

UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION WASHINGTON, D.C. 20580

Bureau of Consumer Protection Division of Enforcement

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March 11, 2021

VIA EMAIL

Mr. Dean DuMez Chief Executive Officer Boogie Bikes LLC W4228 Church Rd. Waldo, WI 53093

Dear Mr. DuMez:

We received your submissions on behalf of Boogie Bikes LLC ("Boogie Bikes" or the "Company"). During our review, we discussed concerns that marketing materials may have overstated the extent to which certain electric bicycles are made or "built" in the United States. Specifically, although Boogie Bikes designs and performs complex custom assembly in the United States, its bicycles incorporate significant imported parts.

As discussed, unqualified U.S.-origin claims in marketing materials – including claims that products are "Made," "Built," or "Manufactured" in the USA – likely suggest to consumers that products advertised in those materials are "all or virtually all" made in the United States. The Commission may analyze a number of different factors to determine whether a product is "all or virtually all" made in the United States, including the proportion of the product's total manufacturing costs attributable to U.S. parts and processing, how far removed any foreign content is from the finished product, and the importance of the foreign content or processing to the overall function of the product.

To avoid deceiving consumers, Boogie Bikes implemented a remedial action plan to qualify its representations. This plan included: (1) updating printed and electronic marketing materials, including social media content; (2) updating product labels; (3) updating apparel

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¹ Federal Trade Commission, *Issuance of Enforcement Policy Statement on "Made in USA" and Other U.S. Origin Claims*, 62 Fed. Reg. 63756, 63768 (Dec. 2, 1997) ("Policy Statement"). Additionally, beyond express "Made in USA" claims, "[d]epending on the context, U.S. symbols or geographic references, such as U.S. flags, outlines of U.S. maps, or references to U.S. locations of headquarters or factor

offerings; and (4) training staff.

As discussed, it is appropriate for Boogie Bikes to promote the fact that it employs workers and performs complex custom assembly operations in the United States. However, marketing materials should not state or imply that Boogie Bikes products are "all or virtually all" made in the United States, unless that becomes the case. As you know, FTC staff is available to work with companies to craft qualified claims that serve the dual purposes of conveying nondeceptive information to consumers and highlighting work done in the United States.

Based on Boogie Bikes' actions and other factors, the staff has decided not to pursue this investigation any further. This action should not be construed as a determination that there was no violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45. The Commission reserves the right to take such further action as the public interest may require. If you have any questions, please feel free to call.

Sincerely,

Julia Solomon Ensor

Staff Attorney

Lashanda Freeman Senior Investigator