

# **Destabilization and Decentralization of the US Carpet Market**

## **(A 'how to' guide and why)**

***Nearly all men can stand adversity, but if you want to test a man's character, give him power.***

-Abraham Lincoln

***The only thing we have to fear is fear itself.***

-Franklin D Roosevelt

***When you have the power to do the right thing, do not let fear stop you from doing it.***

-Caney McStotts (& Many Others)

### **Foreword:**

“Based on industry data, EPA estimated that the recycling of carpet fiber, backing and padding was 310,000 tons in 2018, which was 9.2 percent of carpet generation. A slightly larger proportion (17.8 percent) was combusted for energy recovery, while the majority of rugs and carpets were landfilled (73 percent)”. [https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/durable-goods-product-specific-data#:~:text=Based%20on%20industry%20data%2C%20EPA,were%20landfilled%20\(73%20percent\).](https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/durable-goods-product-specific-data#:~:text=Based%20on%20industry%20data%2C%20EPA,were%20landfilled%20(73%20percent).)

They have spent twenty years and god knows how much monies trying to “solve” this problem. If you read this document, you will learn the truth of why 2.45 million tons of carpet waste entered our landfills in 2018, along with much more before and after. Another ~599 thousand was burned and used for energy. That is right folks, over half a million tons of plastic was burned for energy. I have laid out two paths to solve this problem. One path is quite an easy path for the industry to take. The other, I still struggle with, but I am 100% committed to solving this carpet waste problem. Reader, please help me, no one else will. I had to even write my own foreword.

### **Introduction:**

I do sincerely feel the following idea is the only way my former industry (the Carpet Industry) can survive long term due to (insert many reasons here). In the industry everyone knows the challenges we face as an industry. Anyone in the business is just a fool to not believe rugs are going to be the future of the soft-goods flooring market in the US at least, and that our old big plant mentality is the way forward, when it is on its way out the door. This is not going to be a short cycle boys. I cannot imagine putting carpet over my hardwood the way grandma did any time soon and I am sure most people feel the same way.

I would like to disclose to you my full intentions now that one of the largest carpet companies in the USA has decline my offer. Please understand this is not a message of anger, hate or disgust, it is just simply a burden I feel I need to do because, it is the right thing, I think I can, and out of love for the craft I grew up in. I am not greedy, nor do I seek any fame. Honestly, I could just go walk in the park every day, enjoying my wife and son for the rest of my life... I retired to a modest but comfortable life at age 39. This is about protecting the craft that has given me so much and trying to ensure at least another generation or two can learn to love the trade the way I did over my career.

To add validity to this document please consider the following my resume. If you know me, then feel free to skip this section. I entered the carpet business at a small company at the age of 19 (2000). During my employment I advanced from the Systems Administrator to Plant Manager during an ~8 years span. I believe my rapid rise was due to the fact I have a gift when it comes to understanding most mechanical and electrical devices, mathematics, troubleshooting, streamlining manufacturing processes, software languages, and an insatiable appetite to learn. I do not mean to sound conceded, nor do I feel special in anyway at all, it has just always come easy to me for some reason, and I do not know why, most things just do, I do have a theory though. This company was acquired by a larger company along the way. After which I was left as the plant manager for a short while but was luckily offered the position of Corporate Electrical Engineer. Luckily, because this new company managed to destroy the entire line within a year or so. This absolute miscarriage of history was facilitated by narrow mindedness, complete disregard to the craft, and outright egotism at its finest. During my time as the Corporate Electrical Engineer, I worked my way through their facilities upgrading their equipment to match “newer” equipment standards. The “new” standards are still way below most other industries “old” standards. I enjoyed this work and met my wife during this time, so it was a happy time, as is this time in my life. I decided to leave this larger company for a much smaller company to help a man out because, hell I just liked him. This is where I completed my career in the industry at the age of 39(2020). My time at this company is not worth mentioning because the work, was the same as all the prior years, but I made some new lifelong friends along the way, so it was totally worth the drive.

