The Association of Wiping Materials, Used Clothing and Fiber Industries

1300 Piccard Drive, Ste. LL-14 Rockville, MD 20850 (301) 953-8200 smartinfo@msp-amc.com www.smartasn.org

August 31, 2024

Environment and Climate Change Canada Place Vincent Massey, 9th Floor 351 St. Joseph Boulevard Gatineau Quebec K1A 0H3

By Email: plastiques-plastics@ec.gc.ca

RE: Consultation – addressing plastic waste and pollution from the textile and apparel sector

On behalf of the <u>Secondary Materials and Recycled Textiles Association (SMART)</u>, I would like to thank the Environment and Climate Change Canada (ECCC) for the opportunity to provide input on its consultation document addressing plastic waste and pollution from the textile sector.

Background on SMART

SMART is the preeminent United States-based non-profit trade association founded in 1932 that represents companies involved in using, converting, and recycling pre- and post-consumer textiles and other secondary materials. Our members' activities are very diverse. While we are based in the United States, we are truly an international organization a number of association members based in Canada and in other countries throughout the world.

Some members of SMART actively recover and process "pre-consumer" by-products from the textile and fiber industries, transforming them into new materials for automobiles, home furnishings, and a wide range of other products. Other members specialize in buying and selling "post-consumer" second-hand textiles, acquiring excess donations from various charitable and commercial sources, such as the Salvation Army, Goodwill, hospitals, hotels, and industrial laundries. Additionally, some of our members collect and sell clothing in vintage and thrift stores, providing affordable, quality apparel to North Americans. Others manage clothing collection bins strategically placed in communities, where the public can conveniently drop off used textiles.

Recovered textiles serve various purposes: some are repurposed into wiping and polishing cloths for institutional and industrial use, while others are reprocessed into fibers for applications such as furniture stuffing, upholstery, insulation, and building materials. Items that remain suitable for wear are typically exported to developing and least-developed countries, where the demand for affordable, quality clothing is particularly high. While recycled fiber is a valuable by-product of the textile recycling industry, it is the resale of good, usable textiles that sustains the industry's profitability.

Through these business activities, for-profit textile recyclers generate meaningful employment for tens of thousands of people, bolstering local economies and contributing vital tax revenue across the United States, Canada and throughout the world. Moreover, these businesses create an essential revenue stream for numerous well-respected charities by purchasing excess materials that charity retail stores cannot sell. For-profit textile recyclers frequently collaborate with local charities, collecting unwanted items through conveniently located collection bins that feature the charity's name and logo. This partnership allows charities to share in the profits generated from collecting unwanted clothing, shoes, textiles, and other household items within communities. As many charities have publicly acknowledged, these arrangements provide critical, risk-free funding that is often difficult to secure from other sources. This financial support is substantial and essential to their ability to fulfill their charitable missions.

As a global industry, textile reuse and recycling activities create hundreds of thousands of jobs worldwide. Members of SMART not only generate significant income for numerous well-respected charities but also make vital contributions to state and national environmental goals in the United States. Each year, they help divert nearly 4 billion pounds of used clothing and other textile waste from landfills through reuse and recycling.

SMART is the leading voice in the industry, advocating for high standards and best practices in the reuse and recycling of textiles and related secondary materials. We are committed to educating the public and local government officials about the critical need to increase clothing and textile reuse and recycling. Currently, clothing and household textiles account for 6.3% of the waste stream in the U.S., equating to about 81 pounds of waste per person annually. ⁱ Remarkably, nearly 95% of used clothing and textiles can be reused or recycled. Moreover, according to the United States Environmental Protection Agency (EPA), recycling clothing and textiles has a more substantial impact on reducing greenhouse gases than the recycling of yard waste, glass, or plastic. ⁱⁱ

With these realities in mind, we commend ECCC's initiative to tackle these critical issues by exploring a range of policy options. SMART is ready and willing to assist in any way possible as these efforts continue.

SMART Input on ECCC's Consultation Document

As a key player in the critical infrastructure supporting textile reuse and recycling initiatives, SMART has been actively involved in shaping policies to advance these activities. We recently reviewed and expressed our support for the newly introduced U.S. legislation, the *Americas Trade and investment Act*. This act, among other provisions, aims to create significant growth opportunities for the textile reuse and recycling industry through billions of dollars in grants, loans, and tax benefits. We believe these measures will have a profound positive impact on both the environment and job creation.

