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November 3, 2025

Daniel Watson
Assistant U.S. Trade Representative for the Western Hemisphere
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Re: USTR Request for Comments on Review of the Operation of the United States-Mexico-Canada Agreement (USMCA)
Docket Nos. USTR-2025-0004 and USTR-2025-0005:

Dear Assistant USTR Watson,

The Toy Association (TA) thanks you for the opportunity to respond to the U.S. Trade Representative (USTR) Federal Register Notice requesting comments on the upcoming joint review of the United States-Mexico-Canada Agreement (USMCA or the Agreement).

For more than a century, The Toy Association has been the driving force behind the growth, health, and innovation of the toy industry. Established in 1916 as the Toy Manufacturers of America, Inc., today, the Association represents more than 900 companies whose products and services power a \$42 billion U.S. toy market and contribute to an estimated \$155.7 billion in annual U.S. economic impact.

The toy industry contributes significantly to the U.S. economy and serves as a cornerstone of American society—supporting children’s healthy development, strengthening families, creating jobs, supporting entrepreneurs and small businesses, and driving the nation’s creative economy. Toy safety remains the industry’s highest priority, and for decades, the Toy Association has been a global leader in advancing and advocating for rigorous safety laws, regulations, and standards.

To continue delivering safe and reliable toys and providing educational and developmental benefits to children, trade agreements such as the USMCA are essential. They maintain a stable and predictable trade environment, ensuring that children in the United States have access to safe and affordable toys. We respectfully submit these comments to underscore the Agreement’s benefits, support USTR’s extension of the Agreement, and encourage continued proactive engagement with U.S. industries and business leaders, including the Toy Association, while ensuring compliance by all Parties.

Benefits of the USMCA to the North American Toy Industry

The Agreement provides a vital framework for the success of the North American toy industry, delivering business and trade certainty, consistency, and openness, whereby allowing U.S. toy companies to design, source, and distribute safe, high-quality, and innovative products across borders.

There are four core benefits to the Agreement from the perspective of the US toy industry: trade efficiency, regulatory alignment, supply chain resilience, and regional economic competitiveness.

First, a strong USMCA enhances trade efficiency. By providing reliable access to the North American market, the Agreement establishes consistent rules that reduce risk, lower trade barriers, and strengthen regional sourcing strategies, helping toy manufacturers operate more efficiently and strategically in an interconnected global economy. USMCA has served as a helpful vehicle to address any trade concerns and remove barriers to trade across North America and beyond.

Second, the Agreement serves to promote regulatory alignment and toy safety harmonization. By promoting clear trade rules, streamlined customs procedures, and regulatory alignment, the Agreement enables toy manufacturers, importers, and retailers to operate more effectively across the United States, Mexico, and Canada. It also encourages technical and toy safety harmonization which further supports the continued flow of goods, ideas, and investment across borders, reinforcing the region's leadership in consumer safety, innovation, and economic opportunity.

Third, the USMCA framework supports supply chain resilience for the toy industry. The toy industry's integrated North American supply chain encompasses design and product development, safety testing, logistics, and retail distribution to deliver toys that bring joy and developmental value to children and families each year. The USMCA ensures that this interconnected system remains efficient, resilient, and competitive.

Finally, USMCA rules and requirements incentivize production and investments within North America, helping ensure the region remains a global leader in innovation, quality, and economic growth.

Some detailed examples of USMCA benefits include:

1. Strengthened Regional Collaboration and Trade Efficiency

- Enhances coordination among customs and border authorities in the United States, Mexico, and Canada to expedite the secure and timely movement of toys, materials, and components.
- Reduces border delays and administrative burdens that can disrupt seasonal toy shipments, ensuring products reach consumers efficiently—particularly during peak retail and holiday periods.
- Encourages cooperation on enforcement and consumer safety, protecting children and families across North America from unsafe or counterfeit products.
- Fosters transparent and fair-trade practices that improve confidence and reliability throughout the toy supply chain.

2. Greater Regulatory and Product Safety Alignment

- Promotes alignment of technical standards, testing, and labeling requirements where possible, reducing compliance complexity for toy manufacturers while maintaining the highest product safety standards.
- Helps ensure that consumers in the United States, Mexico, and Canada have access to toys that meet consistent, rigorous safety benchmarks.
- Encourages collaboration among regulators and industry to continuously improve safety standards and compliance mechanisms.

3. Increased Trade, Investment, and Supply Chain Resilience

- Provides predictable, transparent trade rules that support long-term investment and planning in design, production, and distribution operations across North America.
- Strengthens integrated sourcing and logistics networks, supporting supply chain resilience and efficiency within the region.
- Maintains duty-free market access for toys and related components under clear rules of origin, ensuring balanced, rules-based trade that benefits all member nations.
- Reduces uncertainty that can impede cross-border manufacturing, assembly, and distribution, enabling companies to manage seasonal cycles and market shifts effectively.

4. Enhanced Regional Competitiveness, Innovation, and Job Creation

- Reinforces North America's position as a global leader in the design, development, and delivery of safe and innovative toys.
- Protects intellectual property rights, encouraging creative product design, brand integrity, and responsible marketing.
- Supports high-quality jobs across the United States, Mexico, and Canada in areas such as design, safety testing, logistics, retail, and marketing.
- Promotes sustainable growth and innovation through clear, consistent, and balanced trade rules that encourage regional investment.