After exiting the industry, I simply toyed around with electronic devices I found interesting on Amazon and enjoyed retirement and playing games online with friends. I quickly came to realize most consumer grade electronics on Amazon are better than the electronics located in the Carpet Industry I had just left, and possibly most industries. I thought to myself, “I will start an automation company and help out all those little guys save some money. Like I did the big guys, because they could afford to pay me a big salary and the little guy couldn’t”. So, I started a small automation company. I had just been slipping around helping an old pal here and there, until one night I had an idea. That idea was so farfetched it made me have another and then another. This prompted my desire to want to re-enter the Carpet Industry just slightly.

During my career, I was sort of the gap between the “suits” and the “workers”. I have the utmost respect for all working men and women that are down in the lint, grit, and grime sweating making our carpets. I used to also have respect for what I thought were the “Great Men” of the industry that either helped build it and/or guide it. This opinion has only recently changed drastically. Please read on to understand the reason for this change.

According to CARE’s website (<https://carpetrecovery.org/>) “CARE is the Carpet America Recovery Effort. The non-profit was created to oversee the goals and targets documented in the

Memorandum of Understanding (MOU) signed on January 8, 2002 by the carpet industry, a number of states, the federal EPA and a small group of non-governmental organization (NGO's). Read more about CARE on our website.". I first became aware of all of this when (AB 2398) Carpet Stewardship law, signed by the governor of California, on September 30, 2010. The purpose of the law is to increase the diversion and recycling of carpet in the state of California. Shocked as I was unaware of any problems, I pulled up the legislation and begin to read. Quickly I realized this was all a big money grab. These people are not serious about solving the issue. I like to show my work so please consider the following taken from the bill itself.

The bill would require, "until April 1, 2015, the Carpet America Recovery Effort (CARE), a 3rd-party nonprofit carpet stewardship organization, to serve as the carpet stewardship organization and would allow, on and after April 1, 2015, a carpet stewardship organization appointed by one or more manufacturers, to submit a plan". What What What?!?!?!?!? Suddenly membership to this little known nothing of an organization is a requirement to sell goods into the State of California? Let me guess who proposed this wonderful idea? I wonder if it was Carpet America Recovery Effort (CARE)? Well, you always had the option of having god knows how much moneys spent on trying to come up with your own recovery plan. We most all decided the CARE dues were cheaper and paid them.

The bill would also require, "as of July 1, 2011, until January 1, 2013, a manufacturer of carpet to add an assessment of \$0.05 per square yard upon the purchase price of all carpet sold in the state by that manufacturer". Is that a rat I smell? Could it be? Let us think, shall we? It would be much more logical to apply this level at the point of sale. Already collecting sales tax there, plus you would be getting more money because the consumer is paying full markup price whereas the retailer's price is wholesale. Maybe they just did not think of the latter? Who knows maybe they added a tax in both places and double taxed the California consumer? That is my guess, but either way it did not affect us because we just raised our prices on the goods sold in California to accommodate.

Of course, my thirty-year-old brain clued in very quickly and reached out to the lawmaker that sponsored the bill. Surprisingly, I was able to get him on the phone and explain the racket he had proposed to setup. I could quickly tell this man was nothing but a puppet of a man, in my opinion. He would just keep giving the standard run around the bush answers. Finally in frustration of wasting my breath I abruptly ended the conversation. If I lived in the district where this puppet of a man represented, I would be trying to vote him out of office. This type of puppeteering is a major problem in US politics on both sides.

I suppose at this time in my life it was easier to chalk it up to ignorance and move on. But looking back I should not have just brushed it off. For many years after I continued my career and eventually found myself as the Corporate Electrical Engineer of one of the big four! I enjoyed my time there and grew fond of many of the employees and their COO. He seemed like a nice guy and heck I just like him.