Additionally, we have been collaborating with public officials in California and, soon, New York as they introduce the first extended producer responsibility (EPR) measures affecting textiles in the United States. While this type of legislation is new in the U.S., and many questions remain regarding its impact on our industry and the secondhand textile market, SMART has generally supported these initiatives and their waste diversion goals and has actively engaged with these public officials.

The Canadian consultation document identifies several key issues and potential solutions as part of a broader strategy to prevent textile and apparel waste from ending up in landfills, incineration facilities, or polluting the environment. Below, we offer feedback on some of these topics, recognizing that others fall outside the scope of our industry's expertise.

I. Issue: textile and apparel waste management Potential solutions: improve waste management through take-back programs

With SMART's recent experience collaborating with policymakers in the United States to help craft effective extended producer responsibility legislation, this is the area where we can offer the most substantial input. Based on our involvement, we believe that any meaningful EPR program should be guided by the following principles.

• Broad participation in the development of EPR legislation is essential to creating a comprehensive and effective framework. This means involving a wide range of stakeholders—including the recycling and reuse sector, as well as manufacturers, retailers, environmental groups, local governments, and consumer advocates. There should be a rigorous stakeholder engagement process during the formation of a producer responsibility organization (PRO), development of regulations, needs assessment, and program plan development, as well as an ongoing role for service providers to provide oversight and input. To facilitate this, any legislation should establish an advisory group composed of our industry and other diverse stakeholders that provides ongoing guidance to the PRO and on the PRO's board of directors.

- EPR legislation should ensure full participation all stakeholder groups including for-profit businesses. For-profits possess the infrastructure and resources necessary to efficiently manage large-scale textile collections. Limiting collection activities only to certain entities would hinder the effectiveness of the program by reducing capacity overall, but also lead to job losses and reduced economic opportunities within the industry. Including for-profit entities is crucial for leveraging existing infrastructure, maintaining job stability, and ensuring the success of textile recovery efforts.
- EPR should not limit the trade of goods between countries. EPR legislation should safeguard the ability to engage in international trade, recognizing its vital role in the global textile recovery and recycling ecosystem. Restricting the trade of textiles between countries could disrupt well-established markets that rely on the import and export of secondhand goods, potentially leading to economic losses and inefficiencies for both importers and exporters of these goods. Additionally, the global secondhand clothing trade offers significant social, humanitarian, and economic benefits to low- and middle-income countries that frequently receive these goods. It provides affordable clothing options to these communities, improving access to quality garments for people who might otherwise struggle to afford new clothing. It also fosters local entrepreneurship and contributes to the livelihoods of many in these countries, by creating numerous jobs in sorting, repairing, and reselling clothing. By ensuring that international trade of textiles under appropriate tariff codes remains unrestricted, EPR programs can support the continued flow of goods across borders, foster economic opportunities, and enhance the overall effectiveness of global textile recovery initiatives.
- EPR programs should incorporate a robust education component, mandating comprehensive consumer outreach and educational initiatives by producers. These efforts should focus on the importance of donation, reuse, and recycling of post-consumer textiles at the end of their lifecycle and how consumers can go about doing so. To maximize effectiveness, educational campaigns should adopt a multi-pronged approach, utilizing things like in-store messaging, social media, websites and leveraging brands and retailers, who are the primary touchpoints for consumers.
- EPR programs should be holistic and paired with complementary policy measures, such as recycled content requirements and financial incentives for those involved in the textile recycling and reuse sector. Recycled content requirements ensure that a certain percentage of new textile product is made from recycled materials, driving demand and creating markets for recycled fibers and encouraging manufacturers to prioritize sustainability.

Tax breaks and other financial incentives for businesses in the textile recycling and reuse sector can stimulate growth and innovation in the industry. These incentives can help offset the costs of establishing and maintaining these operations, making it more viable for companies to participate and expand their sustainable practices. Additionally, providing financial support for research and development in textile reuse and recycling technologies can lead to more efficient and effective processes, further enhancing the sector's ability to manage textile waste. By integrating these additional policy levers with EPR programs, governments can create a comprehensive framework that fosters a supportive environment for the growth of sustainable practices within the textile industry. Such a holistic approach is essential for achieving long-term environmental goals and promoting a more sustainable future for the fashion and textile sectors.

