the toy association
Inspiring Generations of Play

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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 Concerning Actions in Section 301 Investigations of Acts, Policies, and Practices of Various Economies Related to the Failure To Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced With Forced Labor (Docket No. USTR–2026–0265)**

Dear Ambassador Greer:

The Toy Association welcomes the opportunity to provide comments in response to the U.S. Trade Representative's ("USTR") Determination Concerning Actions in Section 301 Investigations of Acts, Policies, and Practices of Various Economies Related to the Failure To Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced With Forced Labor (the "Determination").[1] The Toy Association commends USTR for its continued leadership in combating forced labor and for prioritizing the protection of human rights throughout global supply chains. We share that commitment and stand ready to work constructively with USTR.

**The Toy Association respectfully proposes that USTR exempt toys and related products classified under the following HTS subheadings from any additional duties imposed pursuant to this Section 301 investigation by adding them to Annex A of the Determination: 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. These consumer goods have long been recognized as essential products for childhood development, learning, and play—and, accordingly, have been afforded duty-free treatment.

As detailed below, this duty-free treatment should continue, because imposing additional duties on toys would cause economy-wide disruptions by exacerbating the affordability crisis

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[1] *See* Notice of Determinations and Request for Comments Concerning Actions in Section 301 Investigations of Acts, Policies, and Practices of Various Economies Related to the Failure To Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced With Forced Labor, 91 Fed. Reg. 34,272 (June 5, 2026).

confronting American families. It would also cause serious dislocations in toy supply chains that the industry has taken significant steps to diversify. Moreover, additional duties on toys would not be practicable or effective in obtaining the elimination of the acts, policies, and practices under investigation: toys are not a strategic industry, and toy imports constitute a relatively modest share of U.S. trade with most of the investigated economies. Consequently, the leverage that duties on this consumer goods sector could exert on a sovereign government's decision to enact or enforce an import ban is nominal. Further, the toy industry has taken significant steps to address forced labor risks across its own supply chains through rigorous, independently audited labor standards. This is especially the case for The Toy Association's members who participate in Customs and Border Protection's ("CBP") Customs Trade Partnership Against Terrorism ("CTPAT") program, and those members who have achieved Tier III status within CTPAT.

To the extent that USTR imposes duties as a result of this Section 301 investigation, we strongly urge the exclusion of toys.

## 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—and the protection of human rights across our supply chain—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. As an industry focused on bringing joy to families and children, we prioritize human rights across workforces in the toy supply chain, including proactive measures to mitigate forced labor risks.

## II. THE IMPOSITION OF SECTION 301 DUTIES ON TOYS WOULD CAUSE ECONOMY-WIDE DISRUPTIONS BY EXACERBATING THE AFFORDABILITY CRISIS AND HARMING CONSUMERS

The U.S. toy industry is comprised of thousands of businesses in every state, the overwhelming majority of which are small or medium-sized, and many of which are family-run. Indeed, 96 percent of American toy manufacturers, wholesalers, and distributors are small businesses. Collectively, the industry generates $155.7 billion in 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. Notably, 86 percent of retail toy spending stays within the U.S. economy. While most physical manufacturing of toys occurs outside of the United States, the highest-value functions—product design and innovation, engineering, safety compliance, marketing, and management—take place 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.

<u>Consumer Harm</u>. The imposition of Section 301 duties on toys would 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. These 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. Responsible e-commerce platforms are working with the industry to identify and remove unsafe products, but enforcement gaps remain. In effect, the imposition of duties on a sector that does not suffer from forced labor concerns would inadvertently bolster the counterfeit market, undermine decades of U.S.-led safety standards and innovation, and place children at risk—all without advancing the forced labor objectives this investigation is designed to address.

<u>Reduced Access to Developmental Play</u>. Toy purchases are highly sensitive to price in a way that many other consumer goods purchases are not. The industry depends on cost-efficient production to keep toys within reach of American families, and additional duties would translate directly into higher shelf prices. Those increases would fall most heavily on families with less discretionary income—precisely the families for whom affordable, developmentally beneficial play is most important. Part of the social value of toys lies in their accessibility across all segments of society, and duty-driven cost increases would limit availability for underserved and budget-conscious families, potentially leading parents to forgo purchases altogether and reducing children's access to the cognitive, social, and physical developmental benefits that play provides.

## III. The Imposition of Section 301 Duties on Toys Would Cause Serious Dislocations in Toy Supply Chains and Harm Domestic Producers

Toy manufacturing is complex and labor-intensive, requiring specialized expertise, experienced workers, and strict adherence to rigorous safety and production procedures. At the same time, toys are low-cost consumer goods, and offshoring a substantial portion of production has long been essential to maintaining the high quality and stringent safety standards American families expect while keeping prices affordable. 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.

