



# Fundamentals of Customs Law:

## Where Did I Come From?

### Understanding U.S. Country of Origin Rules

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# Understanding U.S. Country of Origin Rules

- ❖ More complex than ever before:
  - ☐ Non-preferential trade rules of origin and the concept of “substantial transformation”
  - ☐ CBP’s Part 102 Rules of Origin – when do they apply?
  - ☐ Whose responsibility is it to determine origin and what are the impacts of non-compliance?
  - ☐ Government Procurement, the TAA on Country of Origin, and the decision of the U.S. Court of Appeals for the Federal Circuit in Acetris Health, LLC, v. United States, 949 F.3d 719 (Fed. Cir. 2020)
  - ☐ The Federal Trade Commission’s rules on “Made in USA” labeling

# Rules of Origin

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- ❖ 19 U.S. Code § 1484 - Entry of merchandise
  - Make entry by filing documentation or electronic data information necessary for CBP to:
    - determine whether the merchandise may be released from Customs custody,
    - properly assess duties on the merchandise,
    - collect accurate statistics with respect to the merchandise, and
    - determine whether any other applicable requirements of law are met.
  - Origin relates to the admissibility of merchandise, as well as
  - Duties and fees
  - Other applicable requirements of law

# Origin Reporting Requirements

## ❖ CBP FORM 7501 INSTRUCTIONS

- When an article consists of material produced, derived from, or processed in more than one country, it shall be considered a product of the country where it last underwent a **substantial transformation**.
- When merchandise is invoiced in or exported from a country **other than that in which it originated**, the actual country of origin shall be specified rather than the country of invoice or exportation

## BLOCK 10) COUNTRY OF ORIGIN

Record the country of origin utilizing the International Organization for Standardization (ISO) country code located in Annex B of the HTS.

The country of origin is the country of manufacture, production, or growth of any article. If the article consists of material produced, derived from, or processed in more than one foreign territory or country, or insular possession of the U.S., **it shall be considered a product of that foreign territory or country, or insular possession, where it last underwent a substantial transformation**. For reporting purposes only on the CBP Form 7501, whenever merchandise has been returned to the U.S. after undergoing repair, alteration, or assembly under HTS heading 9802, the country of origin should be shown as the country in which the repair, alteration, or assembly was performed.

When merchandise is invoiced in or exported from a country other than that in which it originated, the actual country of origin shall be specified rather than the country of invoice or exportation.

When an entry summary covers merchandise from more than one country of origin, record the word "MULTI" in this block. In column 27, directly below the line number, prefixed with the letter "O," indicate the ISO code corresponding to each line item.

# Origin Reporting Requirements

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- ❖ In compliance with CBP invoice requirements, the commercial invoice must:
- ❖ include a detailed description of the merchandise, materials, value, quantity, HTSUS, and country or countries of origin.
- ❖ See 19 C.F.R. § 141 Subpart F for full requirements.

# Rules of Origin: Materiality

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- ❖ 19 U.S. Code § 1592 - fraud, gross negligence, and negligence
  - Without regard to whether the United States is or may be deprived any lawful duty, tax, or fee, no person ...
  - may enter ... merchandise into the commerce of the United States by means of—
  - (i) any document or electronically transmitted data or information, written or oral statement, or act which is material and false, or
  - (ii) any omission which is material

# Rules of Origin: Materiality

## ❖ Definition of Materiality Under Section 1592

- A document, statement, act, or omission is **material** if
  - It has the **natural tendency to influence** or is **capable of influencing** agency action including:
    - Determination of the classification, appraisement, or admissibility of merchandise (e.g., whether merchandise is prohibited or restricted);
    - determination of an importer's liability for duty (including marking, antidumping, and/or countervailing duty)[this would include any **special duties under section 232 or 301** ]
    - collection and reporting of accurate trade statistics;
    - determination as to the source, origin, or quality of merchandise

Appendix B part 171

# “Non-preferential trade” Rules of Origin

## ❖ 19 CFR § 134.1 Definitions

- “Country of origin” means the country of manufacture, production, or growth of any article of foreign origin entering the United States.
- Further work or material added to an article in another country must effect a substantial transformation in order to render such other country the “country of origin”.
- For a good of a NAFTA or USMCA country, however, the marking rules set forth in part 102 (hereinafter referred to as the part 102 Rules) will determine the country of origin [but not for preferential duty treatment, see 19 CFR 182].
- A “good of a NAFTA or USMCA country” is an article for which the country of origin is Canada, Mexico or the United States as determined under the part 102 Rules.
- NAFTA is not applicable to goods entered for consumption, or withdrawn from warehouse for consumption, on or after July 1, 2020.



