

## **The Made In America Act [HR 2664]**

### **Background:**

Over the past several years, global economic trends have led to declines in some of the advantages that companies received from locating manufacturing facilities overseas. In developing countries, wages and other costs are increasing, while U.S. manufacturing facilities are becoming more efficient. This “insourcing” trend is once again highlighting the role of American manufacturing and drawing the attention of consumers to American made products.

American consumers associate domestic production with increased safety and quality and companies are eager to provide them with information about domestic production. Many companies that have located manufacturing facilities in the United States are identifying the origin of their products by using labels recognizing the state in which it was produced or the extent to which it is American made. Though the Federal Trade Commission (FTC) has established detailed guidelines for product of origin labeling of America-made products, studies have shown that there is uncertainty on the part of consumers about products that are labeled as ‘made in America.’

### **Legislation:**

This legislation works to address that concern by creating the framework for a voluntary product-labeling program that would identify the extent to which products are made in America. This program would be loosely based on aspects of the Energy Star Program for energy efficiency and the USDA Certified Organic Program, which are existing product-labeling programs managed by the federal government.

### **Goals:**

1. Provide consumers with reliable and easy-to-understand information about the origin of American-made products.
2. Incentivize manufacturers to meet certain made-in-America benchmarks for domestic production.
3. Highlight the national trend toward reshoring and insourcing jobs and production from overseas Markets.

### **Details:**

- Create a fully-voluntary product labeling program for American-made products called the *America Star Program* that would be run through the Commerce Department
- Directs the Secretary to work in consultation with the FTC and utilize its expertise to develop labeling guidelines that reflect public perception about what constitutes American-made.
- Provides Commerce with discretion to create an appropriate number of labels that distinguish varying degrees to which products are domestically produced.
- The program is budget neutral by allowing commerce to recoup operating costs of the America Star by collecting fees from companies that opt to pursue certification.

### **Example:**

If a company produces a washing machine in the US from components that are made internationally, the Commerce Department could certify a label saying, “Assembled in America from foreign-made parts.” This is distinct from the current process in which the company creates its own label that is unique to its product(s) and has not received an independent, third-party review.