

# Why the DFL is taking on the carpet industry

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By Walker Orenstein

March 28, 2019



MinnPost photo by Walker Orenstein

State Rep. Rick Hansen, DFL-South St. Paul, is sponsoring a bill that would require carpet manufacturers to create their own recycling program in a so-called “product stewardship” model used by the state for electronics and paint.

Emboldened by a new majority in the state House this year, the DFL is taking on an old nemesis: carpet.

As part of a broader effort to cut waste in Minnesota, some Democrats are pushing a bill aimed at keeping more of the bulky material out of landfills — and in the hands of companies who can reuse it. The bill, House File 2267, would require carpet manufacturers to create their own recycling program in a so-called “product stewardship” model used by the state for electronics and paint.

The bill’s prime sponsor, Rep. Rick Hansen, DFL-South St. Paul, said a similar measure nearly became law in 2013, only to falter near the end of a legislative session. This time around may be no different as companies that make and sell carpet, along with many GOP lawmakers, warn of

increased costs and an unreliable market for the recycled product. Republicans control the state Senate, giving the party a veto over any new carpet regulations.

But with the House in DFL hands for the first time since 2014, Hansen is trying again. “We’re drowning in garbage,” he said. “We have to start doing something. If there’s one thing that we could do to impact things it’s deal with large volume — and that’s carpet.”

About 135,000 tons of carpet waste is produced in Minnesota each year, the vast majority of which is sent to landfills, according to the Minnesota Pollution Control Agency. The MPCA estimated carpet makes up about 3 percent of municipal waste — a significant amount for any one trash item. About 29,000 tons of carpet are burned with other trash for energy. Only 6,000 tons are collected for recycling.

## **Success and struggles in other recycling programs**

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Hansen, who chairs the House Environment and Natural Resources committee, says it’s possible to keep large amounts of carpet out of the dump with his program. As proof, he points to Minnesota’s paint recycling law.

In 2013, the Legislature directed businesses making and selling paint to find ways to increase reuse. The companies did just that. Retailers began accepting old paint for free at their stores, and manufacturers teamed up with the nonprofit PaintCare to help shepherd the paint through the recycling process.

It hasn’t been a totally painless change. Businesses do charge more for new paint now. But there are about 250 drop off sites, and the recovery rate — the amount of leftover paint collected divided by the volume of new paint sold — has increased from 9.6 percent in 2015 to 11.5 percent in 2018. That rate is higher than PaintCare reported in the seven other states it serves, plus Washington D.C.

Hansen’s bill wouldn’t require the carpet industry to take the exact same path as the PaintCare stewardship program, but it does require them to find their own way to boost recycling by March of 2021. The only statewide carpet recycling program akin to the PaintCare model comes from California, where the state charges a fee on carpet sales to subsidize its recycling and to help companies that make products from the reused material. The program was launched in 2011 and is managed by the nonprofit Carpet America Recovery Effort, or CARE.

Yet CARE has also had its share of troubles. The state of California found CARE to be so far behind in meeting its goals, in fact, that it ruled they were not meeting state law between 2013 and 2015.

Things haven’t appeared to get much better since. A report published in 2017, says the program slogged through “another challenging year.” Why? Largely because few businesses use recycled carpet material, and low oil and natural gas prices make new products cheaper than recycled ones, the report says. (Synthetic fibers in carpets can be made from petroleum.)

Plus, China's decision to significantly cut the amount of waste it buys from the U.S. has not helped anyone in America's recycling industry.

In 2017, the CARE program was recycling only 14 percent of California carpet, well behind its 2020 goal of 24 percent. It has raised its initial fee from 2011 — \$0.05 per square yard — to \$0.35 this year.

Lisa Frenette, a lobbyist for the Carpet and Rug Institute, an industry trade group, characterized the California experiment as a cautionary tale rather than something to emulate. In fact, no other state has passed the same type of program, she said.



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Rep. Hansen, who chairs the House Environment and Natural Resources Committee, says it's possible to keep large amounts of carpet out of the dump with his program.

Any program in Minnesota would start almost entirely from scratch. Those testifying in a Hansen's committee this week could only name one company in Minnesota, Bro-Tex, that recycles carpet.

Frenette said the carpet recycling program would need to raise prices on carpet to keep any program afloat. "This bill makes an assumption that by simply passing legislation mandating carpet product stewardship programs you can increase the recycling rate and create end markets," she said.

Roseau State Rep. Dan Fabian, the top Republican on Hansen's committee, said he was concerned price hikes would hit rural communities harder and put a greater burden on business when it came to carpet transportation. Bruce Nustad, president of the Minnesota Retailers Association, said the program could lead to "economic wins" for neighboring states that don't have a recycling program. He noted the industry has been making some voluntary efforts to increase recycling without legal mandates.

## **Potential for a new industry**

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Nick Fiore, president of California-based carpet recycler Circular Polymers, sees a business opportunity in Minnesota's empty recycling market. His company, which employs about 30 people, has benefited greatly from California's stewardship program.

Fiore's company used to be based in Milwaukee and he had a recycling facility in Eagan that took carpeting. But a drop oil prices and other industry troubles forced him to move. Speaking to Hansen's committee this week, Fiore acknowledged the California program has faced challenges. But he also said it has allowed a "robust recycling community to exist."

That same community could exist in Minnesota, Fiore argued. He said Mankato-based Fiber Commercial Technologies, which turns recycled carpet fiber into decking, could tap into the market, for example. As of now, the company gets its fiber from California, according to FCT lobbyist Molly Pederson. She told the House panel that FCT has invested \$30 million in its Mankato plant in the last 30 months.

"I'm confident that we would build here at Circular Polymers," Fiore said. "Several others would build plants, Bro-Tex would grow dramatically and we would be able to divert one of the largest reusable items from landfills."

For Hansen, the possibility of a drop in waste and a jump in new businesses makes the undertaking worthwhile. Others have touted the possibility of reducing greenhouse gasses associated with creating new products, including synthetic fibers.

But the carpet bill is not be the only way Hansen hopes to reduce garbage. He's also supporting a bill with bipartisan support sponsored by Rep. Frank Hornstein, DFL-Minneapolis, that would divert money raised by a tax on garbage from the state's general fund to pay for recycling and waste reduction projects.

But Hansen said reducing carpet waste is he biggest "single component" of landfills he's trying to take on this year. Status quo is not an option, he said, and Minnesota can learn from the paint program and from California. "We don't have the time or the ability to continue to do the same thing," he said.

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## Walker Orenstein

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