# What about “Section 102”?

## ❖ 19 CFR § 102.0 – Rules of Origin – Scope

- §§ 102.1 through 102.18 and 102.20 determine the country of origin for marking purposes of imported goods under the Agreement Between the United States, Mexico and Canada (USMCA).
- §§ 102.1 through 102.21 also apply to whether an imported good is a new or different article of commerce under
  - United States-Morocco Free Trade Agreement regulations
  - United States-Bahrain Free Trade Agreement regulations
- The rules set forth in § 102.21 control the determination of the country of origin of imported textile and apparel products.
- Section 102.22 sets forth rules for determining whether textile and apparel products are considered products of Israel.

### CFR



- [§ 102.11 General rules.](#)
- [§ 102.12 Fungible goods.](#)
- [§ 102.13 De Minimis.](#)
- [§ 102.15 Disregarded materials.](#)
- [§ 102.17 Non-qualifying operations.](#)
- [§ 102.18 Rules of interpretation.](#)
- [§ 102.19 NAFTA preference override.](#)
- [§ 102.20 Specific rules by tariff classification.](#)
- [§ 102.21 Textile and apparel products.](#)

# “Section 102” Amendments

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- ❖ CBP has published two recent amendments to Section 102
  - Implementing **Final** Regulations Related to the Marking Rules, Tariff-Rate Quotas, and Other USMCA Provisions (86 FR 35566, 07/06/2021) to apply the section 102 Origin rules when determining the country of origin for **marking and Tariff-Rate Quotas** for goods imported from Canada or Mexico.
  - Concurrently, CBP published a notice of proposed rulemaking (NPRM) to apply section 102 Origin rules for **all non-preferential origin determinations** made by CBP for goods imported from Canada or Mexico. (86 FR 35422, 07/06/2021).
  - **If adopted, non-preferential** origin of goods from 3<sup>rd</sup> countries processed in Canada or Mexico will be based on section 102 Origin rules – not substantial transformation.

# Origin— Whose Responsibility is it?

- ❖ The “country of origin” of a good is the country in which the good is wholly manufactured, produced, or grown.
- ❖ As the importer **how do you know** when the good is **wholly** manufactured or produced in a single country?
- ❖ How do you know that the **origin statement** on the invoice is **accurate or correct**?
- ❖ Origin is even more **problematic** when the imported article incorporates components, materials, or processing, or both, which originate from **two or more countries**

# Responsibility For Determining Origin

## ❖ *United States v. Golden Ship Trading Company*, 25 C.I.T. 40:

“An importer that relies solely on information or unsupported statements from an exporter to establish the origin of a good would not be exercising reasonable care.”

- Importer misrepresented the country of origin of the merchandise ("t-shirts") on entry as Dominican Republic when the actual country of origin was China.
- The Importer, Ms. Wu, denied **negligence** on her part but claimed she was defrauded by the exporter because he concealed the fact that the t-shirts were manufactured in China.
- Court said Ms. Wu failed to **exercise reasonable care** because she made no attempt to **verify the information** contained in the entry documents.
- Court said, “Ms. Wu had a **duty/ responsibility** to at least **undertake an effort to verify the information** on the entry documents.”
- “There is a distinct difference between **legitimately attempting to verify** the entry information and **blindly relying on the exporter's assertions**.”

# Responsibility For Determining Origin

- ❖ Seller provides **Declaration of Origin** from Vietnam government stating goods are from Vietnam
- ❖ Seller says goods are from Vietnam because
  - 30% or more of value is attributable to materials and work performed in Vietnam
  - Components undergo a change in Tariff Classification as a result of assembly in Vietnam



# Country of Origin & Substantial Transformation Test

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- ❖ CBP uses the substantial transformation standard to determine the country of origin of goods for “non-preferential” purposes.
- ❖ For a substantial transformation to occur:
  - “a new and different article must emerge, `having a distinctive name, character or use.’”  
Anheuser-Busch Brewing Ass'n v. United States, 207 U.S. 556, 562 (1908).