In recent years, the U.S. toy industry has put significant efforts into diversifying its supply chain away from China. A critical prerequisite to these efforts has been identifying and developing workforces and supplier networks that are capable of upholding the industry's rigorous safety and quality standards—a process that duties cannot accelerate. And these efforts have produced meaningful results: since President Trump's first term, U.S. toy imports from China have fallen from 87 percent of total U.S. toy imports 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.

Internationally, Mexico has emerged as a key partner under the USMCA, as its predictable, rules-based framework has enabled highly integrated U.S.-Mexico operations for designing, sourcing, testing, and distributing safe, high-quality toys. Beyond Mexico, the industry has expanded manufacturing capacity in Vietnam, India, Indonesia, Thailand, and Malaysia, further supporting diversification and de-risking.

The imposition of Section 301 duties on imports from these non-China economies would undermine the toy industry's diversification efforts, which the Administration has encouraged. Many of these supplier relationships remain less mature than the industry's longstanding Chinese supply chains. Imposing Section 301 duties on toys sourced from Mexico, Vietnam, India, Indonesia, Thailand, Malaysia, the EU, and Japan would undermine years of investment and potentially disrupt these newly established sourcing relationships.

Section 301 duties would also disadvantage 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. Because duties are paid by U.S. importers, the burden falls on U.S.-based toy companies and the U.S.-based design, innovation, compliance, marketing, and management jobs they support.

In short, such an outcome would cause precisely the "serious dislocations in the supply of the products" that USTR's Notice identifies as a key consideration in defining the scope of any responsive action. Toy supply chains cannot be quickly reconfigured: qualifying a new supplier to meet U.S. toy safety standards requires significant investments. Layering Section 301 duties onto a product category whose offshore supply chain has been deliberately—and successfully—diversified would disrupt established sourcing networks, jeopardize the substantial private investment already made, and harm American toy companies, their U.S.-based design and innovation workforces, and the families who depend on safe, affordable toys.

## IV. The Imposition of Section 301 Duties on Toys Would Not Be Practicable or Effective in Obtaining The Elimination of the Acts, Policies, and Practices Under Investigation

The imposition of Section 301 duties on toys would not be practicable or effective in obtaining the elimination of the acts, policies, and practices identified in this investigation—that is, the imposition and effective enforcement of a prohibition on the importation of goods produced with forced labor. Nor would such duties achieve the broader purpose of eliminating forced labor from global supply chains.

First, despite the importance of toys to American children and their families, and to the U.S. producers that make up The Toy Association's membership, toys are not a strategic industry, and toy imports constitute a relatively modest share of U.S. trade with most of the investigated economies. Consequently, the leverage that tariffs on this consumer goods sector could exert on a sovereign government's decision to enact or enforce an import ban is nominal.

A more effective approach, and one consistent with the goals of this investigation, would be continued bilateral and multilateral engagement with trading partners, leveraging existing trade frameworks—including the USMCA and recently signed Agreements on Reciprocal Trade ("ART")—to encourage adoption and effective enforcement of forced labor import prohibitions at their source. USTR's recent success in obtaining forced labor commitments from Argentina, Bangladesh, Cambodia, Ecuador, El Salvador, Guatemala, Indonesia, Malaysia, and Taiwan through their ARTs illustrates that targeted, rules-based engagement is both possible and effective.

Second, and more broadly, the imposition of Section 301 duties on toys will not meaningfully reduce forced labor in global supply chains for toys, because the toy industry has already substantially eliminated those risks from its own supply chains.

The toy industry is among the most heavily regulated sectors in the United States, operating under stringent national and international safety and labor requirements supplemented by company standards that often exceed legal benchmarks and that govern not only product quality but also workforce conditions. The Toy Association's members are committed to internationally recognized human rights standards, including the International Bill of Human Rights, the Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work.

Since the 1990s, The Toy Association has led the development and implementation of global ethical sourcing standards for the industry, codified in the International Council of Toy Industries ("ICTI") Ethical Toy Program (formerly ICTI CARE). The Ethical Toy Program is a comprehensive ethical manufacturing standard for the global toy industry, with a 14-section audit process expressly prohibiting forced and underage labor and requiring safe and sanitary working conditions, fair compensation, and ethical treatment of workers.

Building on that framework, toy companies engage in ongoing monitoring, risk assessments, supplier vetting, independent audits, the imposition of contractual labor requirements, and factory-level education and training—safeguards required as a condition of membership in The Toy Association and applied consistently across the industry's globally integrated supply chains in China, Mexico, Vietnam, India, Indonesia, Thailand, and Malaysia. Compliance is validated through third-party testing, factory audits, and unannounced inspections as a condition for products entering the U.S. market.

