



MADE IN USA VS ASSEMBLED IN USA

NSPA's interpretation of "Made in USA" & "Assembled in USA" Labeling

Because the Federal Trade Commission (FTC) regulations are the most stringent as it relates to "Made in USA" claims, NSPA has chosen, for compliance and consistency, to simply use the "Assembled in USA" label on its Heat Shrink Terminals.

As it relates to U.S. Customs country-of-origin requirements, NSPA is able to claim that most of its Heat Shrink Terminals are of U.S. origin (due to tariff class change and/or regional value content criterion, as applicable).

REQUIREMENT FOR "MADE IN USA" CLAIMS

"A product advertised as Made in USA be must be 'all or virtually all' made in the U.S."

WHAT DOES 'ALL OR VIRTUALLY ALL' MEAN?

"All or virtually all means that all significant parts and processing that go into the product must be of U.S. origin. That is, the product should contain no — or negligible — foreign content. The policy goes on to clarify that a 'product that is all or virtually all made in the United States will ordinarily be one in which all significant parts and processing that go into the product are of U.S. origin."

WHAT SUBSTANTIATION IS REQUIRED FOR A MADE IN USA CLAIM?

"When a manufacturer or marketer makes an unqualified claim that a product is Made in USA, it should have — and rely on — a 'reasonable basis to support the claim at the time it is made'. This means a manufacturer or marketer needs competent and reliable evidence to back up the claim that its product is all or virtually all" made in the U.S."

REQUIREMENT FOR "ASSEMBLED IN USA" CLAIMS

"A product that includes foreign components may be called 'Assembled in USA' without qualification when its principal assembly takes place in the U.S. and the assembly is substantial. For the 'assembly' claim to be valid, the product's last 'substantial transformation' also should have occurred in the U.S."

Example: A lawn mower, composed of all domestic parts except for the cable sheathing, flywheel, wheel rims and air filter (15 to 20 percent foreign content) is assembled in the U.S. An "Assembled in USA" claim is appropriate.

Example: All the major components of a computer, including the motherboard and hard drive, are imported. The computer's components then are put together in a simple "screwdriver" operation in the U.S., are not substantially transformed under the Customs Standard, and must be marked with a foreign country of origin. An "Assembled in U.S." claim without further qualification is deceptive.

For more information, <http://ftc.gov/>