• Any service provider that operates in full compliance with the requirements established by a PRO, along with all applicable laws and regulations, should be allowed to participate as an authorized provider. Public officials should not be placed in the position of selecting winners and losers. Instead, enabling full participation from all eligible segments of the textile recycling and reuse infrastructure will ensure fairness, maximize efficiency, and enhance the capacity to manage collected materials in alignment with the goals of the EPR program.

• EPR programs should incentivize those producers who work to extend the life of apparel products. We believe that 'fast fashion' is a significant environmental problem that also has direct, negative effects on the secondhand industry. Fast fashion promotes a cycle of rapid consumption and disposal, resulting in low-quality garments that are often unsuitable for resale or recycling.

To address these issues, we advocate for the introduction of incentives for apparel manufacturers who prioritize quality over quantity, including tax breaks, grants, or recognition programs for companies that commit to sustainable practices and produce apparel designed for longevity. Encouraging the production of durable garments would not only reduce the frequency of disposal but also support the secondhand industry by ensuring a steady supply of high-quality items that can be reused and resold. By shifting the focus away from fast fashion and towards quality, we can foster a fashion ecosystem that benefits both the environment and the economy.

II. Issue: extending the life of a textile or apparel product (e.g., durability, reuse, repair) Potential solutions: extend the life of apparel products

As already stated, the secondhand industry views fast fashion as a significant challenge, due to its detrimental effects on our industry and more importantly, because of the severe environmental impacts it causes. The rapid production of inexpensive, low-quality clothing designed to be worn only a few times encourages excessive consumption, leading to an overwhelming increase in textile waste. Moreover, consumers are less likely to seek out reuse or repair opportunities for these items because the cost of replacing an item is often lower than repairing it. This undermines the efforts of the secondhand industry and other sustainable practices in the new apparel sector, and lessens the demand for higher-quality, longer-lasting garments.

While we may not be in a position to determine appropriate durability standards for new textiles, we do have insights to offer regarding common features and failures that determine reusability versus non-reusability of secondhand clothing (e.g., stains, seam rips, broken zippers, and overall desirable attributes) and would welcome the opportunity to be a part of these discussions should they progress.

We also strongly emphasize that any regulatory measures should be balanced with incentives, such as tax breaks or other financial benefits for those companies that are investing in developing more durable, longer-lasting apparel. This approach encourages compliance and importantly, innovation, making it easier for businesses to meet these standards while fostering a more sustainable industry.

III. Issue: limited textile and apparel recycling in Canada Potential solutions: support textile recycling infrastructure

SMART advocates for prioritizing reuse over recycling, as it occupies a higher position in the waste management hierarchy. Reusing garments and textiles not only extends their lifespan but also reduces the demand for new materials, effectively minimizing waste. This approach also bolsters the secondhand market, which is integral to promoting sustainability within the textile industry.

It should also be noted that textile recycling is already happening within our industry, in the form of repurposing textiles into lower-value products like industrial rags and wiping cloths, insulation, and similar materials. This process still plays a vital role in reducing waste, diverting textiles from landfills, and serving as a practical interim measure in broader waste management efforts.

However, when recycling is the most practical option, we urge policymakers to increase their support for research and development in advanced recycling technologies and to help scale existing ones. It is also crucial that the government provides financial backing and incentives to companies innovating in this arena, ensuring they have the resources needed to bring their technologies to market and achieve commercial success.

Conclusion

As a key stakeholder in the United States, Canada, and beyond, we value the chance to provide feedback on this important consultation. Looking ahead, we would appreciate the opportunity to continue our active involvement in the stakeholder engagement process, as we have done in various U.S. states considering similar policy measures. Should you have any questions or need additional information, I can be reached directly at (240) 332-8803 or sdecourcey@msp-amc.com.

Sincerely,

Susan DeCourcey

Susan DeCourcey
Executive Director
Secondary Materials and Recycled Textiles Association (SMART)
1300 Piccard Drive, Suite LL14
Rockville, MD 20850
Direct: (240) 332-8803

¹ U.S. Environmental Protection Agency Report: Advancing Sustainable Materials Management – 2014 Tables and Figures, Table 1, p. 1 (December 2016)

^{II} U.S. Environmental Protection Agency Report: Advancing Sustainable Materials Management – 2014 Fact Sheet, Table 5, p. 15 (November 2016)