# Country of Origin & Substantial Transformation Test

- ❖ Substantial transformation test **highly subjective**; applied on a case-by-case basis
  - **Change of Name** -- when only a change in name occurs, "such a change has rarely been dispositive"
  - **Change of Name** alone is not necessarily determinative of a substantial transformation. (Superior Wire, Div. of Superior Prods. Co. v. United States, 11 C.I.T. 608 (1987), aff'd, 867 F.2d 1409 (CAFC, 1989))
  - "a change in the name of the product is the weakest evidence of a substantial transformation."  
Uniroyal, Inc. v. United States, 3 C.I.T. 220

# Country of Origin & Substantial Transformation Test

## ❖ “Change in Character” –

- To find a change in character, there needs to be a substantial alteration in the characteristics of the article or its components. See, *Ran-Paige Co., Inc. v. United States*, 35 Fed. Cl. 117 (1996) and *National Hand Tool Corp. v. United States*, 16 C.I.T. 308 (1992)
- Change in physical shape or character generally insufficient – Process must alter the physical properties or chemical characteristics
- Superior Wire: wire rod in coils was shipped to Canada where it was drawn into wire.
- Drawing operation did not result in a substantial transformation -- the properties of the wire rod and its uses were determined by the chemical content of the rod and the cooling processes used in its manufacture, and, therefore, the wire rod dictated the final form of the finished wire.
- Changes that are “cosmetic” are insufficient for a finding of substantial transformation.





# Country of Origin & Substantial Transformation Test

## ❖ “Change in Use” –

- A change in use occurs when the end use of the imported product was no longer interchangeable with the end use of the product after post-importation processing.
- When **end use** of the component is predetermined, courts have generally not found a change in use. See, e.g., *Nat'l Hand Tool & Ran-Paige* (Cookware handles).
- “**Change in use**” found when general use materials are used to make a finished article (i.e, I.C.s used to make a PCBA).

# Substantial Transformation

❖ Uniroyal Inc. v. United States, 3 CIT 220, aff'd, 1 Fed. Cir. (T) 21, 702 F.2d 1022 (1983)

- Uniroyal imported shoe uppers so that the outsoles could be attached and market as a complete shoe.
- Customs excluded the uppers because they were not marked with the country of origin.
- Court said a **substantial transformation** of the upper had not occurred since the attachment of the outsole to the upper was a **minor manufacturing or combining process** which leaves the **identity of the upper intact**.

“it would be misleading to allow the public to believe that a shoe is made in the United States when the entire upper -- which is the **very essence** of the completed shoe -- is made in Indonesia and the only step in the manufacturing process performed in the United States is the attachment of an outsole.”



# Country of Origin & Substantial Transformation Test

## ❖ The “Essence” Test

- What is the “**essence**” of the article?
- Country of origin of component that is the “**essence**” of the article will dictate the origin if the finished good. *Uniroyal* (footwear uppers)
- Electronic Assemblies
  - [H303612, May 22, 2019](#): Country of origin of the WA Triple Slimline Low Noise Block (LNB)
  - Country of origin is where the PCBA is assembled
- Substantial Transformation of Chemicals – requires a chemical reaction to occur when two chemicals are mixed. See HRL 555248, April 9, 1990; 556064 March 29, 1990; and 555403, June 6, 1990.

# Country of Origin & Substantial Transformation Test

- ❖ N304231 (May 28, 2019): Country of Origin of a Measuring Wheel
  - Measuring wheel is a hand-held linear measuring instrument comprised of a wheel and counter head.
  - The counter head is produced in Japan and then shipped from Japan to China, where final assembly of the measuring wheel is undertaken.
  - The Chinese origin parts:
    - Arm assembly Clamp Frame assembly Counter bar Wheel Assembly
    - Stand plates Stand Fasteners (nuts, bolts, washers)
  - The imported article is a measuring device whose **essential character and function** are imparted by the counter head. The additional parts added in China do **not change that character**.
  - The assembly process in China **does not result** in a new product having a new character or use and the good remains a product of the Japan.



# Substantial Transformation

- ❖ National Hand Tool Corp. v. United States, 16 C.I.T. 308
  - Imported nine kinds of components for mechanics' hand tools
  - The components were formed or forged in Taiwan into their **final shape**
  - After importation items were further processed, including heat-treatment and nickel or chrome plated before being assembled in the United States
  - CBP required the finished hand tools to be marked with the country of origin of the components
  - Court said there was no change in the name or use of the components, or their character
  - The use of the imported components was **predetermined** at the time of importation



# Section 102 Rules of Origin

## ❖ § 102.11 General rules.

- The following rules shall apply for purposes of determining the country of origin of imported goods other than textile and apparel products covered by § 102.21.
- (a) The country of origin of a good is the country in which:
  - (1) The good is wholly obtained or produced;
  - (2) The good is produced exclusively from domestic materials; or
  - (3) Each foreign material incorporated in that good undergoes an applicable change in tariff classification set out in § 102.20 and satisfies any other applicable requirements of that section, and all other applicable requirements of these rules are satisfied.

