



December 9, 2010

Federal Trade Commission
Office of the Secretary
Room H-135 (Annex J)
600 Pennsylvania Avenue, NW
Washington, DC 20580

Filed electronically

We appreciate the opportunity to submit comments regarding the Commission's revisions of the Green Guides related to consumer perceptions and environmental claims for recycled products in the textile industry. Our comments are directed to the section beginning on page 91 which details the current guidance and comments under consideration in the proposed revisions regarding recycled content claims, and particularly addressing the Pre-consumer Recycled Content Claims for Textiles beginning on page 97.

Background:

UNIFI INC.

Unifi is a publicly held company (NYSE: UFI) whose manufacturing subsidiaries produce polyester and nylon synthetic fibers and yarns for a wide range of end uses worldwide. We have been producing recycled synthetic fibers & yarns commercially under the brand name REPREEVE® since 2006 and have been recognized as a pioneer and leader in the field of recycled fibers for our market segments. Unifi has made significant investments for the production of REPREEVE, as it takes different equipment and technology to manufacture first-quality recycled fibers. In addition to providing customers and consumers with quality recycled fibers, we provide transparency in regards to our recycled content claims. All of our recycled products are 3rd party certified through Scientific Certification Systems. Our REPREEVE recycled products contain both pre-consumer fiber waste and post-consumer plastics.

While we do not conduct or sponsor any direct consumer research, we are in constant contact with the apparel supply chain through sales, marketing and trade show participation. We have direct relationships with many major brands and retailers globally, which provide us with constant feedback regarding consumer needs and comments.

Request for Comment:

The Commission's discussion on pre-consumer recycled content claims references existing guidance, namely, that the relevant recycled material must be *"recovered or otherwise diverted from the solid waste stream....during the manufacturing process (pre-consumer)...."*

In its discussion, the Commission refers to comments received on the topic and states:

"... the textile industry for many years has sought to reuse waste materials from the manufacturing process and that recent innovations have allowed manufacturers to put that material to higher use. These innovative processes likely do not divert the waste material from the solid waste stream because the material already was being reused (albeit in a lower value form). Despite the fact that these higher-use processes do not satisfy the Commission's guidance on recycled content (diversion from the solid waste stream), they satisfy the two factors the Commission considers in determining if waste is diverted from the solid waste stream. Specifically, the innovations may involve significant reprocessing before

the material can be reused, and the material may be reused in something different from the original manufacturing process. These innovations, therefore, reveal some ambiguity in the Commission's current guidance."

(The Commission solicits comment on what changes, if any, it should make to its existing guidance on pre-consumer recycled content claims for all products." (p 99)

8. What changes, if any, should the Commission make to its guidance on pre-consumer recycled content claims? How do consumers interpret such claims? Please provide any relevant consumer perception evidence.

a. If the Commission should retain its guidance that pre-consumer recycled materials be diverted from the solid waste stream:

- (1) should the Commission continue to consider "reuse in the original manufacturing process" and "significant reprocessing" to determine if material is diverted from the solid waste stream;
- (2) what factors should the Commission consider to determine whether material was diverted from the solid waste stream;
- (3) when processes that divert material from the waste stream become standard practice in an industry, do consumers continue to consider that material recycled content?

We believe the commission should remove the assumption that material can only be considered waste if it is "diverted from the solid waste stream". We would suggest that the definition of pre-consumer waste be shifted from a landfill avoidance scenario to henceforth be defined as a bi-product of manufacturing that requires further "significant reprocessing". When mills, brands, retailers, and 3rd party certification bodies tour our facilities and witness our manufacturing processes, it is easy for them to understand that the pre-consumer fiber waste generated as a bi-product of our manufacturing operations must undergo significant reprocessing. It is our belief that the Commission should base the new FTC Green Guides on the terminology of "significant reprocessing" to determine if a material qualifies for recycled content.

