

# BMW Group

October 20, 2023

## VIA EMAIL

Laura Smith, Esq.  
Legal Director  
Truth in Advertising, Inc.

Dear Ms. Smith,

I write in response to your letter dated November 1, 2022, to Howard Harris, General Counsel of BMW of North America, LLC (BMW NA) concerning the marketing of BMW X range vehicles. I note that your November 1, 2022 letter only recently came to our attention after receipt of your October 17, 2023, letter to the FTC that referenced your earlier letter. Inadvertently, your earlier letter was in a deleted folder and neither read nor responded to. BMW NA appreciates and shares TINA's commitment to truthful advertising and would have responded promptly had the letter come to either Mr. Harris' or my attention.

As an initial matter, BMW NA is the sole distributor of BMW X vehicles to authorized dealers in the United States. Those dealers are independently owned and operated. We appreciate you bringing the dealers' independent advertising issues to our attention. Those advertising statements were made by the independent dealers and not by BMW NA or in conjunction with BMW NA marketing efforts. BMW NA has advised implicated dealers to remove any marketing materials that describe BMW X range vehicles as "made in the USA" or "made in America."

The other instances you cite concern statements that certain BMW X vehicles are "built" or "manufactured" at BMW Manufacturing, LLC's assembly plant in Spartanburg, South Carolina. As you note, BMW NA is very proud of the operations in South Carolina, the American jobs it has created, and how it has strengthened the South Carolina and US economies. The built "for the world" statement that you reference was intended to promote these contributions and highlight that the overwhelming majority of BMW X vehicles built in South Carolina are exported around the world. In the BMW NA advertising you raise, BMW NA believes consumers would not reasonably believe that the terms "built" or "manufactured" in reference to the South Carolina plant equate with all, or substantially all, of the components of those vehicles being manufactured there.

It was never BMW NA's intention to convey that all of the parts and components that go into its vehicles are made in its plant in Spartanburg, South Carolina (or in the United States generally). Just the opposite, the fact that BMW vehicles are German engineered is a featured element of marketing materials for BMW X vehicles and prominent public statements are made about the fact that engines for

**Company**  
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BMW Group Company

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BMW vehicles are made in Germany and other locations outside the United States. Further, in compliance with the American Automobile Labeling Act, BMW NA discloses where every vehicle was assembled, the percentage of equipment in the vehicle that originated in the United States and Canada, and the country where the engine and the transmission were manufactured. The NHTSA data cited in your letter appears to align with these consumer facing disclosures provided for every BMW X vehicle sold in the United States.

While BMW NA acknowledges that certain guidance provides that the words “built” and “manufactured” are potentially synonymous with the word “made,” there is nothing in the “Made in USA” rule or the corresponding guidance that suggests that all uses of the words “built” or “manufactured” necessarily imply a claim of US origin especially when the reference is to a specific US assembly facility. The context in which the terms are used matters, and, in the automotive context, the term “built” is commonly and correctly understood to mean the assembling of many different parts and components.

While BMW NA does not believe that its advertising is not compliant with any of the FTC’s rules or regulations, BMW NA has proactively taken steps, and will continue to do so, to address the issues you raise in an effort to mitigate the prospect of consumer confusion. In addition to advising the implicated dealers to remove certain marketing materials, BMW NA has taken down the BMW NA national television and YouTube commercials highlighted in your letters and on your website and will modify uses of the terms “built” and “manufactured” to versions of “assemble.”

BMW NA appreciates you bringing these issues to our attention, and I apologize for our delayed response. If you have any continuing or new issues with BMW NA advertising – or that of BMW NA independent dealers – please do not hesitate to reach out to me directly.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark W. Redman", with a long horizontal flourish extending to the right.

Mark W. Redman  
Associate General Counsel  
BMW of North America, LLC