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California Responsible Textile Recovery Act Moves Forward in State Assembly

BY KATE NISHIMURA 🗣️ JULY 3, 2024 12:52PM



THE MANAGEMENT OF TEXTILE WASTE IS AT THE HEART OF SEN. JOSH NEWMAN'S PROPOSED BILL. WOKEPHOTO17 / GETTY IMAGES

After its formal reintroduction last week, the [California Responsible Textile Recovery Act](#) is winding its way through the State Assembly on its way to the governor's desk.

On Monday, the country's first [textile recycling](#) bill cleared the [California Assembly Natural Resources Committee](#) with a 9-3 vote. If passed, [SB 707](#) would establish the country's first Extended Producer Responsibility ([EPR](#)) program for textiles and apparel.

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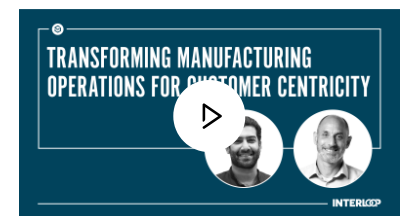
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The law would mandate that producers of such products create and financially back a Producer Responsibility Organization (PRO) to ensure the reuse, repair and recycling of clothing and fabric waste sold in the state.

“I’m very proud of the thoughtful and thorough work, involving stakeholders at every point of the value chain, that has gone into SB 707 to produce a bill that will have an immensely positive impact on our state and on the environment,” said State Senator Josh Newman, who first debuted the bill last spring.

“Textile waste is a growing environmental issue that will require innovation and collaboration,” he said following the Monday hearing. “This bill, and the groundbreaking program it will enable, will make California a global leader in textile recycling and waste reduction.”

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Over the course of the past year, [SB 707](#)'s authors and sponsors have amassed insights from across the industry, with some expressing concerns about the framework's viability.

According to Newman's office, the collaborative process “has resulted in dozens of improvements as the result of hundreds of hours of stakeholder meetings with a diverse coalition, including environmental organizations, industry leaders, and community groups.”

“The industry has really shown up for the stakeholder process for SB 707. As sponsors of the bill, alongside Senator Newman, we’ve led countless meetings, workshops, and presentations on the bill,” California Product Stewardship Council director of advocacy Joanne Brasch said. “The proposed program will provide equitable funding to reuse, repair, and recycling businesses and incentivize producers to adopt less wasteful production and greener designs.”

[Goodwill](#), Sierra Club California, Republic Services, as well as numerous local governments, agencies and sanitation districts have also signed on to support the bill.

[Ikea](#) U.S. sustainability manager Mardi Ditze said the Swedish furniture retailer is backing the bill as a means of advancing its ambition to become a circular business by 2030.

“To achieve this, we must partner with policymakers to support efforts in creating more circular systems for textiles and other products,” she added. “We applaud Senator Newman for leading a collaborative process with industry stakeholders on SB 707 and support efforts to increase textile circularity in California and across the U.S.”

Interloop's Feroze Ahmed speaks about the manufacturer's transformation to unite teams across its product areas.



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Next, SB 707 will face a hearing in the Assembly Appropriations Committee before moving to the full Assembly—but some industry insiders and circularity experts are lukewarm about the bill in its current form, and are hoping to see certain issues addressed before it advances.

Rachel Kibbe, CEO of [American Circular Textiles](#) (ACT), said the group “supports thoughtful EPR because it has the potential to catalyze circularity programs and increase collection, reuse and recycling in communities and corresponding jobs,” but it still has concerns about holding marketplaces responsible for their sellers’ covered products.

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ACT also perceives future hurdles to the [legislation](#)’s implementation if the bill doesn’t provide greater clarity about the types of textile recycling that are acceptable under the law.

“We are proud that our memberships’ extensive efforts proved successful last year with reuse funding now incorporated into the bill, along with mail back as a collection point and other critical provisions, however, SB 707 continues to fall short on several key make-or-break environmental provisions, underscoring a parallel urgent need for cohesive, durable federal textile waste-related policy, and guidance,” Kibbe said.

Meanwhile, the [American Apparel and Footwear Association](#) (AAFA) took a more definitive stance against the bill, noting its “opposed unless amended” position on the basis that SB 707 doesn’t do enough to hold marketplaces accountable for third-party sellers located outside of California.

“We are still very concerned that that producer definition does not capture online marketplaces and their third-party sellers,” AAFA senior director of sustainability Chelsea Murtha told Sourcing Journal.

The trade group harbors anxieties that the bill creates a “loophole” for vendors using online platforms like [Amazon](#), eBay, [Temu](#), Shein and Etsy to sell textile and apparel products into the state, as it said there is no enforcement mechanism to ensure they’re paying into the PRO responsible for managing and recycling fabric waste. In fact, the PRO itself would be responsible for tracking down vendors and informing marketplaces that they’re not paying their fair share.

“There is no way that the PRO is going to have the capacity to police the marketplaces,” Murtha said. As such, AAFA has proposed that the author’s office add a tier to the definition of producer.

“With an EPR program, and this is true of SB 707, the definition of producer is tiered, starting with the brand. If the brand is not in the state, then it’s the retailer. If the retailer is not in the state, then it’s the importer,” Murtha explained. “What we’ve proposed is to add another tier under that says if the importer is the end consumer—which is the case when products come to consumers directly from outside the country—then the marketplace facilitator is the obligated producer.”

This would compel marketplaces to pay into the PRO program, enforcing payment from third-party vendors selling covered products into California as they see fit. “We’re just trying to make sure that there is an entity that’s responsible for those third-party shipments where there’s no other entity in the United States,” she said.

Murtha said this is necessary to maintain a level playing field for U.S. brands and retailers that will incur the cost of funding the PRO—and potentially be forced to raise prices to offset those costs. In an environment where cheap goods from Shein and Temu are already capturing so much consumer wallet share, price increases could further threaten their competitiveness, she believes.

“We need to continue to have a conversation about making sure this program is equitable among all producers regardless of their location,” AAFA said.

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