For a product that is substantially transformed in the United States, but not "all or virtually all" made in the United States, the Policy Statement explains, "any claim of U.S. origin should be adequately qualified to avoid consumer deception about the presence or amount of foreign content . . . . Clarity of language, prominence of type size and style, proximity to the claim being qualified, and an absence of contrary claims that could undercut the effectiveness of the qualification will maximize the likelihood that the qualifications and disclosures are appropriately clear and prominent."[3]

Although U.S.-origin claims are optional for most products, Oak Hall sells some products covered by the Textile Fiber Products Identification Act, 15 U.S.C. §§ 70-70k (the "Textile Act") and implementing Rules. These products are subject to mandatory country-of-origin labeling requirements, including requirements to disclose use of imported fabric. *See* 16 C.F.R. §§ 303.15(b), 303.16 (requiring a "conspicuous and readily accessible [country of origin] label or labels on the inside or outside of the product").[4] The Textile Rules set forth specific factors for marketers to apply in deciding whether to mark a product as of U.S. origin. Marketers should be aware that this analysis differs from the "all or virtually all" analysis the Commission has traditionally applied to claims for products in other categories. Specifically, 16 C.F.R. § 303.33 states that marketers need only consider the origin of materials that are one step removed from the particular manufacturing process.[5] The Textile Act and Rules require marketers to disclose product origin in "mail order advertising," including online materials. 16 C.F.R. § 303.34 (advertising must contain "a clear and conspicuous statement that the product was either made in U.S.A., imported, or both").

As discussed, it is appropriate for Oak Hall to promote its general commitment to American jobs and highlight U.S. processes. However, marketing materials should not state or imply that products are wholly or partially made in the United States unless the Company can substantiate those claims. Accordingly, to avoid deceiving consumers, Oak Hall implemented a remedial action plan. This included: (1) updating marketing materials to remove overly broad claims; (2) adopting qualified claims where appropriate; (3) confirming Textile Act compliance on websites and catalog materials; and (4) training staff. As part of this review, the Company also reviewed shipping policies and practices to confirm compliance with the Commission's Mail, Internet, or Telephone Order Merchandise Rule, 16 C.F.R. Part 435.

FTC staff members are available to work with companies to craft claims that serve the dual purposes of conveying non-deceptive information and highlighting work done in the United States. Based on Oak Hall's actions and other factors, the staff has decided not to pursue this

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Pursuant to 15 U.S.C. § 45(m)(1)(A), the Commission may seek civil

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 MUSA Labeling Rule, or the Textile Act. 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
Senior Investigator