The USMCA remains vital to the strength and future of the North American toy industry. By continuing to align standards, simplify cross-border trade, and ensure predictable market access, the Agreement will continue to foster a competitive, innovative, and responsible regional economy.

For toy manufacturers, suppliers, and retailers, the USMCA delivers the certainty needed to invest, innovate, and grow within North America. It ensures that children and families across the United States, Mexico, and Canada continue to benefit from a diverse array of safe, high-quality, and educational toys—strengthening not only trade relationships but also shared prosperity and trust across the region.

Recommendations:

The benefits of the USMCA outlined above are substantial, and The Toy Association wholeheartedly supports its extension. The Agreement's continued success will continue to depend on effective implementation and compliance. We urge USTR to encourage all Parties to ensure that the rules of the Agreement are faithfully followed, and that transparent, predictable procedures are maintained for customs administration, rules of origin, and certificates of origin.

Consistent enforcement and efficient trade facilitation allow the toy industry to rely on duty-free access, reduce administrative delays, and sustain predictable trade flows throughout North America. Since its implementation, the USMCA has strengthened collaboration among customs and border agencies, improved trade enforcement cooperation, and enhanced intellectual property protections—safeguarding innovation, brand integrity, and product design.¹

¹ The U.S., Canada and Mexico (along with most developed nations) originally embraced the “zero for zero” reciprocal tariff model uniquely for toys under the 1994 Uruguay round for global trade negotiations. Subsequently the concept was expanded and adopted on a rolling basis under the auspices of a series of Asia-Pacific Economic Cooperation (APEC) negotiations of Early Voluntary Sectoral Liberalization (EVSIs) under World Trade Organization (WTO) process. Since adoption of the USMCA Agreement under the President's First Administration the North American Countries have worked to also align Standards to U.S. requirements to eliminate non-tariff-based trade barriers.

As stated above, the Agreement's emphasis on regulatory cooperation has also encouraged alignment in safety standards, testing, and certification procedures across member markets, reducing duplicative requirements, promoting consistent consumer protections, and supporting fair and transparent trade. Considering the above, we respectfully urge USTR, to carefully consider the potential impacts of any proposed modifications to the Agreement. This includes:

- Emphasizing the importance of maintaining a stable and predictable Agreement that continues to provide certainty for toy manufacturers operating across North America.
- Supporting policies that reinforce North American manufacturing, promote investment, and enhance supply chain resilience in the toy sector.
- Continuing close collaboration with industry stakeholders to uphold efficient cross-border trade and distribution.
- Encouraging the Administration to preserve tariff exemptions for USMCA-compliant toys, which sustain investment, innovation, job creation, and regional competitiveness for American toy companies and their North American partners.

Taken together, these actions will help ensure that the USMCA continues to deliver meaningful benefits to consumers, workers, and businesses across the United States, Mexico, and Canada—reinforcing the Agreement's role as a foundation of North American economic growth and competitiveness.

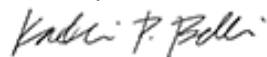
Conclusion

As the Trump Administration policy agenda promotes diversification of supply chains and increased reliance on U.S. and North American business, we believe it is increasingly important that existing trade agreements, such as the USMCA, are upheld.

USMCA provides a strong foundation for enhancing North American competitiveness and supporting long-term industry planning and investment, particularly in Mexico and across the region. For the toy industry, the Agreement fosters a more stable, integrated, and resilient supply chain. Its continued success relies on extending the Agreement and ensuring consistent compliance, effective implementation, and proactive engagement by all Parties.

We thank USTR for its leadership in convening this consultation and for the opportunity to submit comments on behalf of the US toy industry.

Sincerely,



Kathrin Belliveau
Chief Policy Officer

About The Toy Association:

Founded in 1916, The Toy Association™, Inc. is the business trade association representing all businesses involved in creating and delivering toys and youth entertainment products for kids of all ages. The Toy Association leads the health and growth of the U.S. toy industry, which has an annual U.S. economic impact of \$155.7 billion, and its roughly 900 members drive the annual \$42 billion U.S. domestic toy market. The Toy Association serves as the industry's voice on the developmental benefits of play and promotes play's positive impact on childhood development. The organization has a long history of leadership in toy safety, having helped develop the first comprehensive toy safety standard more than 40 years ago, and remains committed to working with medical experts, governments, consumers, and the industry on ongoing programs to ensure safe and fun play.

As a global leader, The Toy Association produces the world-renowned Toy Fair™ in New York City; hosts marketplace activities at The Toy Building in Los Angeles; engages in state, federal, and international advocacy on behalf of its members; supports the inventor and design community through People of Play™ and its numerous assets and events, including the consumer-facing Chicago Toy & Game Fair; sustains the Canadian Toy Association; acts as secretariat for the International Council of Toy Industries and International Toy Industry CEO Roundtable; and chairs the committee that reviews and revises America's widely emulated ASTM F963 toy safety standard. The Toy Association's philanthropic arm is The Toy Foundation™, a 501 (c)(3) children's charity that acts as the uniting force for the collective philanthropy of the toy industry. To date, The Toy Foundation has delivered the joy of play to 33 million children in need worldwide.
