

TREASURY, POSTAL SERVICE, AND GENERAL
GOVERNMENT APPROPRIATIONS FOR
FISCAL YEAR 2003

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED SEVENTH CONGRESS
SECOND SESSION

SUBCOMMITTEE ON THE TREASURY, POSTAL SERVICE, AND GENERAL
GOVERNMENT APPROPRIATIONS

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NOTE: Under Committee Rules, Mr. Young, as Chairman of the Full Committee, and Mr. Obey, as Ranking
Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

MICHELLE MRDEZA, JEFF ASHFORD, KURT DODD, WALTER HEARNE, and TAMMY HUGHES,
Staff Assistants

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his or her license. Accordingly, a licensed dealer may sell firearms to both licensed and unlicensed purchasers at such gun shows. However, this amendment did not authorize dealers to sell guns to other dealers at out-of-state gun shows.

In 1996, the Omnibus Consolidated Appropriations Act of 1997 amended the GCA to allow licensed importers, manufacturers, and dealers to engage in the business of selling or transferring *curio or relic firearms* to other licensees away from their licensed premises, regardless of whether the location was in the state where the licensed premises were located. However, this exception was explicitly limited to curio or relic firearms, and does not allow dealers to transfer any other types of firearms to licensees away from their licensed premises.

Question: Would you support changing this policy administratively or by legislation?

Answer: In the absence of a legislative amendment authorizing licensed dealers to sell firearms to other licensees away from their licensed premises, ATF lacks authority to change its longstanding regulatory position on this issue. Nonetheless, ATF's position does not preclude licensees from personally delivering firearms to out-of-state licensees. Since the law is not concerned about the specific location to which firearms are shipped or delivered to licensees, firearms purchased by prior arrangement and delivered from the seller's licensed premises may be personally delivered to licensees at out-of-state gun shows in "face-to-face" transactions.

With regard to legislation to change this policy, ATF would be happy to review any such legislation and offer technical advice. However, decisions as to whether the Administration will support legislation to amend existing law are not made by the Bureau, but by the Secretary of the Treasury.

INVENTORY RULE

In August 2000 ATF published a proposed rule requiring an annual inventory by all firearms dealers. I am aware that ATF has authority to conduct compliance inspections of dealers and penalize them for record keeping violations. However, I am concerned, and so are many others, that this inventory rule may exceed that statutory authority and will be disruptive to the industry.

Question: Does ATF plan to issue a final rule on this subject?

Answer: Yes. ATF has received approximately 500 comments in response to the Notice by Public Rule Making (NPRM). ATF is carefully considering the comments we received and intends to incorporate those comments to lessen the burden on the firearms industry in issuing a final rule.

NFA REGISTRATION

I understand that there have been some recent enforcement activities related to semiautomatic rifles made out of surplus military M14 rifle parts, and that ATF is applying a policy that's sometimes described as "once a machinegun, always a machinegun."

Question: Given that it's possible to convert some automatic rifles permanently to be semiautomatic only, what purpose does this interpretation and enforcement action serve, and would ATF be willing to revisit the merits of this policy?

Answer: The term "machinegun" is defined in the Gun Control Act (GCA) and the National Firearms Act (NFA) as, "any weapon which shoots, is designed to shoot, or can be readily restored to shoot, automatically more than one shot, without manual reloading, by a single function of the trigger." The term also includes the frame or receiver of any such weapon. A 1986 amendment to the GCA makes it unlawful to transfer or possess a machinegun manufactured after May 19, 1986, except for the official use of Federal, state, or local law enforcement agencies.

The "once a machinegun, always a machinegun" phrase is an oversimplification of ATF's position. ATF recognizes that machinegun receivers may be modified so that they no longer fall within the statutory definition of "machinegun" in the NFA.

U.S. M14 rifles were originally manufactured during the 1960s as military weapons having selective fire capability, allowing the user to select semiautomatic or automatic fire. M14 rifles are currently used by the military for competition and for designated marksmen and snipers. Because they are capable of automatic fire, M14 rifles are "machineguns" as defined and the receivers are also subject to regulation as machineguns.

ATF has recently learned that modified M14 rifles and M14 receivers have been offered for sale. These rifles appear to have been made from U.S. military M14 receivers that were cut in half and welded back together. ATF's Firearms Technology Branch has examined a number of the receivers and determined that they remain machineguns within the statutory definition. At the current time, there is pending litigation regarding these firearms, so further comment on the details of the case would not be appropriate at this time.

CONTRACT MANAGEMENT AND CONTROLS

Question: In relation to the Inspector General's recommendations on strengthening controls over contracts, ATF took some trips to improve its training and communication with contracting officer's technical representatives. Please provide to the Subcommittee a list of contractors and the dollar value associated with current contracts.

Answer: Please see table below. Information provided by Acquisition & Property Management Division, Office of Management.

CONTRACT NUMBER	CONTRACTOR NAME	CONTRACT VALUE
Tatf-97-15	TEKTRON MICRO ELECTRONICS, INC.	\$1,250,000.00
Tatf-97-16	INTEGRATED MANAGEMENT SERVICES, INC.	\$2,000,000.00
Tatf-98-3	CHARLES SIMPSON	\$500,000.00