



**Seattle
Professional
Engineering
Employees
Association**

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August 11, 1997

97-248

Made in USA Policy Comment
Office of the Secretary
Federal Trade Commission
Room 159
Sixth and Pennsylvania Avenue, N.W.
Washington, DC 20580

By FAX (202) 328-2498

Dear Mr. Secretary:

This letter is submitted as a public comment regarding the proposed new Federal Trade Commission (FTC) guidelines for the use of "Made in USA" and other U.S. origin claims in product advertising and labeling.

The Seattle Professional Engineering Employees Association (SPEEA) is the collective bargaining representative for over 24,000 engineering and technical employees at The Boeing Company in seven states. Boeing employees in the prominent high technology aerospace industry are extremely interested in maintaining the growth of engineering and technical jobs that ultimately play a huge role in helping to reduce our Nation's trade deficit.

For fifty years, 98% of the manufacturing cost has been a generally-accepted, reasonable standard under FTC guidelines for manufacturers to make the claim of U.S. origin. These requirements are well understood by American business, workers, and consumers, and by most accounts continue to work well.

proposed recommendations from the FTC seek to allow companies to label products "Made in the USA" under a 75% standard. This revised standard would also allow consideration that a product might have been "substantially transformed" in the U.S.

Unfortunately, many corporations would like to see a standard even lower than the 75 percent standard proposed by the FTC. We understand that some trade associations and multi-national companies even favor a 50% percent standard for products assembled in the US.

SPEEA opposes the proposed changes to the current FTC domestic content standards.

As consumers, we are concerned that the proposal might open the door to misleading marketing claims by importers and manufacturers. Current federal enforcement efforts regarding domestic content are

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chronically understaffed and underfunded, leaving many actions at the discretion of private enforcement. Changing the status quo does nothing to further enforcement efforts, and might actually ~~work to~~ further undermine consumer confidence in product origination labeling.

Boeing employees also have a substantial personal stake in strong domestic content regulations, We seek to ensure the continued growth of domestic aerospace design and manufacturing. The Boeing Company has a **generally** good record with respect to domestic product origination, but is under substantial **pressure** at the international level to participate in offset agreements and other arrangements to move more wrk abroad. Ultimately, Jobs might be placed at increased risk if domestic content principles are reduced *in other* segments of American industry.

Today we enpy high **levels** of employment in the engineering, technical, and manufacturing environments at Boeing, and the Company remains **committed** to domestic design *and* production. In **fact**, ~~86~~ percent of the dollar value of Boeing aircraft in 1996 (including engines) was provided by Boeing and U.S. aerospace suppliers, while only 14 percent was international, (Source: 1996 Boeing Company/U.S. Gcport-import Bank data).

Boeing airplanes to our knowledge have never carried a "Made in America" label and are not the kinds of consumer products covered by the FTC regulations, Still, as employees in a high technology industry under substantial competition from the European consortium Airbus *and* potentially other competitors, **Boeing** engineers and **technical** employees seek to preserve American strength in engineering and manufacturing employment over ~~the~~ long-term, not just the present.

Whether the product is large or small, domestic content **is** a good thing, and should be a sought-after goal. Lowering the standard now, stands to suggest other reductions in the future. We hope that the FTC **will** continue to recognize domestic content, and resist efforts to unnecessarily change Wade in USA" requirements."

Sincerely,



Charles-H. Boffarding, III
Executive Director

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