I eventually left this company on good terms, to go work for another company that was much smaller. I understood the other man I had respect for had a big company to run and big ships are hard to turn, so I thought a much smaller company can turn faster and maybe I can carve my name in the great history books of carpets like all the ones before me. Unfortunately, I quickly learned this was not going to be the case and grew weary of the monotony, so I resigned my position in early 2020. I guess I had just conceded defeat and went home.

Obviously for the remainder of 2020 we stayed home, ate, got fat, and watched Tiger King on Netflix. During this time, I also begin to go back to dabbling in electronics. Quickly I learned the ole days of bread boards and jumpers were gone. No more tearing apart that ethernet cable to get a little copper to make a bridge. Now were the days of inexpensive but powerful electronics that were fast, sleek, and din rail mountable. I thought to myself I could use this stuff to help some of my old buddies out. It is cheap, I got nothing better to do, so Arcane Automation Inc. was born.

Honestly, I was quite content with life. My wife and I were dreaming up all these plans for a new house one day, we were already looking for property to buy. Trying some start-up ideas with friends and family. Then I saw an article pop up on my phone regarding CARE. Quickly I scoffed to myself and thought "I cannot believe that racket is still around". Quickly that scoffed turn to curiosity, how long have they been around now? So, I quickly scrambled over to their website and went to their FAQ's and saw it was going to be their twenty-year birthday if you will on January 8, 2022. Slightly by heartbeat elevated, then I saw it. Just above the FAQ on the left side of the page I saw "Careers". Now my heart raced with anger. I thought to myself these greedy people are making "Careers" out of solving one of the worlds problems, when you should just solve the problem then move on to the next and maybe we will get something done. That may not pay as well who knows?

Pretty tall charge I thought to myself. Why do you not solve the problem for them see how long it takes you, smartass. So quickly I conceded "yeah", easier said than done and moved on. That day was April 12, 2021, I remember it distinctly because my mother-in-law arrived that same day. I scrambled back to whatever I was working on and quickly forgot about the whole thing. After sitting up late, working, drinking to many beers, and vaping I took a short break and leaned back in my chair and begin to think how would I solve this problem?

Slowly overtime this problem percolated in my brain. Whatever makes me think the way I think picked and poked and thought until suddenly I had it. I had solved the problem. The day was April 28 2021. I had the solution, but my brain quickly turned promise into dismay. Then the light bulb quickly goes off again. Solution A's problem can be solved by Solution B. Immediately, I texted the COO of the large corporation I had once worked for and asked for a meeting the following morning. Kindly he obliged, and we met the following morning at his lawyer's office with his lawyer present. I was advised by friends of mine who are familiar with the legal profession to not go without council, one even recommends I take my idea to university.

Standing in front of the legal firm the COO caught me taking a photo of the building. We briefly joked and went inside. Once inside we went to a small office with a round table in it. The COO took his seat, and I purposely positioned my chair on his side of the table and explained I am on his side. We sat and chit chatted while his lawyer attended other business, but I did not mind I enjoyed catching up. All the while I was dropping breadcrumbs some he picked up, because I saw him quickly scribble them down on his pad, however most of the breadcrumbs went unnoticed.

Eventually the COO's lawyer entered the room and very professionally explained to me that he represented his client the COO and his company. Hopefully, that was a formality because I think most people would know that. We quickly drew up an NDA and signed our names to it. I revealed to for the first time my "BIG IDEA" was a marketing strategy. Surprised, the COO rocked back, as I asked "you thought it was a machine huh? ". The strategy is simply this, be the first carpet company to announce, "GO GREEN or GO HOME". Our carpet waste problem is not hard to solve all we must do is go back to

making carpets the way we used to. Natural fibers, its that simple. Mankind lived on this earth for many years and made carpets without creating this carpet waste problem. I understand fully the market cycle that drove us to start adding plastics to our products and the complications of natural materials. I have worked with them in some form or fashion for twenty years.

