

United States Senate

WASHINGTON, DC 20510

October 12, 2018

The Honorable Joseph J. Simons
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: In the Matters of Nectar Sleep, Sandpaper/Piper Gear USA, and Patriot Puck

Dear Chairman Simons:

We write to urge the Commission to use its full authority under Section 5 of the Federal Trade Commission Act (15 U.S.C. §45) to enforce “Made in the USA” labeling standards and to express our concerns with “no-fault, no-money” settlements for “Made in the USA” labeling violations. Lackluster enforcement creates an atmosphere in which consumers are misled and domestic producers are at a disadvantage. We urge the Commission to take all steps necessary to protect the integrity of the label by fully utilizing all available tools and authorities granted by Congress. We do not believe “no-fault, no-money” settlements adequately penalize companies that have taken advantage of American consumers, nor do they adequately deter other companies from committing future violations. When a product says “Made in the USA,” consumers should be able to trust that the product was made domestically.

In the cases of Nectar Sleep, Sandpaper/Piper Gear USA, and Patriot Puck specifically, we are concerned that the Commission chose to forgo financial penalties and did not require admissions of guilt. In all three instances, the companies brazenly and fraudulently affixed “Made in the USA” labels to foreign-made products, most of which were imported from China. There is a clear financial benefit to companies such as those in question to label their goods as “Made in the USA.” Consumers correctly view American-made goods as being of higher quality, and they are often willing to pay a higher price for them. In addition, consumers may have a false sense of confidence with regard to health or quality concerns about a product when its true country of origin is intentionally mislabeled. If the consequences of misusing the “Made in the USA” label do not include paying fines or admitting wrongdoing, it is unlikely that bad actors will be deterred from using the same deceptive tactics to sell their products in the future.

The value of the “Made in the USA” label is dependent on its integrity. The Commission plays a critical role in ensuring that products marked as American-made are truly made in America. We urge you to use your full statutory authority and require companies who abuse the “Made in the

USA” label, such as those in these cases, to pay fines and admit they lied to the public. Failure to take decisive action risks weakening the significance of the “Made in the USA” label and undermining American manufacturers.

Thank you for your consideration of this request.

Sincerely



Sherrod Brown
United States Senator

Tammy Baldwin
United States Senator

Christopher S. Murphy
United States Senator