



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

Bureau of Consumer Protection
Division of Enforcement

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VIA EMAIL

George Paul, Esq.
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Dear Mr. Paul:

We received your submissions on behalf of Nevco, Inc. (“Nevco” or the “Company”). During our review, we raised concerns that certain marketing materials may have overstated the extent to which Nevco products are made in the United States. Specifically, although Nevco designs, assembles, finishes, installs, and supports LED scoreboards and video displays in the United States, those products incorporate significant imported inputs, including LEDs and computer hardware.

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 all products advertised in those materials are “all or virtually all” made in the United States.¹ Furthermore, the FTC’s Enforcement Policy Statement on “Made in USA” and Other U.S. Origin Claims explains that “‘Assembled in USA’ claims should be limited to those instances where the product has undergone its principal assembly in the United States and that assembly is substantial. In addition, a product should be last substantially transformed in the United States to properly use an ‘Assembled in USA’ claim.”²

Accordingly, to avoid deceiving consumers, Nevco implemented a remedial action plan to clarify its representations. The plan included: (1) removing unqualified claims from all

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). 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 *Id.* at 63770.

marketing materials; (2) introducing qualified claims, where appropriate; and (3) training relevant employees.

As discussed, it is appropriate for Nevco to promote the fact that it employs workers and performs certain processes in the United States, provided that marketing materials do not overstate the extent to which Company products are made in the United States. As you know, FTC staff is available to work with companies to craft qualified claims that serve the dual purposes of conveying non-deceptive information to consumers and highlighting work done in the United States.

Based on Nevco's 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, you can reach me at (202) 326-2377.

Sincerely,



Julia Solomon Ensor
Staff Attorney