I pleaded and begged with these men, handily outwitting them as well might I add. I recall once the lawyer repeatedly said in agreeance with his client that synthetics are easier. Frustrated at this point I quipped "My rebuttal to that sir is the easiest solution is not always the right solution". I exclaimed we can get all the other big guys in on this, including CARE. We can claim this as a victory for the entire industry, no one has got to be thrown under the buss on this thing, I explained. Imagine an entire industry standing up and saying this.

I said, "man this could be huge"! We could set an example to other industries to look to their heritage for solutions to the environmental problems they face. I thought maybe he could see a nudge in a struggling stock price... Nope, just more of the same. Finally, I grew weary much as I had many years ago, so I quickly started to wind down the conversation, but you better bet I took the opportunity when the COO's lawyer stated, "How do you know someone else has not already thought of this?". Quickly my head turned to the COO and ask where he was educated. He responded with a very prestigious school at which point I sensed the lawyer being impressed. This just added to my delight of what was about to happen. I asked, "Have you thought of this?" he responded "No" like a deer staring into headlights. Quickly I turned to the lawyer and said, "no one else has either". I quickly finished up and headed out the door, leaving that NDA on the table. Purposefully, knowing good and well that piece of paper was the only evidence in the world that meeting took place. Quickly the COO reminds me to not forget my NDA he signed. I chuckled inside as I picked up the signed NDA and walked out the door.

I must admit I thought I had him, when I said we could call on the Joe Biden Administration to call on a full ban of synthetic fibers in carpet and rugs within 20 years. President Kennedy put a man on the moon in less than 10, I thought to myself. The COO returned to possible complications in wool supplies and sheep populations. Once he finished, I said, "you know who likes sheep?" quickly he replied "No". I then responded with "Prince Charles, I hear he has a lot of them". The COO laughed and agreed. This was on a Thursday and I was not promised an answer until Monday.

It was supposed to be a joyful weekend, we had big mother-in-law plans for Mother's Day and my wife's whole family was in town. But it was not. I am a grown man and I cried in my fathers' arms as an extremely hard decision lay in my heart. An option I did not want to execute but knew I would, if forced to. Remember I had three ideas? I had executed the second. I struggled with the first idea. I still do... But I did have a little fun with possibly a new friend. I did my part. This picker stick knocked that old shuttle your way, I am just waiting to see if you knock it back. I think we could have some interesting conversations. You have my card.

It was the saddest weekend of my life. Monday came and the answer was "I like where you are going with it, but we cannot commit to that.". Quickly I responded, "well remember how you were surprised it was a marketing idea?" he said "Yes", I replied "well there is a machine too and if you recall when you let me into take some photos a year or so ago?", he said "Yes" I responded "well here is your first right of refusal because, I have a machine concept that could possibly consolidate the entire US carpet market into one corporation. By my calculations that is a lot, so I am valuing shares in my company at five million per share, how many can I put you down for?". Oddly enough almost with a

serious tone he responded, “he did not have that kind of liquidity’. I suspect the COO never clued in on the fact that was the point. I had deemed his company unworthy because they refused to make the right decision.

You see the second idea to return to natural fibers is such an elegant solution to the whole problem. It spurs another twenty years of innovations and new players coming on the scene, something we have not seen since the 80’s and early 90’s. TuftCo, Cobble, CMC, SELLERS, and many more companies in the area could fire up those sleepy shops. Maybe the little guy just trying to go out on his own would have a chance to survive and thrive oppose to being quickly elbowed away. The first idea is the leverage to make the second idea happen. This could not be so easily done, consolidate an entire industry. Could it be? How hard to imagine new and interesting ways of doing things, while learning about every machine type available for twenty years in an industry with little to no innovation in decades? You all did not think I was observing and learning from your business practices as well? Start calling around boys you will see I am getting ready to auction this bitch off. Strong arm me on this one I will build it my damn self and if you do not think I can you better get calling around. Oh, and when I say calling around, I do not mean other big shots such as yourselves or people with degrees that are obviously educated beyond their intelligence. Go find a man that has some grease under his fingernails and sweat on his brow. Then you will learn my full potential.

