

FTC Business Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Office of Consumer and Business Education

Selling ‘American-Made’ Products? What Businesses Need to Know About Making Made in USA Claims

Consumers who see “Made in USA” on a product expect the claim to be truthful and accurate. Since the terrorist attacks of September 11, news reports suggest that consumers are more sensitive to “Made in USA” claims and more interested in buying American-made goods.

According to the Federal Trade Commission, “Made in USA” means that “all or virtually all” the product has been made in America. That is, all significant parts, processing and labor that go into the product must be of U.S. origin. Products should not contain any — or only negligible — foreign content. The FTC’s Enforcement Policy Statement and its business guide, *Complying with the Made in USA Standard*, spell out the details of the standard, with examples of situations when domestic origin claims would be accurate and when they would be inappropriate. See www.ftc.gov/os/statutes/usajump.htm for more information.

Here’s how the FTC evaluates “Made in USA” claims in product advertising, labeling and packaging:

For most products: Unless the product is an automobile or a textile or wool product, there’s no law that requires manufacturers and marketers to make a “Made in USA” claim. If a business chooses to make the claim, however, the FTC’s “Made in USA” “all or virtually all” standard applies.

For textile and wool products: Under the Textile and Wool Acts, these products must be labeled to identify the country where they were processed or manufactured.

- Imported products must identify the country where they were processed or manufactured.
- Products made entirely in the U.S. of materials also made in the U.S. must be labeled “Made in USA” or with an equivalent phrase.
- Products made in the U.S. of imported materials must be labeled to show the processing or manufacturing that takes place in the U.S., as well as the imported component.
- Products manufactured in part in the U.S. and in part abroad must identify both aspects.

In addition, print and online catalogs must disclose whether a textile was made in USA, imported or both.

For more information about country of origin labeling requirements for textile, wool and fur products, see “Threading Your Way Through the Labeling Requirements Under the Textile and Wool Acts,” www.ftc.gov/bcp/online/pubs/buspubs/thread.htm.

American Automobile Labeling Act: This Act requires that each automobile manufactured on or after October 1, 1994, for sale in the U.S. bear a label disclosing where the car was assembled, the percentage of equipment that originated in the U.S. and Canada, and the country

of origin of the engine and transmission. For more information, call the Consumer Programs Division of the National Highway Traffic Safety Administration (202-366-0846) or visit the NHTSA website at www.nhtsa.gov.

Suspect a violation? If you believe that a product promoted as “Made in USA” is not America-made or contains significant foreign parts or processing, file a complaint with the FTC. Call, toll-free, 1-877-FTC-HELP (1-877-382-4357), or use the complaint form at www.ftc.gov. The FTC enters Internet, telemarketing, identity theft and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad. If you are aware of import or export fraud, call the U.S. Customs Service Commercial Fraud Hotline, 800-ITS-FAKE.

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