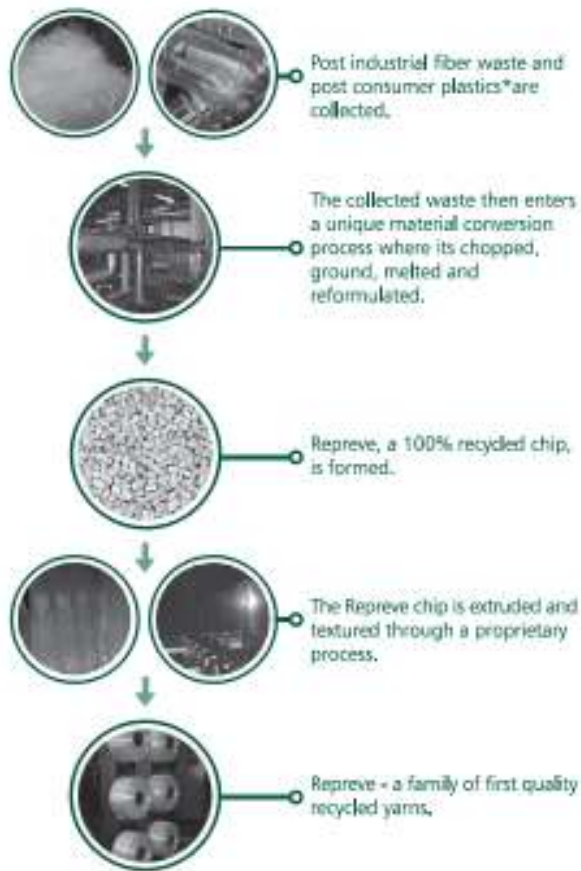
In response to question 8.a.(1), the Commission should continue to consider "significant reprocessing" to determine if a material qualifies for recycled content. "Significant reprocessing" can be defined as any mechanical or chemical process, such as grinding, melting, and/or reformulating of materials that have/have not been diverted from the solid waste stream. A material that may not meet the company's standard quality specifications but is still suitable for the same fabric manufacturing processes (such as dyeing, knitting, etc.) should not be considered recycled, as significant reprocessing has not occurred.

In response to question 8.a.(2), determining factors for whether materials have been "recycled" (or diverted from the solid waste stream, as current guidelines suggest) should include the capturing/collection and significant reprocessing of materials that have been previously used in manufacturing and/or consumer goods.

In response to question 8.a.(3), yes, we think consumers do continue to consider a product recycled as long as it meets the current FTC guidelines.

See below for further explanation of pre-consumer and post-consumer waste that has been "significantly reprocessed", along with a process comparison that highlights the environmental benefits associated with REPREEVE recycled fiber. Environment-related benefits can be significant, and consumers recognize and understand environmental marketing messages when presented in an appropriate, non-deceptive form as shown below.

The Repreve Process



The additional manufacturing steps involved in “significant reprocessing” (i.e. melting, grinding, and reformulating waste into chip form) has required UNIFI to make substantial investment in recycling technology . Waste cannot simply be reintroduced into our process as is, but rather requires additional highly-intensive steps including, but not limited to, the collection, cleaning, sorting, pelletizing, filtering, quality control testing, and other special procedures to reprocess waste.

Polyester Process Comparison	
Virgin Polyester	Repreve Polyester
• Crude Oil Well Head	• Process Eliminated
• Crude Oil Refinery	• Process Eliminated
• Naptha	• Process Eliminated
• Xylenes	• Process Eliminated
• Paraxylene	• Process Eliminated
• TA* & MEG**	• Process Eliminated
• Polymerization	• Repreve Chip Production
• Extrusion	• Extrusion
• Texturing	• Texturing

8b. If materials have historically been diverted from the solid waste stream and reused for one purpose (e.g., fiber fill in toys), but now may be reused for other higher purposes (e.g., as raw fiber for textiles), do consumers still consider that material to be recycled content even though the material was already being diverted from the solid waste stream?

Yes, if the waste is significantly reprocessed into a new product, it should be considered recycled.

9. Do consumers understand the difference between pre-consumer and post-consumer recycled content? Please provide any relevant consumer perception evidence.

No. Through consumer insight and interaction, we have concluded that consumers do not understand the difference between pre-consumer and post-consumer recycled content, but rather strongly recognize and understand the more generic terminology “recycled content”.

10. Should the Commission continue to advise marketers that recycled content claims may be based on the annual weighted average of recycled content in an item? If so, why? If not, why not?

Yes, the annual weighted average is a meaningful mechanism to account for normal variability in the manufacturing process and provides pertinent product representation for the consumer. This also provides a feasible basis for product certification on a periodic basis, from which consumer confidence can be drawn.

11. If a product is advertised as “made with recycled materials,” either in whole or in part, should the Commission advise marketers to qualify that claim to indicate that the product is not recyclable if it is not? Why or why not? If a disclosure is needed, please describe what the disclosure should be, and why.

No. We don’t believe consumers see any direct connection between recycled content and recyclability. In many cases, a product or good is made with recycled materials, but cannot be recycled due to a number of reasons including limited technology and/or lack of established consumer recycling infrastructure.

Please feel free to contact us if you have any questions concerning these comments, or if we can provide additional information.

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