the toy association
Inspiring Generations of Play

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July 10, 2026

Ambassador Jamieson Greer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Re: USTR Request for Comments on the Scope and Operation of a Mechanism to Promote Reciprocal Managed Trade with China (Docket No. USTR-2026-0430)

Dear Ambassador Greer:

The Toy Association welcomes the opportunity to provide comments on the Scope and Operation of a Mechanism to Promote Reciprocal Managed Trade with China (the "Board of Trade").[1] The Toy Association commends USTR for establishing the Board of Trade as a constructive, government-to-government mechanism for optimizing trade in non-sensitive goods and bringing greater reciprocity, balance, and predictability to the U.S.-China commercial relationship.

The Toy Association respectfully proposes that USTR designate toys and related products classified under the following HTS subheadings as non-sensitive products eligible for duty-free treatment under the Board of Trade: 3213.00.00; 3213.10.00; 3213.90.00; 3407.00.20; 3407.00.40; 4901.99.00; 9503.00.00; 9504.40.00; 9504.90.40; 9504.90.60; 9504.90.90; 9505.90.40; 9505.90.60; and 9609.00.00 (the "Proposed Subheadings"). These products generally include toys and related products—including dolls, stuffed animals, ride-on toys, construction sets, puzzles, scale models, board and tabletop games, electronic and educational toys, modeling clay, and children's art supplies, including crayons, colored pencils, pastels, chalks, and paints. They are consumer goods designed to support play, learning, and healthy childhood development, and they are widely relied upon by American families.

As detailed below, toys are quintessentially non-sensitive consumer goods: they do not implicate national security, critical infrastructure, defense capabilities, or supply chain resilience risks; they have historically been afforded duty-free treatment, consistent with the reciprocal "zero-for-zero" framework established under the 1994 Uruguay Round of the GATT; and providing them duty-free treatment under the Board of Trade's reciprocal tariff-modification arrangement would deliver direct, measurable benefits to American families, U.S. toy companies, and the U.S.-based design, innovation, and compliance workforces they support.

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[1] *See* Request for Comments on the Scope and Operation of a Mechanism To Promote Reciprocal Managed Trade With China, 91 Fed. Reg. 34,269 (June 5, 2026) (the "Notice").

The Toy Association is not aware of any meaningful category of U.S. consumers, workers, or producers who would be harmed by duty-free treatment of Chinese toys, and reciprocal MFN treatment for U.S. toy exports to China would support U.S. companies' market access to the Chinese consumer market on competitive terms, advancing the Administration's stated objectives of reciprocity and balance in the U.S.-China trade relationship.

I. 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 800 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 industry leader, The Toy Association produces the world-renowned Toy Fair™ in New York City, which draws roughly 17,000-18,000 industry professionals annually; 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; supports 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.

The toy industry is a cornerstone of American society, supporting children's healthy development, creativity, and learning; strengthening families and bringing generations together; creating jobs; supporting entrepreneurs and small businesses; and driving the nation's creative economy and American innovation. The safety and well-being of children are our top priorities, and The Toy Association has been a global leader in advancing toy safety and ethical sourcing standards for decades. To continue delivering safe, high-quality, and affordable toys to American families, toy makers rely on a network of highly specialized suppliers developed over many decades, including in China, which remains a key supplier. Toys are quintessentially non-sensitive consumer goods—designed to support play, learning, and healthy childhood development—making the sector a natural and high-impact candidate for duty-free treatment under the Board of Trade's reciprocal tariff-modification mechanism.

II. Responses to USTR's Questions

To inform USTR's consideration of a managed trade mechanism for balance and reciprocity with China, The Toy Association respectfully submits the following responses to the specific questions raised in Section II of the Notice. These responses focus on those questions on which The Toy Association is best positioned to provide informed commentary.

A. What types of Chinese products, or Chinese products in particular sectors, should be considered non-sensitive in that they give rise to few, if any, issues related to economic and national security and supply chain resilience risks?

Toys are quintessentially non-sensitive consumer goods and, accordingly, articles classified under the Proposed Subheadings should be among the first articles designated as non-sensitive for purposes of the Board of Trade's tariff-modification mechanism.

Toys are low-technology, low-complexity consumer goods designed to support play, learning, and healthy childhood development, as well as stronger families. They do not implicate national security, defense capabilities, critical infrastructure, or dual-use technologies, and they are not associated with strategic sectors such as semiconductors, the development of advanced artificial intelligence for use in critical applications, quantum computing, critical minerals, or aerospace. Toys also do not raise the supply chain resilience concerns the Notice contemplates. Although the steady availability of safe, affordable toys is profoundly important to American families and to the U.S. toy industry, toys are not inputs into the highly sensitive supply chains crucial to defense capabilities, critical infrastructure, or other strategic industries. Accordingly, toys present a clean case for duty-free treatment as non-strategic goods, with no associated supply chain vulnerabilities or strategic dependency concerns.

