schedule
- Location, frequency and types of meetings
- Travel restrictions?
- Facilitator?
- For continuity, MOU III should be signed by the end of 2011.

MOU Negotiations Committee

- Garth Hickle, John Glenn, Frank Hurd, Georgina Sikorski, Matt Ewadinger
- Invitation to participate went out 10/5 to 155 people (received 20 responses so far)
- Responses by November 1st
- Post relevant documents Nov/early Dec
(*MOU, Annual Reports, Independent Assessment, Board minutes, By-laws, etc.*)

Thank you!

NC Recycling Business
Assistance Center

www.p2pays.org/rbac