## 19 CFR § 102.20 - Specific rules by tariff classification.

CFR

### § 102.20 Specific rules by tariff classification.

The following rules are the rules specified in § 102.11(a)(3) and other sections of this part. Where a rule under this section will be satisfied only if the change is from a subheading of the same level specified in the rule.

HTSUS	Tariff shift: and/or other requirements
(a)	Section I: Chapters 1 through 5
0101-0106	A change to heading 0101 through 0106 from any other chapter.
0201-0209	A change to heading 0201 through 0209 from any other chapter.
0210.11-0210.20	A change to subheading 0210.11 through 0210.20 from any other chapter.
0210.91-0210.99	A change to subheading 0210.91 through 0210.99 from any other chapter; or A change to edible meals and flours of subheading 0210.91 through 0210.99 from any product other than
0301-0303	A change to heading 0301 through 0303 from any other chapter.
0304	A change to heading 0304 from any other chapter; or A change to fillets of heading 0304 from any other heading.
0305.10	A change to subheading 0305.10 from any other subheading.
0305.20	A change to subheading 0305.20 from any other chapter.
0305.31-0305.39	A change to subheading 0305.31 through 0305.39 from any other subheading outside that group, except
0305.41-0305.79	A change to subheading 0305.41 through 0305.79 from any other chapter.
0306	A change to heading 0306, other than a change to smoked goods of heading 0306, from any other chapter, except from chapter 16; or A change to any good of heading 0306 from a smoked good of heading
0307	A change to heading 0307, other than a change to smoked goods of heading 0307, from any other chapter, except from chapter 16; or A change to any good of heading 0307 from other goods of chapter 3 or from any other chapter, except from chapter 16; or A change to any
0308	A change to heading 0308, other than a change to smoked goods of heading 0308, from any other chapter, except from chapter 16; or A change to any good of heading 0308 from other goods of chapter 3 or from any other chapter, except from chapter 16; or A change to any
0401	A change to heading 0401 from any other chapter.
0402.10-0402.29	A change to subheading 0402.10 through 0402.29 from any other chapter.
0402.91-0402.99	A change to subheading 0402.91 through 0402.99 from any other chapter.
0403.10	A change to subheading 0403.10 from any other subheading.
0403.90	A change to subheading 0403.90 from any other chapter; or A change to any cream or lactic acid from any other product of Chapter 4

# Section 102 Rules of Origin

- ❖ (b) Where the country of origin cannot be determined under paragraph (a) of this section:
  - (1) The country of origin of the good is the country or countries of origin of the single material that imparts the **essential character** to the good.
- ❖ (c) If the country of origin cannot be determined under paragraph (a) or (b) **and** the good is a set or mixture, the country of origin of the good is the country or countries of origin of all materials that **merit equal consideration for determining the essential character** of the good.
- ❖ (d) Where the country of origin of a good cannot be determined under paragraph (a), (b) or (c) of this section, the country of origin of the good shall be determined as follows:
  - (1) If the good was produced only as a result of **minor processing**, the country of origin of the good is the country or countries of origin of **each material that merits equal consideration** for determining the **essential character** of the good;
  - (2) If the good was produced by **simple assembly** and the assembled parts that merit equal consideration for determining the **essential character** of the good are from the same country, the country of origin of the good is the country of origin of those parts; or
  - (3) If the country of origin of the **good cannot be determined under paragraph (d)(1) or (d)(2)** of this section, the country of origin of the good is the **last country** in which the good underwent production.