Beyond the absence of supply chain resilience concerns, designating toys as non-sensitive would deliver concrete, immediate reciprocal benefits—because U.S.-China toy trade is deep, mature, and structurally well-suited to benefit from the Board of Trade's tariff-modification mechanism. Toy manufacturing is complex and labor-intensive, requiring specialized expertise, experienced workers, and strict adherence to rigorous safety and production procedures. For more than 40 years, the U.S. toy industry has worked to build a world-class manufacturing supply chain staffed by suppliers who are qualified and trained to meet the strict U.S. product safety requirements applicable to toys for use by American children. Approximately 76 percent of all toys sold in the United States are currently sourced from China, reflecting the depth and maturity of that infrastructure.

Further, the toy industry has invested heavily in diversifying its supply chain in recent years, identifying and developing supplier networks capable of upholding the industry's rigorous safety and quality standards in countries such as Mexico, Vietnam, India, Indonesia, Thailand, Malaysia and, where it can be done competitively, the United States. Since President Trump's first term, U.S. toy imports from China have fallen from 87 percent in 2017 to approximately 76 percent today, and The Toy Association's members have committed more than $1 billion to reshore automated toy production across states such as Ohio, Pennsylvania, Florida, Virginia, and Texas. Nevertheless, China remains a key part of the global toy manufacturing supply chain due to its longstanding expertise and low-cost workforce possibilities. Providing duty-free treatment to toys through the Board of Trade would therefore deliver meaningful, immediate, and measurable reciprocal benefits to American consumers and to the U.S.-based companies that design, engineer, and bring those toys to market.

For these reasons, The Toy Association respectfully proposes that articles classified under the Proposed Subheadings be included among the initial set of non-sensitive products eligible for favorable tariff modification.

B. What products of China, currently subject to additional U.S. tariffs, should the United States import at lower tariff rates, such as MFN (Column 1) rates? Please provide the average annual value of U.S. imports of those products from China in 2022-2024.

The Toy Association respectfully proposes that all goods classified under the Proposed Subheadings be afforded duty-free treatment. As discussed above, these are quintessentially non-sensitive consumer goods with no national security, defense, critical infrastructure, or supply chain resilience implications, and the U.S.-China toy trade is mature, deeply integrated, and structurally well-suited to deliver immediate and measurable reciprocal benefits through tariff reduction.

Importantly, the provision of duty-free treatment for toys would not represent a departure from established international practice. The MFN Column 1 rates for most of the Proposed Subheadings are zero, reflecting a historical consensus on "zero-for-zero" reciprocal tariffs on toys going back to the 1994 Uruguay Round of the GATT. Under that framework, participating countries—including the United States and China—eliminated tariffs on toys in mutual recognition that toys are a category of goods uniquely deserving of open, low-friction trade. That longstanding framework reflects a broad and durable international consensus, rooted in the universal recognition that toys are critical to children's learning, development, and play, and that consumers and families on both sides benefit when toys move freely across borders. Consistent with this historical treatment, USTR categorized toys in List 4b in the Section 301 investigation on China's Forced Technology Transfer Policies and Practices in 2019. Designating toys for duty-free treatment through the Board of Trade would therefore align directly with both established international practice and the Administration's stated objective of identifying products well-suited to reciprocal tariff modification.

In response to USTR's request for the average annual value of U.S. imports of the identified products from China during the 2022-2024 period, The Toy Association notes that U.S. imports for consumption of articles classified under the Proposed Subheadings from China averaged approximately $16.5 billion annually, based on information available on the U.S. International Trade Commission's ("USITC") Dataweb platform. As noted above, these figures have declined in recent years, and have continued to decline since 2024.

C. Which, if any, U.S. consumers would benefit from this tariff modification?

American children and their families would be the primary beneficiaries of duty-free treatment of imported toys. Toy purchases are highly sensitive to price in a way that many other consumer goods purchases are not, and the industry depends on cost-efficient production to keep toys within reach of American families. Duty-free treatment under the Board of Trade would translate directly into lower shelf prices for safe, high-quality toys, increasing accessibility for families across all segments of society. Those benefits would have the greatest impact on families with less discretionary income—precisely the families for whom affordable, developmentally beneficial play is most important—and would help preserve children's access to the cognitive, social, and physical developmental benefits that play provides. Duty-free treatment would also support U.S. retailers' continued ability to offer affordable inventory, including discounted off-season products, that support underserved and budget-conscious families.

D. Which, if any, U.S. consumers would be harmed from this tariff modification?

The Toy Association is not aware of any meaningful category of U.S. consumers who would be harmed by duty-free treatment of toys through the Board of Trade. To the contrary, tariffs on toys impose direct and disproportionate costs on American families. As noted above, toy purchases are highly sensitive to price, and additional duties translate directly into higher shelf prices. Those increases fall most heavily on families with less discretionary income, limiting accessibility for underserved and budget-conscious households and potentially leading parents to forgo purchases altogether, with corresponding reductions in children's access to the cognitive, social, and physical developmental benefits that play provides.

Tariffs on toys also push price-sensitive consumers toward unbranded, non-compliant, and counterfeit toys sold by illicit online sellers and shipped directly from third countries via e-commerce platforms like Shein and Temu. Those products often do not meet the rigorous U.S. toy safety standards that The Toy Association has helped develop and enforce for decades, and they pose real risks to children's health and safety.