I have pleaded with every man I respect in this business to stop me from building this machine, all of which should know damn well I can build it. Reader, please help me get this industry to 100% Natural Fibers. I have received zero assistance from these men I once respected. As a result, I have lost all respect for them. Call my bluff boys, I would love to show you all how a tenth-grade dropout run you all out of town. You just did not let a wolf in your hen house, you let a very smart one in there. You charged him for 20 years to eliminate labor cost. Well boys, my machine will do exactly that. All of it, it will eliminate all labor from manufacturing and the retail levels. Yeah, that is how I plan to cut all that extra cost from this natural product, because I know you thought of price point already. How does it feel to be part of the “fat” that is getting trimmed off? Not, to mention I am sure the consumer would pay a little more knowing they were doing the right thing for the environment. I am done playing with you boys!

I now call on all carpet manufactures across the United States of America and the American people to stand with me and declare “GO GREEN or GO HOME” to the carpet industry and for a 100% ban on all synthetic fibers used in carpets and rugs by 2036. I also ask the American people to boycott all carpet products until the industry concedes. You boys in the business catch how you just lost five years? I did, if I build this machine, you will lose ten more and you will either be in the hard surface business or out of business.

I started this with a quote. I would like to explain that. When I cried in my daddy’s arms wrestling with the decision to build or sell this machine because I knew what it would do to the families, I worked alongside for so many years. Hoping this COO would make the right decision but terrified he would not. My daddy told me... His best advice... Was “son you should not care so much”, daddy I love you and you know it... but your wrong on this one. This is the right thing to do for my former industry and our environment, and I am going to do it!

I will end this with a statement of fact. COO and you know who you are. I asked you who you talked to the most about this. You said “your dad” I respect that because I did to. The difference

between us sir is that you are a coward and unfit for leadership, fancy degree be damned. Hell, you might even should ask for refund on that thing. When I looked into your eyes and told you from my soul, we could change the world, I meant it. Guess you should have listened to me instead of your daddy.

To be clear, I am not advocating any agenda here; I just think the carpet industry is low hanging fruit and we should just take it. My troubleshooting instinct makes me think like this. We are in a flat at best, soon to be contracting business cycle anyways. No one is going to be pulling up that LVP or another hard surface anytime soon. Our big plant, high volume days are over boys. They were fun while they lasted but now strategic acquisitions, mergers, and honestly just elbowing the little guy away from the table have ruined the business. Let us shake the game up and have a little fun. Let us put the industry back in the hands of the people who love the craft, not counting beans.

I would also like to point out the fact that if you have ever said for one second you care about the environment or laborer, not crazy ideas but responsible business practices, doing the right thing because you can. If you do not get behind this movement, I ask you to leave the United States of America and never return because you are a hypocrite. These companies have devalued the blood and sweat equity of the fine men and women in this craft to the point it is traded as a commodity. That is fact because mines in the mix somewhere! Help me not destroy these people I have worked with for so many years livelihood.

They will lie and give you pretty graphs about how they are closing the loop on carpet. That is just them advocating for more machines, more plants, and more profits. My closing the loop is to take it from the earth and return it to the earth and not bastardize it in the process. People in the industry knows this is possible and how we used to do things. I think my idea is better. What does the American people want? More factories or more farms? I am hoping they are like me and want more farms. If not, then I will just send the carpet industry home myself, with my little machine of course.

**GO HOME OR GO GREEN YOU GREEDY BASTARDS!**

On the outside chance this does go viral. I would like to point out today is day 24 and I knew I had them on day 16. So, the answer to my question is it take 16 days to solve the problem so yeah why the hell is CARE making careers out of it? I would also like to add if this goes viral Elon Musk we need to talk about solar panels, and Josh Kesselman, I like hemp and so do you so if you want to start rolling up carpets too let me know. I have been trying to reach you through your website. Stay tuned for 'How To'.

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a wavy line.