# Section 301 & Country of Origin

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- ❖ For Section 232 and 301, country of origin is determined by the “substantial transformation” test
  - [HQ H301619, November 6, 2018](#) -- Modification of NY N299096; country of origin of electric motors from Mexico; Section 301 trade remedy
  - [HQ H303140, April 19, 2019](#) -- country of origin of actuator assembly imported into the US from Chinese components exported and assembled in Mexico
- ❖ Even though goods may qualify for duty-free treatment under USMCA, good will be evaluated for non-preferential origin and trade remedy section duties





"section 301"



Sort By

Ruling Date - Newest First

Items per page: 30

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DATE	RULING CATEGORY TARIFF NO	RULING REFERENCE	RELATED
9/10/2019	<a href="#">HQ H303279</a> Origin	Country of origin of super fine mica flake; Section 301 trade remedy; 9903.88.03, HTSUS	References: <a href="#">228508</a> , <a href="#">561103</a> , <a href="#">N011170</a> , <a href="#">N111878</a>
9/3/2019	<a href="#">NY N305624</a> Classification <a href="#">9405.50.4000</a> <a href="#">9903.88.03</a> <a href="#">9817.95.05</a>	The tariff classification of a candle holder from China	
9/3/2019	<a href="#">NY N305626</a> Classification <a href="#">9405.50.4000</a> <a href="#">9903.88.03</a>	The tariff classification of a candle holder from China	References: <a href="#">N305982</a>
9/3/2019	<a href="#">NY N305648</a> Classification <a href="#">8504.40.8500</a> <a href="#">9903.88.03</a>	The tariff classification of a wireless charging station from China	
9/3/2019	<a href="#">NY N305693</a> Classification <a href="#">8538.90.8180</a> <a href="#">9903.88.03</a>	The tariff classification of from a motor controller housing from China	
9/3/2019	<a href="#">NY N305899</a> Classification <a href="#">3924.90.5650</a> <a href="#">9903.88.15</a>	The tariff classification of a "Halloween Standing Alien with Candy Dish" from China.	
8/30/2019	<a href="#">NY N305614</a> Classification <a href="#">9027.50.8015</a> <a href="#">3822.00.5090</a>	The tariff classification of a Portable Food Allergen Detection Device, Single-Use Pods and a Starter Kit from China and various other countries.	
8/30/2019	<a href="#">NY N305669</a> Classification <a href="#">8421.21.0000</a> <a href="#">9903.88.01</a>	The tariff classification of the LARQ Water Bottle System from China	
8/30/2019	<a href="#">NY N305694</a> Classification <a href="#">7616.99.5100</a>	The tariff classification of aluminum solar panel rails and rail kits from China	References: <a href="#">N163076</a> , <a href="#">N275032</a> , <a href="#">N117635</a> , <a href="#">N234405</a>

# Country of Origin And Antidumping/ CVD

- ❖ The Court of Appeals held in **Bell Supply v. United States**, 888 F.3d at 1229 that Commerce may use the **substantial transformation** analysis to determine **country of origin** for an imported article, noting:
  - a "substantial transformation occurs where, 'as a result of manufacturing or processing steps ... [,] the [product] loses its identity and is transformed into a new product having a new name, character and use."
- ❖ Products that undergo further processing in a foreign country may undergo a substantial transformation and be from that country, effectively removing them from the ambit of AD or CVD orders applying to the original country.
- ❖ To determine if a substantial transformation has occurred, **Commerce** considers the totality of the circumstances, weighing five factors in particular:
  - (1) the class or kind of merchandise;
  - (2) the nature and sophistication of processing in the country of exportation;
  - (3) the product properties, essential component of the merchandise, and intended end-use;
  - (4) the cost of production/value added; and
  - (5) the level of investment.
- ❖ **Bell Supply Co., LLC v. United States**, 393 F. Supp. 3d 1229 (2019)

# Parting Thoughts and Helpful Hints

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- ❖ Importers typically do not verify origin of products with suppliers unless there is a CF-28
- ❖ Venders don't know U.S. origin rules and base origin on improper rules (value add or change in tariff classification)
- ❖ Supplier BOMs often lack support for **origin of parts** – only country where vendor purchased materials
- ❖ Suppliers often don't have a detailed description of the assembly process
- ❖ Suppliers often don't have, or don't make, production records available

# Reasonable Care

- ❖ Importers have an obligation to verify the COO of products they import
  - Perform risk analysis (how important is the product?)
  - Request BOM with component origins (don't request cost information)
  - Request information/pictures of assembly/production process (what are assembly steps)
  - Visit and record production
  - Simple assembly will generally not confer origin – complex assembly may
  - What procedures does your company use to confirm a certificate of origin for imported items if provided by supplier?

