



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

Bureau of Consumer Protection
Division of Enforcement

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VIA EMAIL

J. Michael Holloway, Esq.
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Dear Mr. Holloway:

We received your submissions on behalf of American Bicycle Group LLC, also d/b/a Litespeed, Quintana Roo, and Obed (“ABG” or the “Company”). During our review, we discussed concerns that marketing materials may have overstated the extent to which ABG bicycles are made in the United States. Specifically, certain ABG bicycles contain significant imported components, ranging from raw materials to, in some instances, finished frames.

As discussed, unqualified U.S.-origin claims in marketing materials – including claims that products are “Made” or “Built” in the USA – likely suggest to consumers that the products advertised in those materials are “all or virtually all” made in the United States.¹ 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 (the “MUSA Labeling Rule”).²

¹ FTC, Issuance of Enforcement Policy Statement on “Made in USA” and Other U.S. Origin Claims, Reg. 63756, 63768 (Dec. 2, 1997) (the “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 factories, may, by themselves or in conjunction with other phrases or images, convey a claim of U.S. origin.” *Id.*

² Effective August 13, 2021, it violates the MUSA Labeling Rule to label any covered product “Made in the United States,” as the MUSA Labeling Rule defines that term, unless the final assembly or processing of the product occurs in the United States, all significant processing that goes into the product occurs in the United States, and all or virtually all ingredients or components of the product are made and sourced in the United States. See <https://www.federalregister.gov/documents/2021/07/14/2021-14610/made-in-usa-labeling-rule>. The Commission may seek civil penalties of up to \$50,120 per MUSA Labeling Rule violation. 15 U.S.C. § 45(m)(1)(A).

