



March 22, 2019

VIA EMAIL AND OVERNIGHT MAIL

Adriane Malanos Belton, General Counsel
Mercedes-Benz Vans, LLC
8501 Palmetto Commerce Parkway
Ladson, SC 29456
[REDACTED]

Re: Daimler AG's and Mercedes-Benz Vans, LLC's Deceptive Built in USA
Marketing Campaign

Dear Ms. Belton:

I am writing to you on behalf of Truth in Advertising, Inc. ("TINA.org"), a nonprofit consumer advocacy organization dedicated to protecting consumers from deceptive advertising. An investigation of the marketing for Mercedes-Benz Vans, LLC ("MB Vans") has revealed that the Daimler AG-owned company is running a multi-million dollar¹ deceptive national marketing campaign that makes the unqualified claim that its 2019 Sprinter van is "Built in the USA" at its newly remodeled South Carolina plant.

Specifically, MB Vans is claiming – on national television, its website, social media platforms, Internet ads, radio commercials, and to the press – that its 2019 Sprinter is Built in the USA despite the fact that 90% of a 2,390 sampling of 2019 Sprinter vans offered for sale online by U.S. Mercedes-Benz dealerships are imported from Germany, according to origin information obtained from each vehicle's unique Vehicle Identification Number (VIN).²

Further, upon information and belief, the 2019 Sprinters assembled at Mercedes-Benz's South Carolina plant contain significant non-U.S. components and do not meet the Federal Trade Commission's unqualified made in USA marketing standard. (To be clear, the FTC views the marketing claim "Built in the USA" as synonymous with "Made in the USA"³ and thus only allows such an unqualified origin claim when the promoted product is "all or virtually all" made in the U.S., meaning that "all significant parts and processing that go into the product must be of U.S. origin" and that the product contains "no – or negligible – foreign content."⁴)

In short, MB Vans' unqualified Built in the USA marketing for its 2019 Sprinter van is deceptive, and therefore in violation of the FTC's standards for making U.S.- origin claims, as well as Section 5(a) of the FTC Act.

Based on this information, we intend to notify government regulators that MB Vans is engaged in a deceptive marketing campaign unless, by **March 29, 2019**, the company takes action to remove the deceptive origin claims from all of its marketing materials, puts measures in place to ensure that there are no future misrepresentations, and makes every effort to alert MB Vans' customers of these issues.

Sincerely,



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

Cc via email: Thomas Laubert, General Counsel, Daimler AG



¹ According to data obtained from Kantar Media, MB Vans has spent more than \$16 million on advertising the Sprinter since Daimler AG's September 2018 announcement of the opening of its new Mercedes-Benz Sprinter van production plant in North Charleston, South Carolina. *See* Daimler Press Release, Global Production Network: Mercedes Benz Vans opens new Sprinter plant in North Charleston – Amazon becomes the world's largest Sprinter customer, Sept. 5, 2018, <https://media.daimler.com/marsMediaSite/en/instance/ko.xhtml?oid=41048609&ls=L2VuL2luc3RhbmlNIL2tvLnhodG1sP29pZD0zMzE4NzI2OCZyZWxJZD02MDgyOSZmcm9tT2lkPTMzMTg3MjY4JmJvcmlcnM9dHJ1ZSZyZXN1bHRJbmZvVHlwZUlkdPTQwNjI2JnZpZXdUeXBIPWxpc3Qmc29ydERlZmluaXRpb249UFVCTEITSEVEX0FULTlmdGh1bWJTY2FsZUluZGV4PTAmcm93Q291bnRzSW5kZXg9NQ!!&rs=2> (“[w]ith the new plant and the ‘made in USA’ vehicles, the business area will be able to serve the growing demand of North American customers more economically and significantly reduce delivery times in this market.”)

² TINA.org's sampling was drawn by looking at 2019 Sprinters listed for sale online by U.S. Mercedes-Benz dealerships between February and March 2019.

³ *See e.g.*, FTC's Feb. 27, 2019 letter to Native Ken Eyewar, Inc., https://www.ftc.gov/system/files/documents/closing_letters/nid/2019-02-27_native_ken_closing_letter.pdf (“[U]nqualified U.S.-origin claims in marketing materials - including claims that products are “Made” or “Built” in the USA - likely suggest to consumers that all products advertised in those materials are “all or virtually all” made in the United States.”); FTC's Feb. 5, 2019 letter to Hinch Newman LLP, https://www.ftc.gov/system/files/documents/closing_letters/nid/whiteside_closing_letter_2-5-19.pdf (same); FTC's Dec. 14, 2018 letter to Electrolux North America, Inc., https://www.ftc.gov/system/files/documents/closing_letters/nid/electrolux_closing_letter_12-14-18.pdf (same); FTC's Oct. 1, 2018 letter to The Gillette Company LLC, https://www.ftc.gov/system/files/documents/closing_letters/nid/2018-10-01_gillette_closing_letter.pdf (same); FTC's Sept. 10, 2018 letter to RentACoop, LLC, https://www.ftc.gov/system/files/documents/closing_letters/nid/musa_rentacoop_closing_letter.pdf (same); FTC's May 9, 2018 letter to Superwinch, LLC, https://www.ftc.gov/system/files/documents/closing_letters/nid/superwinch_llc_closing_letter.pdf (same); FTC's June 16, 2016 closing letter to Bedrock Manufacturing Company, LLC d/b/a Shinola/Detroit, LLC, and Filson Holdings, Inc., https://www.ftc.gov/system/files/documents/closing_letters/nid/160616musabedrockletter.pdf (same).

⁴ FTC, Complying with the Made in USA Standard, <https://www.ftc.gov/tips-advice/business-center/guidance/complying-made-usa-standard>.