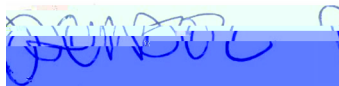

marked with a foreign country of origin under 19 U.S.C. § 1304.²

A marketer should not make an unqualified U.S.-origin claim for its product, even if it is last substantially transformed in the United States, unless the marketer can substantiate the product is “all or virtually all” made in the United States.³ 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. The “all or virtually all” standard is codified in the Made in USA Labeling Rule, 16 C.F.R. § 323. If a product is last substantially transformed in the USA but contains more than a *de minimis* amount of foreign content, a qualified claim may be appropriate (e.g., “Made in USA of Imported Parts” or “Assembled in USA”).

In this case, to avoid deceiving consumers, the Company removed U.S. origin claims from its own and third-party marketing materials, and trained employees. Based on these actions and other factors, the staff has decided not to pursue this investigation any further. As you know, FTC staff members are available to work with companies to craft claims that serve the dual purposes of conveying non-deceptive information and highlighting work done in the United States. These resources remain available to the Company in the future should it choose to explore reintroducing appropriately substantiated claims.

This letter should not be construed as a determination there was no violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a), or the Made in USA Labeling Rule, 16 C.F.R. Part 323. 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

² FTC, *Issuance of Enforcement Policy Statement on “Made in USA” and Other U.S. Origin Claims*, 62 Fed. Reg. 63756, 63768 (Dec. 2, 1997) (the “Policy Statement”)

³ *Id.*