



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

Bureau of Consumer Protection
Division of Enforcement

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July 2, 2020

VIA EMAIL

Shannon Lukei, Esq.
Lukei Consulting, Inc.



Dear Ms. Lukei:

We received your submissions on behalf of Electric Bike Company, LLC (“EBC” or the “Company”). During our review, we discussed concerns that marketing materials may have overstated the extent to which certain electric bicycles are made or “built” in the United States. Specifically, although EBC designs and performs complex custom assembly in the United States, its bicycles incorporate significant imported parts.

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 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.

To avoid deceiving consumers, EBC implemented a remedial action plan to qualify its representations. This plan included training staff, distributing letters and updated materials to retail partners and independent distributors, and revising the following materials: (1) website;

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) (“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) social media; (3) print brochures; (4) retail rental fleet materials; (5) packaging; and (6) bike branding.

As discussed, it is appropriate for EBC to promote the fact that it employs workers and performs complex custom assembly operations in the United States. However, marketing materials should not state or imply that EBC bikes are “all or virtually all” made in the United States, unless that becomes the case. 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 EBC’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, please feel free to call.

Sincerely,



Julia Solomon Ensor
Staff Attorney



Lashanda Freeman
Federal Trade Investigator