

**Statement by Mattel, Inc. to the
Subcommittee on Trade of the Committee on Ways & Means
Regarding Duty Suspension Bills for Certain Toy-Related Products**

June 7, 2002

This statement is submitted on behalf of Mattel, Inc. in connection with the May 3 request for public comment by the Subcommittee on Trade of the Committee on Ways & Means regarding duty suspension proposals. Mattel strongly supports the passage of the following five duty suspension bills which cover certain toy-related products of interest to Mattel: H.R. 4182; H.R. 4183; H.R. 4184; H.R. 4185; and H.R. 4186.

Headquartered in El Segundo, California, Mattel is the world's largest toy company, with 2001 sales of \$4.8 billion in over 150 countries. Mattel has 27,000 employees, of whom 6,000 are in the United States.

At the urging of the U.S. toy industry, the U.S. government agreed to eliminate U.S. tariffs on all toys as part of a multilateral "zero-for-zero" sectoral agreement in the Uruguay Round of WTO trade negotiations. However, the U.S. Customs Service has classified certain toy-related articles of significant interest to Mattel and, in some instances, to other toy companies, in dutiable non-toy HTS subheadings. These five bills would temporarily suspend the applicable duties for these narrowly-defined toy-related articles through December 31, 2005.

Toy container bills

Three of the bills, as summarized below, concern the containers in which certain toys are sold and/or stored. Customs has ruled that, in certain instances, these containers must be classified under separate non-toy HTS subheadings. The three container-related bills have been narrowly drafted to ensure that only toy-related articles would qualify for the duty suspensions, and the association representing U.S. producers of travel goods and similar articles has indicated it does not oppose the proposed bills.

H.R. 4183 – covers bags (HTS 4202.92.45), typically clear plastic backpack- or lunchbox-type bags, for carrying or holding toys.

H.R. 4182 – covers cases (HTS 4202.92.90) for carrying or holding toys.

H.R. 4186 – covers the same type of cases as the preceding bills when used specifically for ViewMaster-type reels.

ViewMaster viewer/projector bills

The other two bills, as described below, concern various versions of Mattel's well-known ViewMaster product. While this product traditionally has been widely regarded as a toy, U.S. Customs has indicated that ViewMaster viewers and projectors perhaps should not be classified as toys but rather as "optical instruments" and "image projectors," respectively.

H.R. 4185 – covers the traditional ViewMaster viewer (HTS 9013.80.90), including a toy binocular version of the viewer.

H.R. 4184 – covers a ViewMaster projector (HTS 9008.30.00), including a toy telescope version of the projector.

We appreciate this opportunity to share Mattel's views with the Subcommittee on Trade of the Committee on Ways & Means. Please feel free to contact us if the Subcommittee has any questions regarding any of these duty suspension bills.