

Help The Carpet and Rug Institute Oppose California AB 863

California bill AB 863 (Aguiar-Curry), introduced in 2023, was recently amended and now threatens the entire flooring industry in California. The Carpet and Rug Institute, alongside other flooring associations, is opposing this bill as a costly and unnecessary attempt to "fix" the successful California Carpet Stewardship Program.

Click here to quickly and easily voice your opposition to this bill by automatically sending a pre-written electronic letter to your California legislator!

THANK YOU!

The existing <u>California Carpet Stewardship Program</u>, administered on behalf of carpet manufacturers by Carpet America Recovery Effort (<u>CARE</u>), has been in place since 2011. The carpet recycling rate has steadily increased from 4% in 2011 to 41% in Q1 2024, now rivaling California's statewide recycling rate.

AB 863 would kill the existing and successful carpet program and replace it with a **flooring program** that would cover:

- carpet,
- carpet tile,
- convention carpet,
- carpet underlayment (cushion, pad, or any other underlayment),
- resilient flooring (luxury vinyl tile, vinyl composite tile, sheet vinyl, linoleum, cork, and rubber),
- and artificial turf.

While the existing carpet program is funded with a visible consumer fee, AB 863 creates an industry-funded Producer Responsibility Organization (PRO) model under which the producers of the covered products must fund all program costs directly – no consumer fee!

These changes present multiple threats to the flooring industry in California:

<u>Price Increases</u> – Prices for all covered products will rise significantly to absorb the producers' costs to comply with the expansive provisions of AB 863.

<u>Lack of Transparency</u> – Without a visible consumer fee, all transparency of the cost of the program will be lost to dealers and consumers.

<u>Significant Uncertainty</u> – The actual cost of AB 863 will only be known when the state (CalRecycle) issues regulations to clarify the bill's many compliance requirements, which won't happen for several years.

The following requirements of AB 863 present a significant compliance burden for the industries involved and will be extremely costly to implement.

Collection Convenience Requirements

The current carpet program has a convenient collection standard of at least one collection site per county. Under AB 863, however:

- Each county must have at least 5 approved collection sites or 1 per 50,000 people, whichever is greater.
- Producers must establish 800 to 1000 collection sites across the state (the current carpet program has 350 sites after 12+ years).
- Each collection site must provide free drop-off to consumers for covered products.
- Producers must pay each collection site all costs incurred to provide free drop-off to consumers.

Mandatory Collection & Sorting Requirements

Under AB 863, any covered product that is replaced in California must be taken to an approved collection site for sorting. Every installer tearing out any covered product in any location will have to comply, regardless of the time or distance involved. Also, each approved collection site will have to:

- Receive, sort, and store covered products,
- Ship recyclable products to recyclers,
- Dispose of unrecyclable products, all at the producers' expense.

Recycling Rate Requirements

Under AB 863, there are no recycling performance goals – they will be determined by the state through regulations in the future. It is therefore unknown what the recycling rate requirements for the program will be, or what they will cost to achieve for each covered product at the producers' expense.

Product Design Requirements

AB 863 introduces extensive product design requirements, including:

- standardized back-stamping in the manufacturing of all covered products to aid in sorting at the approved collection sites.
- minimum recycled content standards for carpet (15% by 2028, 30% by 2031, and 50% by 2035)
- undefined product "performance standards" for all covered products

Each of these requirements, when eventually defined, will be at the producers' expense and will add significant cost to flooring in California.

AB 863 will have terrible consequences for the flooring industry in California. If enacted, it will cost hundreds of millions of dollars to implement, require significant price increases for all covered products, and result in a drastic reduction in California flooring sales.

We need your help! Please join The Carpet and Rug Institute in fighting AB 863!

Click here to take just a few minutes to automatically send a pre-written electronic letter directly to your California legislator and urge them to oppose this bill!

Thank you for your support of our industry in this important fight!

If you received a paper copy, visit <u>www.carpet-rug.org/opposeab863</u> to send a pre-written letter to your California legislator opposing AB 863.



About The Carpet and Rug Institute

CRI is the leading industry source for science-based information and insight on how carpet and rugs create a better environment for living, working, learning, and healing. CRI's mission is to serve the carpet industry and public by providing facts that help people make informed choices. Its best practices promote a balance between social, economic, and environmental responsibility for the long term. CRI does this for its industry, yet it strives to be a model corporate citizen for all industries.