



Organized Living Product is Made in the USA

What is the standard for a product to be called Made in USA without qualification?

For a product to be called Made in USA, or claimed to be of domestic origin without qualifications or limits on the claim, the product must be "all or virtually all" made in the U.S. The term "United States," as referred to in the Enforcement Policy Statement, includes the 50 states, the District of Columbia, and the U.S. territories and possessions.

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 (less than 25%) — foreign content.

What factors does the Commission consider to determine whether a product is "all or virtually all" made in the U.S.?

The product's final assembly or processing must take place in the U.S. The Commission then considers other factors, including how much of the product's total manufacturing costs can be assigned to U.S. parts and processing, and how far removed any foreign content is from the finished product. In some instances, only a small portion of the total manufacturing costs are attributable to foreign processing, but that processing represents a significant amount of the product's overall processing. The same could be true for some foreign parts. In these cases, the foreign content (processing or parts) is more than negligible, and, as a result, unqualified claims are inappropriate.

What items should manufacturers and marketers include in analyzing the percentage of domestic content in a particular product?

Manufacturers and marketers should use the cost of goods sold or inventory costs of finished goods in their analysis. Such costs generally are limited to the total cost of all manufacturing materials, direct manufacturing labor, and manufacturing overhead.

Please see below calculations of how we classify Organized Living product as "Made in the USA."

<u>Product Line</u>	<u>% of Cost of Goods Sold in US</u>	<u>% of Cost of Goods from foreign providers</u>	<u>End Product Manufactured in USA</u>
freedomRail Garage	62	38	Y
freedomRail total	65	35	Y
Classica	80	20	Y
Stor Drawers	98	2	Y
ShelfTECH	81	19	Y
Lifetime Ventilated	89	11	Y

