



Mercedes-Benz

November 3, 2022

Laura Smith, Esq.
Legal Director
Truth in Advertising, Inc.
lsmith@truthinadvertising.org

Dear Ms. Smith,

I serve as General Counsel for Mercedes-Benz U.S. International, Inc. ("MBUSI"). Matthew Everitt, General Counsel of Mercedes-Benz USA, LLC ("MBUSA"), forwarded me your letter regarding the MBUSI website.

MBUSI is a legally separate entity from MBUSA. MBUSA is the distributor of Mercedes-Benz vehicles in the United States. MBUSI is a production-focused entity within the Mercedes-Benz group of companies. MBUSI is located in Alabama and employs nearly 6,000 people onsite to staff its operations. MBUSI's function is to produce or procure various automobile components, make the vehicle chassis, and combine the two into customer-ready vehicles that can be sold into the markets.

To that end, MBUSI does not market or sell to customers in the United States, or anywhere else. One hundred percent of all vehicles originating from MBUSI are sold to Mercedes-Benz Group AG affiliated companies. MBUSI is not generally open to the public, and our facility is entirely controlled access. MBUSI's website is not intended to be customer facing and does not market our vehicles to consumers. It exists to provide information about MBUSI. This is clear by the links on MBUSI's website to MBUSA's website for details on specific vehicle models. In short, *MBUSI is not a consumer-facing organization* and its website is not designed to provide information to consumers. As such, the website does not constitute advertising to consumers, nor can its content be construed as unfair or deceptive acts under the FTC regulations.

Even if MBUSI's website was subject to FTC regulations, we disagree with Truth in Advertising, Inc.'s ("TINA") characterization of its content. We understand the requirements under the Made in the U.S.A. ("MUSA") regulations and rulings. It is a stretch to claim that the MUSA regulations deem the MBUSI website to contain unqualified claims that certain items are "Made in the USA". The website describes the MBUSI business model and not the content origins of Mercedes-Benz vehicles. A careful review of the MBUSI website would indicate, contrary to TINA's assertions, that MBUSI clearly states that about two-thirds of the components originate from North American suppliers.¹

Again, MBUSI contends that the website does not contain any deceptive or unfair content aimed at the consumer. Yet, even if MBUSI accepts TINA's contention, the content of the website, at

¹ <https://mbusi.com/about/corporate-info>





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most, creates a qualified claim.² As stated above, the website clearly indicates that not all of the material is sourced from the United States. Instead, the MBUSI facility performs a robust operation to complete the manufacturing process. MBUSI welds, glues, and seals a combination of raw material and bare-metal parts to create vehicle chassis, and then cleans, primes, paints, and cures the chassis in Alabama. The Alabama operation, the clear language of the website, and the context of the material on the website would all justify a qualified claim under FTC guidelines.

Regardless, MBUSI will modify uses of the terms “build,” “produce,” etc. (where relevant to FTC guidance on this issue) to appropriate variants of “assemble”. MBUSI is making these changes not out of any admission of a violation of FTC rules and regulations but simply to avoid the time and expense of any further discussions of the assertions raised in TINA’s letter. We will continue to focus our attention on producing quality products using United States labor and facilities.

We appreciate TINA bringing this matter to our attention. Please let us know if there are any other statements that are problematic from your perspective, so that we can conduct a detailed review and take any actions if necessary.

Sincerely,

A handwritten signature in blue ink that reads "W. Steven Nichols".

W. Steven Nichols
General Counsel
Mercedes-Benz U.S. International, Inc.

² <https://www.ftc.gov/business-guidance/resources/complying-made-usa-standard#qualified>