# Government Procurement & the TAA on Country of Origin

- ❖ Buy American Act creates a price preference that favors "domestic end products" over the same non-U.S. origin products.
- ❖ A manufactured article qualifies as "domestic" if the cost of its U.S. components exceeds 50% of the cost of all components and the product is manufactured in the United States (FAR 25.003).
- ❖ Under certain circumstances the Trade Agreements Act 1979 provides a waiver of the BAA requirements (designated countries and contract amount).
- ❖ Federal Procurement Regulations restrict government purchase of products to **U.S.-made or designated country end products** for acquisitions subject to the TAA. See 48 C.F.R. § 25.403(c)(1)."
- ❖ CBP issues country of origin advisory rulings and final determinations as to whether an article is a U.S.-made or designated country end product for purposes of the TAA.

# Government Procurement & the TAA on Country of Origin

- ❖ The Federal Procurement Regulations define "U.S.-made end product" as:
  - [A]n article that is mined, produced, or manufactured in the United States or
  - that is substantially transformed in the United States into a new and different article of commerce with a name, character, or use distinct from that of the article or articles from which it was transformed.
- ❖ Designated country end-product
  - 1) Means an article that-
    - Is wholly the growth, product, or manufacture of [designated] country; or
    - if whole or in part of materials from **another country**, has been substantially transformed in a [designated] country into a new and different article of commerce with a name, character, or use distinct from that of the article or articles from which it was transformed;

# Government Procurement & the TAA on Country of Origin

- ❖ In order to determine whether a substantial transformation occurs when components of various origins are assembled into completed products, CBP considers:
- ❖ Primary
  - The country of origin of the item's components
  - Extent of the processing that occurs within a country and whether such processing renders a product with a new name, character, and use are in such cases
  - Are assembly operations “complex and meaningful requiring significant skill, technical expertise, and quality control”?
- ❖ Additional factors
  - Resources and location expended on product design and development
  - The extent and nature of post-assembly inspection and testing procedures
  - Worker skill required during the actual manufacturing process

# Government Procurement & the TAA on Country of Origin

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- ❖ *Acetris Health, LLC, v. United States*, 949 F.3d 719 (Fed. Cir. 2020)
  - "[r]ulings from U.S. Customs and Border Protection (CBP) had long held that the source of a pharmaceutical product's active ingredient generally dictates its country of origin."
  - CBP concluded that the *Acetris* products were products of India because their APIs were made in India and no substantial transformation had occurred in the United States.
  - The Federal Circuit said that the substantial transformation test was not the only means of qualifying and that the drugs could instead comply with the TAA through the manufacturing clause of the FAR TAA regulations.
  - Under *Acetris*, single-API drugs that are mixed and compounded in the United States are "manufactured" in the United States and thus qualify for sale to the government, regardless of the API's country of origin.
  - The Federal Circuit also said that CBP's country of origin determinations are not binding on agencies procuring pharmaceuticals.



# Government Procurement & the TAA on Country of Origin

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❖ H262943: U.S. Government Procurement; Country of Origin of Treadmills; Substantial Transformation Complex Assembly

“Although nearly all the parts will be of Chinese origin, the extent of U.S. or Taiwanese assembly operations is sufficiently complex and meaningful to result in a substantial transformation”

..... U.S. or Taiwanese workers will need to weld a total of 27 seams to create the three major subassemblies (the treadmill base, the console frame, and the console mast) that comprise the finished treadmill.

The additional assembly steps, which involve approximately 466 individual parts and “connecting, lining up, adjusting and bolting frames, tightening and torqueing frame bolts, attaching motors, installing power switches, wiring, pulleys and filters,”

# Federal Trade Commission's Rules on "Made in USA" labeling

- ❖ The Federal Trade Commission (FTC) is charged with preventing deception and unfairness in the marketplace.
- ❖ The FTC can bring law enforcement actions against false or misleading claims that a product is of U.S. origin.
- ❖ To mark or label goods "Made in USA," the finished goods must be made up of "all or substantially all components of U.S. origin."
- ❖ What does "all or virtually all" mean?

"All or virtually all" means that all significant parts and processing that go into the product must be of U.S. origin. That is, the product should contain no — or negligible — foreign content.
- ❖ When is a qualified "Made in USA" claim appropriate?
  - A qualified Made in USA claim is appropriate for products that include U.S. content or processing but don't meet the criteria for making an unqualified Made in USA claim
- ❖ FTC Webpage: <https://www.ftc.gov/tips-advice/business-center/guidance/complying-made-usa-standard>

