

**Statement by Mattel, Inc. to the  
Senate Finance Committee Regarding  
Duty Suspension Bills for Certain Toy-Related Products**

**August 11, 2006**

This statement is submitted on behalf of Mattel, Inc. in connection with the July 11, 2006 request for public comment by the Senate Finance Committee regarding miscellaneous tariff measures introduced in the Senate during the 109<sup>th</sup> Congress. Mattel strongly supports the five duty suspension bills covering certain toy-related products of interest to Mattel (S. 1069, S. 1070, S. 1071, S. 1072 and S. 1073), which were passed by Congress on August 4 as part of H.R. 4.

**Technical correction needed.**-- In addition, as discussed with Committee staff and as detailed below, Mattel requests that the appropriate technical correction be made to one of these bills. Specifically, Section 1518 of H.R. 4 must be corrected so that the first of the referenced HTS subheading numbers in the bill text reads “~~4~~202.12.80,” not “~~4~~402.12.80.”

Headquartered in El Segundo, California, Mattel is the world’s largest toy company with 2005 sales of \$5.2 billion in over 150 countries. Mattel has 26,000 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 other U.S. toy companies in dutiable non-toy HTS subheadings. These five bills would temporarily suspend the applicable duties for certain of these narrowly-defined toy-related articles through December 31, 2009, with three of the bills providing for an extension of existing duty suspension provisions previously enacted as part of the Miscellaneous Trade and Technical Correction Act passed by Congress in 2004.

As summarized below, four of the bills 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 four 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.

***Extensions of existing duty suspension provisions:***

S. 1071 (also Sec. 1611, paragraph 25 of H.R. 4; and Sec. 1501, paragraph 44 of H.R. 4944): Covers bags of a type classified under HTS 4202.92.45, typically clear plastic backpack- or lunchbox-type bags, for carrying or holding toys, imported and sold with the toys already in the bag (existing duty suspension provision 9902.01.78 expires December 31, 2006).

S. 1072 (also Sec. 1611, paragraph 26 of H.R. 4; and Sec. 1501, paragraph 45 of H.R. 4944): Covers cases or containers of a type classified under HTS 4202.92.90 that are specifically designed for ViewMaster-type reels (existing duty suspension provision 9902.01.81 expires December 31, 2006).

S. 1073 (also Sec. 1611, paragraph 27 of H.R. 4; Sec. 1501, paragraph 46 H.R. 4944): Covers the traditional ViewMaster viewer classified by Customs as an “optical instrument” under HTS 9013.80.90 rather than as a toy under Chapter 95 (existing duty suspension provision 9902.01.80 expires December 31, 2006).

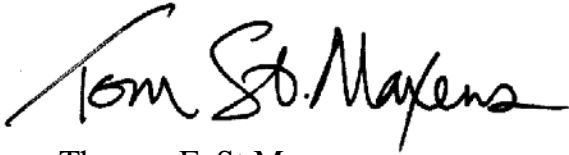
***New duty suspension provisions:***

S. 1069 (also Sec. 1517 of H.R. 4; and Sec. 1300 of H.R. 4944): Covers cases or containers of a type classified under HTS 4202.92.90 that are specifically designed, marketed or intended for toys, except those covered by the existing duty suspension provision (see above) covering ViewMaster-type reel cases. The product definition language for this provision contained in H.R. 4 and H.R. 4944, which was drawn more narrowly (to cover cases for certain electronic toys or games) than the broader language contained in S. 1069 in response to issues raised by Customs, is acceptable.

S. 1070 (also Sec. 1518 of H.R. 4; and Sec. 1301 of H.R. 4944): Covers cases or containers of a type classified under HTS 4202.12.80 or 4202.92.90 that are specifically designed, marketed or intended for toys. The product definition language for this provision contained in H.R. 4 and H.R. 4944, which was drawn more narrowly (to cover certain cases for holding dolls) than the broader language contained in S. 1070 in response to issues raised by Customs, is acceptable. However, as noted above, the relevant provisions in both H.R. 4 and H.R. 4944 contain the following typographical error that must be corrected: the first of the referenced HTS subheading numbers in the bill text should read “4202.12.80,” not “4402.12.80.”

We appreciate this opportunity to share Mattel's views with the Finance Committee. Please feel free to contact us if Committee staff have any questions regarding any of these duty suspension bills.

Respectfully submitted,

A handwritten signature in black ink that reads "Tom St. Maxens". The signature is written in a cursive, flowing style.

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*on behalf of –*

Mattel, Inc.