



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of the Secretary

April 6, 2017

C. Franklin
State of Alaska

Re: *In the Matter of iSpring Water Systems, LLC*, Matter No. 172 3033

Dear C. Franklin:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced proceeding. The Commission has considered your comment and placed it on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii).

You state that iSpring should only be permitted to make truthful qualified U.S.-origin claims, and that iSpring should be required to disclose online when products are imported.

Section 5 of the FTC Act requires companies to possess substantiation for their marketing claims, and the Commission's Enforcement Policy Statement on U.S.-Origin Claims provides specific guidance to marketers on how to substantiate those claims.¹ In particular, the Policy Statement provides that when a marketer makes an unqualified "Made in USA" claim, the marketer should – at the time the representation is made – possess and rely upon a reasonable basis establishing that the product is "all or virtually all" made in the United States. The Policy Statement further provides that where a product is not "all or virtually all" made in the United States, any claim of U.S. origin should be adequately qualified to avoid consumer deception about the presence or amount of foreign content.²

In this case, Part I of the consent agreement incorporates this guidance, prohibiting iSpring from making "Made in USA" claims for products not "all or virtually all" made in the United States, unless iSpring provides a clear and conspicuous qualification that appears immediately adjacent to the representation, and *accurately* conveys the extent to which the product contains foreign parts, ingredients, and/or processing. Furthermore, Part II prohibits

¹ See 15 U.S.C. § 45(a) and *Federal Trade Commission, Issuance of Enforcement Policy Statement on "Made in USA" and Other U.S. Origin Claims*, 62 Fed. Reg. 63756, 63766 (December 2, 1997), available at <https://www.ftc.gov/public-statements/1997/12/enforcement-policy-statement-us-origin-claims>.

² Both the FTC and the U.S. Customs Service have responsibilities related to the use of country-of-origin claims. While the FTC regulates claims of U.S. origin under its general authority to act against deceptive acts and practices, foreign-origin markings on products (e.g., "Made in Japan") are regulated primarily by the U.S. Customs Service under the Tariff Act of 1930. *Id.* at 63767.

iSpring from making any “Made in the USA” or any other country-of-origin claim about a product or service unless the claim is true, not misleading, and iSpring has a reasonable basis substantiating the representation. Thus, the agreement restrains iSpring from making any false country-of-origin claims, whether qualified or not.

Therefore, after considering your comment, the Commission has determined that the relief set forth in the consent agreement is appropriate and sufficient to remedy the violations alleged in the complaint. At this time, the Commission has determined that the public interest would best be served by issuing the Decision and Order in final form without modification. The final Decision and Order and other relevant materials are available on the Commission’s website at <http://www.ftc.gov>. It helps the Commission’s analysis to hear from a variety of sources in its work, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary