



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

Bureau of Consumer Protection  
Division of Enforcement

February 7, 2018

**VIA FEDEX**

Robert Provost, CEO  
Prodeco Technologies, LLC  
1201 NE 38<sup>th</sup> St., #B-1  
Oakland Park, FL 33334-4504

Dear Mr. Provost:

We received your submissions on behalf of Prodeco Technologies, LLC (“ProdecoTech” or the “Company”). During our review, we raised concerns that certain marketing materials may have overstated the extent to which the Company’s electric bicycles are made in the United States.

As discussed, unqualified “Made in USA” or “Built in USA” claims on marketing materials likely suggest to customers that products are “all or virtually all” made in the United States. “All or virtually all” means that all of the product’s significant parts and processing must be of U.S. origin. In other words, the product should contain, at most, only negligible foreign content. The Commission may analyze a number of different factors to determine whether a product is “all or virtually all” made in the United States, including the proportion of the product’s total manufacturing costs attributable to U.S. parts and processing, how far removed any foreign content is from the finished product, and the importance of the foreign content or processing to the overall function of the product.<sup>1</sup>

In this case, although the Company designs its products and performs sophisticated assembly operations in the United States, Prodecotech’s electric bicycles incorporate significant imported content. Accordingly, Prodecotech implemented a remedial action plan to avoid deceiving consumers. This plan included: (1) replacing unqualified “Built in USA” claims with “Built in the USA of Global Components” across all marketing materials and product packaging; (2) revising the ProdecoTech website, including by updating title tags and meta descriptions; (3) reviewing and revising social media accounts, including by removing #builtinusa from posts; (4) terminating authorized dealers that failed to update marketing materials after three requests; and (5) updating contracts with authorized dealers to include language prohibiting them from making unqualified U.S.-origin claims for ProdecoTech products.

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<sup>1</sup> For additional information, see <http://business.ftc.gov/advertising-and-marketing/made-usa>.

As we discussed, if in the future ProdecoTech can substantiate claims that its electric bicycles are "all or virtually all" made in the United States, it would be appropriate for the Company to update its marketing materials accordingly.

Based on your actions and other factors, the staff has decided not to pursue this investigation any further. This action should not be construed as a determination that there was no violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45. The Commission reserves the right to take such further action as the public interest may require. If you have any questions, you can reach me at (202) 326-2377.

Sincerely,



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