



## NEWS RELEASE

### **American Circular Textiles Coalition Supports Massive Federal Circular Textile Incentive Plan** *Americas Act Provides First-Ever Federal Incentives for Circular Fashion*

**WASHINGTON DC, March 6, 2024** - The Americas Trade and Investment Act (the “Americas Act”) introduced by Senators Bill Cassidy (R-LA) and Michael Bennet (D-CO) marks a historic milestone for circular textiles. The bill incorporates over \$14 billion in federal incentives to catalyze domestic circularity and innovation for apparel, footwear, accessories and home linens. The America’s Act will strategically support circular businesses and textile manufacturing in the United States. In addition, the bill closes the de minimis loophole, and incentivizes reshoring and onshoring, which together work to reduce the threat of forced labor in our supply chains.

[American Circular Textile Group \(ACT\)](#), founded and led by Circular Services Group, is a coalition of leading fashion organizations advocating for supportive textile circularity policy in the United States. ACT proudly applauds the leadership and vision by Senators Cassidy and Bennet to rejuvenate the United States textile industry’s competitiveness, create American jobs, and enable economic development through circular businesses and manufacturing sectors. Circular business models include reuse, repair, rental, recycling, and related activities such as technology, sorting, used clothing collection and reverse logistics will benefit from this comprehensive legislation.

This is the first bipartisan Federal textile circularity effort, providing historic levels of incentives for textile reuse and recycle as part of the first comprehensive trade policy for the Western Hemisphere since JFK.

Specific circular textile provisions include:

- **15% net income exclusion** for businesses engaged in collecting, reselling, reusing, renting, repairing, sorting, pre-processing, and/or recycling apparel, footwear, accessories and home linens
- **\$10B** in loans and **\$3B** in Grants for:
  - **Programs to carry out reuse and recycling**
  - **Manufacturing support Programs** - to stand up new facilities, expand or retrofit existing facilities, and provide low carbon emissions transportation

- for covered product collection/drop-off or mail-back, sortation, pre-processing, reuse, and/or recycling.
- **Provision of Components and Machinery** - grants and loans to the businesses to provide components, chemicals/solvents, or machinery necessary for covered product transportation, collection, mail-back, sortation, pre-processing, reuse or recycling.
- **\$1 billion innovation program** for research and development related to textile reuse and recycling.
- **\$100 million public education** program

"We are grateful for Senator Cassidy and Senator Bennet's efforts in working with ACT and other key stakeholders to address the domestic circular textile opportunity and leverage the positive impact on jobs, our economy, and the environment. Policy makers are often challenged with choosing between business and the environment, but the Americas Act allows the American worker, the economy, and the planet to thrive. The Americas Act circular fashion incentive policy leads the way and sets an example, leveling the playing field to catalyze next generation low carbon manufacturing and commerce," said Rachel Kibbe, CEO of Circular Services Group and ACT's Executive Director. "With the bold textile reuse and recycling incentive provisions in the Americas Act, organizations in our industry will be able to re-invest in jobs in the United States and compete globally, while incubating innovation and R&D and fostering an environment to cultivate public private capital. Essentially we have the opportunity for the U.S. to reposition itself as a global leader through localized circular textile manufacturing."

The Eastern Hemisphere has dominated textile production since the latter half of the 20th century. This paved the way for unprecedented natural resource exploitation, escalated emissions, forced labor, and wasteful overproduction practices which resulted in surges of high volume, low value used textiles sent to vulnerable communities worldwide. Moreover, fashion is now also responsible for an estimated 10% of global carbon emissions, and our once-thriving U.S. textile industry has been decimated with millions of jobs lost in states that most need them.

"A lack of supportive policy and regulation in our industry, and policy loopholes like the de minimis tax loophole which eliminates duties on shipments under \$800 and is abused by offshore bad actors, play an outsized role in the United States' position as both the largest consumer and exporter of fashion and fashion waste, in the world," said Kibbe. "Embracing circular policies like those in the Americas Act is a huge start. Circularity is not only a more sustainable way to think about manufacturing, it's also an urgent opportunity to revive our U.S. textile industry in a manner geared towards the future. This legislation doesn't end here, however. Real impact also requires consumers and popular culture to lead a massive rallying cry, making over consumption out of style and shifting focus to spending on fewer, sustainable items the norm."

Following today's announcement, the "Americas Act" will be referred to the Senate Finance Committee. ACT urges advocates of this legislation to express their support by contacting their U.S. Senators and congressional representatives.

To learn more about ACT, please visit [americancirculartextiles.com](http://americancirculartextiles.com).

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## **ABOUT AMERICAN CIRCULAR TEXTILES**

Founded in 2022 by [Circular Services Group](#), the [American Circular Textiles \(ACT\)](#) is a coalition of leading fashion organizations aligned on responsible domestic circularity and sustainable fashion public policy, with an emphasis on apparel and footwear reuse and recycling. ACT operates under the belief that systemic and scalable change in fashion requires industry players to hold hands and develop a collective voice. The coalition aims to facilitate a transition from a linear to a circular fashion economy, educate and raise awareness around the fashion industry's current gap in sustainability practices, and to advocate for responsible public policy solutions.

## **CONTACT AMERICAN CIRCULAR TEXTILES**

Kelly Vogt Campbell  
[kelly@intuitivecomms.co](mailto:kelly@intuitivecomms.co)  
310-927-4537