Providing duty-free treatment for toys through the Board of Trade would mitigate these consumer harms by lowering prices on legitimate, safety-compliant products; reducing the relative attractiveness of unsafe, non-compliant alternatives; and reinforcing decades of U.S.-led toy safety standards and innovation that protect American children.

E. Which, if any, U.S. workers or producers would benefit from this tariff reduction modification?

Duty-free treatment of toys through the Board of Trade would directly benefit the thousands of U.S. toy companies—96 percent of which are small businesses—and the substantial U.S.-based workforce they support. Although the physical manufacturing of toys generally occurs abroad, the highest-value functions in the toy industry—product design and innovation, engineering, safety compliance, marketing, and management—remain based in the United States, and those U.S. operations and jobs depend directly on the industry's ability to source finished goods cost-effectively from long-established overseas suppliers.

The U.S. toy industry generates a $155.7 billion annual U.S. economic impact, supports approximately 660,000 American jobs, and produces $19 billion in annual tax revenue on roughly $42 billion in sales, with 86 percent of retail toy spending remaining within the U.S.

economy. Duty-free treatment of toys under the Board of Trade would directly support the resilience and competitiveness of those U.S.-based operations and the workforces they sustain. It would also benefit U.S. retailers—from large national chains to independent specialty toy stores—that rely on cost-effective access to compliant, brand-name toy inventory to serve American families.

F. Which, if any, U.S. workers or producers would be harmed from this tariff modification?

The Toy Association is not aware of any meaningful category of U.S. workers or producers who would be harmed by duty-free treatment of toys through the Board of Trade. Large-scale toy production is not currently viable in the United States for the majority of the sector, principally because toy manufacturing is labor-intensive, not highly automated, and dependent on specialized expertise developed over decades in established overseas supply chains. Moreover, because toys are inherently low-cost consumer goods, domestically produced toys subject to developed-market labor costs would be prohibitively expensive for American families, and unable to compete with toys produced in lower-cost markets.

Indeed, tariffs on toys would burden U.S. toy companies relative to their foreign competitors—a cost that would fall hardest on the small- and medium-sized businesses that comprise 96 percent of The Toy Association's membership and that have the least flexibility to absorb cost increases or qualify new suppliers on short notice.

Accordingly, duty-free treatment of toys through the Board of Trade would not displace meaningful U.S. production capacity, nor would it threaten existing U.S. manufacturing jobs in the sector. To the contrary, The Toy Association's members have committed more than $1 billion to reshore automated toy production across states such as Ohio, Pennsylvania, Florida, Virginia, and Texas, and tariff modification—by improving the overall economic health of the industry—would support, rather than undermine, those ongoing domestic investments.

G. What is China's share of U.S. imports of each product identified in response to question 2? Please identify the product(s) and the market share.

As noted above, China currently accounts for approximately 76 percent of all toys sold in the United States, a share that reflects more than 40 years of investment in a world-class manufacturing supply chain staffed by suppliers qualified and trained to meet the strict U.S. product safety requirements applicable to toys for use by American children. Notably, that share has declined meaningfully in recent years as the U.S. toy industry has invested in supply chain diversification—falling from approximately 87 percent of U.S. toy imports in 2017 to approximately 76 percent today.

Notwithstanding this diversification, China remains a key part of the global toy manufacturing supply chain and will remain a key partner for the U.S. toy industry for the foreseeable future. This underscores why duty-free treatment of toys through the Board of Trade would deliver immediate and measurable reciprocal benefits.

H. Which, if any, products of the United States, currently subject to additional Chinese tariffs, should U.S. exporters be able to sell to the Chinese market at China's MFN rates? Please provide the average annual value of U.S. exports of those products to China in 2022-2024.

In China, toys are among the few sectors with minimal trade barriers, including the removal of tariffs as part of its WTO accession commitments, making a strong case for reciprocal treatment by exempting toys from any additional U.S. tariffs. Accordingly, reciprocal duty-free treatment for toys under the Board of Trade would directly support U.S. toy companies' ability to access the Chinese consumer market on competitive terms, advancing the Administration's stated objectives of identifying mutually beneficial tariff modifications and bringing greater reciprocity and balance to the U.S.-China trade relationship.

III. CONCLUSION

For the reasons set forth above, The Toy Association respectfully proposes that USTR designate goods classified under the following subheadings as non-sensitive products eligible for duty-free treatment under the Board of Trade: 3213.00.00; 3213.10.00; 3213.90.00; 3407.00.20; 3407.00.40; 4901.99.00; 9503.00.00; 9504.40.00; 9504.90.40; 9504.90.60; 9504.90.90; 9505.90.40; 9505.90.60; and 9609.00.00. Toys present a straightforward case for inclusion: they pose no national security, critical infrastructure, or supply chain resilience concerns, and duty-free treatment under the Board of Trade would deliver immediate and measurable benefits to American families and U.S. toy companies, with no downside for U.S. consumers, workers, or producers. The Toy Association appreciates USTR's leadership in advancing this initiative and stands ready to work constructively with USTR as the Board of Trade is developed and implemented.

Sincerely,

Kathrin Belliveau
Chief Policy Officer