

November 12, 2019

Federal Trade Commission Office of the Secretary 600 Pennsylvania Avenue NW Suite CC–5610 (Annex B) Washington, DC 20580

Re: The FTC Should Promulgate a Made in the USA Rule

Truth in Advertising, Inc. (TINA.org) laid out the case for initiating a rulemaking proceeding to promulgate a Made in the USA rule in its August 2019 petition.¹ TINA.org's rationale boiled down to a few key points: A rule giving the Federal Trade Commission the option to seek a penalty against first-time violators would enable the Commission to punish flagrant offenders; act as a deterrent by changing the risk-benefit analysis of deceptive marketers; and command the respect of violators who flout the FTC's admonishments. What was not addressed in TINA.org's petition or subsequent comment, however, was TINA.org's position regarding FTC resource allocation in pursuing Made in the USA violations. As such, TINA.org welcomes the opportunity to submit an additional comment in further support of its Petition for Rulemaking to address this issue.

Given the FTC's limited resources to police a multitrillion-dollar marketplace and protect more than 320 million consumers, TINA.org is not advocating for an increase in FTC resources to enforce Made in the USA laws, but rather a change in how the agency pursues some of these actions using the limited resources it has. Specifically, TINA.org believes that a rule will serve as a valuable deterrent for sophisticated marketers and allow the FTC to pursue a financial penalty against egregious violators. While closing letters can be a valuable tool under the right circumstances (e.g., when they are used to inform and educate the uneducated), the FTC's near-exclusive reliance on them (since 2009, 93 percent of the FTC's Made in the USA actions have resulted in closing letters) has had limited effect. Thus, TINA.org is advocating that the Commission promulgate a Made in the USA rule in order to more effectively police this deceptive marketing tactic.

 $^{^1}$ A copy of TINA.org's August 22, 2019 Petition can be viewed at https://www.truthinadvertising.org/wpcontent/uploads/2019/08/TINA_org-Petition-for-Rulemaking-to-Promulgate-Regulations-for-Made-in-the-USA-Claims.pdf .

Very truly yours,

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