In addition to these requirements, many of The Toy Association's members also participate in Customs and Border Protection's ("CBP") Customs Trade Partnership Against Terrorism ("CTPAT") program, including its Trade Compliance track. This is a CBP-administered "Trusted Trader" program that imposes six specific forced-labor-prevention requirements on participating importers, including risk-based supply-chain mapping, supplier due diligence and training, a code of conduct prohibiting forced labor, evidence of implementation through independent audits, and a documented remediation plan. CBP recognizes participants in the Trusted Trader track as presenting lower forced labor risks. The CTPAT program is a framework that governs the entire supply chain from point of origin through distribution and requires documented risk assessments, written verification, and supply-chain traceability that bear directly on forced labor risk. Some of The Toy Association's members have even achieved CTPAT Tier III status, the program's highest tier, which is reserved for importers that demonstrate sustained, best-in-class supply-chain security and visibility. This further reinforces these members' ability to identify and mitigate forced labor risks at the source. Imports from these CTPAT-participating members—and Tier III members in particular—reflect precisely the kind of independently validated, federally supervised supply-chain oversight that the policies under investigation are designed to encourage. They should not be subject to Section 301 duties.

Moreover, under the USMCA, Mexico has strengthened its labor protections through enhanced enforcement, transparency, and prohibitions on forced labor imports. Importantly, the toy industry's material inputs consist primarily of plastic resins, forest products, and synthetics—not cotton—so the industry's exposure to the Uyghur forced labor risks most closely associated with cotton production is effectively mitigated.

In short, Section 301 duties on toys would impose substantial costs on American families, U.S. toy companies, and their employees while doing little or nothing to cause the investigated economies to impose and effectively enforce forced labor import prohibitions, or to address forced labor risks that the toy industry has already taken extensive and verifiable steps to eliminate from its own supply chains.

## V. RECOMMENDATIONS

For the reasons set forth above, The Toy Association respectfully submits the following recommendations.

First, we respectfully request that USTR add all goods classified under the Proposed Subheadings noted above to Annex A of the Determination, and thereby exempt them from any additional duties imposed pursuant to this investigation.[2] The imposition of Section 301 duties on toys would limit choices and access to developmental play for American families, cause serious dislocations in supply chains that the toy industry has worked to diversify away from China, and not be practicable or effective in causing the investigated economies to impose and enforce forced labor import prohibitions. As explained above, many members of The Toy Association participate in the CTPAT program—including some that have achieved Tier III status—and their imports already reflect the kind of independently validated, federally supervised supply-chain oversight that the policies under investigation are designed to encourage. Their imports should not be subject to additional Section 301 duties.

Second, we respectfully encourage USTR to continue engaging with key trading partners, particularly China and Mexico, to address trade barriers, strengthen U.S. commercial relationships, and obtain meaningful commitments on forced labor. We also strongly encourage continued efforts to ensure that the USMCA is fully upheld and that all participating countries comply with their commitments. Similarly, we respectfully request that USMCA-compliant imports continue to receive duty-free treatment.

In the event that USTR determines that additional Section 301 duties on toys are warranted notwithstanding the considerations set forth above, The Toy Association respectfully urges that any such duties not be applied to imports from economies that have already made meaningful commitments to impose and effectively enforce a prohibition on the importation of goods produced with forced labor. In particular, USTR has recently secured forced labor commitments from Argentina, Bangladesh, Cambodia, Ecuador, El Salvador, Guatemala, Indonesia, Malaysia, and Taiwan through the Agreements on Reciprocal Trade, and additional trading partners have imposed or are in the process of implementing forced labor import prohibitions of their own. Imposing additional duties on toy imports from these economies would penalize precisely the trading partners that have responded constructively to U.S. engagement. It would also undermine the incentive structure that has made the ART framework an effective tool for advancing the Administration's forced labor objectives, and disrupt the diversified, non-China sourcing relationships that the U.S. toy industry has invested heavily to develop in many of these same countries.

Differentiated tariff treatment for economies that have undertaken these commitments would reinforce the credibility of U.S. engagement, reward cooperative trading partners, and remain consistent with the objectives of this investigation. This treatment would also appropriately recognize the U.S. toy industry's own substantial efforts to eliminate forced labor from its supply chains (including through CTPAT membership)—efforts that, standing alone, warrant excluding toys from any additional Section 301 duties imposed pursuant to this investigation.

In addition, these ARTs demonstrate that targeted, rules-based engagement is an effective means of securing commitments to impose and enforce forced labor import prohibitions—and we encourage USTR to continue building on that model in its engagement with the remaining

[2] The Proposed Subheadings are: 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.

investigated economies. This approach is particularly critical as the Administration promotes supply chain diversification and greater reliance on U.S. and North American partners.

Sincerely,

Kathrin Belliveau
Chief Policy Officer