

# Carpet industry's recycling arm works against expanding mandates

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Carpet is made mostly of plastic fibers derived from oil and accounts for about 1 percent of the U.S. waste stream, according to the EPA. The vast majority ends up in landfills or gets burned for energy. | Edwin Remsberg/Getty Images

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A national nonprofit that runs state programs designed to promote recycling of used carpet is trying to prevent more of them from forming.

The industry-run group Carpet America Recovery Effort kicked two members off of its board earlier this spring for supporting New York and Illinois bills that would create recycling programs similar to California's, which it helps run. The state proposals would put a tax on new carpets and distribute the proceeds to collection and recycling companies to turn discarded material into other marketable products.

Carpet recycling companies like the programs because they make recycling economic, but manufacturers argue that the extra fees — about 35 cents per yard in California — make their products less competitive with other types of flooring.

The episode illustrates the tensions that emerge when an industry group regulates itself. How large a role industry should play relative to regulators has been a sticking point as states try to enact extended producer responsibility laws for carpets, packaging and other products.

“CARE can’t come to terms with its own contradictions,” said Franco Rossi, president of Aquafil USA Inc., which recovers nylon from old carpets. Rossi was booted from CARE’s board in late April, along with the president of another recycling company. “The carpet industry runs the stewardship program in California because they have to, but they don’t want it anywhere else because they think it will hurt carpet sales.”

After recyclers advocated for the New York and Illinois bills, CARE leadership said they had violated the group’s conflict of interest policy. The group’s executive director, Bob Peoples, said in an email that states are best served by market-based solutions, “not by mandating unrealistic and arbitrary targets.”

Recycling supporters say the dust-up points to the need for more accountability and enforcement mechanisms in legislation that gives industry control over recycling.

“This is not just about carpet. When industries control recycling programs, and there aren’t enough guardrails, things can go very wrong,” said Heidi Sanborn, executive director of the National Stewardship Action Council, which advocates for legislation to require manufacturers to take responsibility for their products’ full lifecycles.

CARE was set up in 2002 as part of a partnership with the EPA, states and environmental groups. Its memorandum of understanding expired in 2012 and wasn’t renewed. The group also runs a voluntary, nationwide recycling program that includes a directory of collectors, recyclers and guidelines that it says have helped divert more than 5 billion pounds of carpet from landfills. But it stopped giving out industry-funded incentives in 2020, and recyclers say it’s not very active.

“For more than a decade, CARE has pretended they’re going to find a market-based solution,” said Louis Renbaum, president of DC Foam Recycle Inc., the other board member who was terminated. “But we’re dealing with a low-value product that has little chance of being recycled without subsidies.”

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In California, carpet recycling rates are about 28 percent — far above the national average of 9 percent in 2018, the latest figure available. But the program’s performance has been uneven, with CARE paying more than \$1 million in penalties for failing to improve rates from 2013-16. It again failed to meet its target of 24 percent in 2020.

CARE also required companies that accepted its incentives to refrain from supporting legislation that would require manufacturers to manage products’ lifecycles. Recipients of recycling funding had to attest that they would support “voluntary market-driven solutions” and not “legislation or regulations” creating extended producer responsibility requirements for 18 months after receiving funding, according to a copy of an agreement reviewed by POLITICO.

California regulators said they were worried about the group’s stance and what it means for carpet recycling. “I am very concerned about CARE’s ability to operate as a product stewardship organization if their main tenet is opposing EPR,” said Rachel Machi Wagoner, director of CalRecycle, the state’s waste management agency. “I don’t know what politics are happening within the organization, in terms of picking winners and losers, but their job is to build a circular system for carpet recycling.”

The carpet industry is also lobbying against the bills. The Carpet and Rug Institute, which has an overlapping membership with CARE, urged Illinois lawmakers to oppose the carpet-recycling proposal, arguing that it was “modeled on a problematic California program” and would create “an entirely new state bureaucracy.” CRI also pointed to CARE’s voluntary program as an alternative, arguing that it diverts carpets from landfills “without any additional taxation of consumers.”

CRI President Joe Yarbrough, who also serves on CARE’s board, said mandatory carpet stewardship legislation leads to a “death spiral”: The cost of carpet increases, which in turn slows sales, reducing how much carpet is ripped out of homes and commercial buildings to be recycled.

The Illinois bill failed to advance, but the New York bill has passed both houses; Gov. Kathy Hochul (D) could sign it later this year.