

# Clinton Presidential Library Archives

1999 summary of terms to be offered in settlement of suits against gun manufacturers – a complete gun control victory without legislation.

## Manufacturers

All handguns produced must meet import conditions (longer barrels, target sights, etc.).

No firearms can be made that accept magazines of more than 10 rounds.

No polymer frame guns.

May sell only to dealers who meet the following requirements.

Court appointed monitor must review marketing, etc..

## Distributors and dealers

Must sell from premises, no gun show sales.

Persons under 18 without a guardian or parent cannot enter gun stores.

No sales of magazines holding more than ten rounds.

No multiple sale of firearms (not just handguns) to an individual in less than 30 days.

Must participate in monitoring of firearms sales. Results to be available to law enforcement.

Must stock minimum required inventory and derive a certain percent of total business income from guns (no more hardware stores as FFLs in rural areas).

All employees to pass a written exam.

Any trace creates presumption dealer violated the law.

Court appointed monitor to be financed by dealers, with power to undertake undercover stings and unannounced audits.

## Misc.

Manufacturers must agree to support any legislation endorsed by the oversight panel.

Manufacturers must finance a trust fund to carry a PR campaign to inform public of the risk of guns in the home.

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### Summary of Terms

#### I. Design

1. Compliance with performance and design standards set forth in 18 USC § 925 and the strongest existing state law or regulation: 1/1/01.
2. Serial number: placement in a location or multiple locations and visible only with the aid of an infrared detector or similar device: 6/1/00.
3. Locking devices
  - a. external: 6/1/00
  - b. internal: 1/1/01
4. Magazine safeties
  - a. introduced: 6/1/00
  - b. sold: 1/1/01
5. Sale of guns with warning on risk of guns in the home and proper home storage: 6/1/00.
6. Chamber load indicator: 1/1/01.
7. Prevention of operation by children 5 and younger: 1/1/01.
8. Prevention of accidental discharge, repeat firing, or risks of explosion: 1/1/00.
9. Authorized user technology: 1/1/04.
10. Agreement only to use materials in the gun's frame, barrel, cylinder that have a melting point above 900 degrees, have an ultimate tensile strength above 55,000 per square inch, and powdered metal with a density of more than 7.5 grams per cubic centimeter.
11. Agreement not to sell gun kits, guns that can be converted to an illegal firearm, guns with fingerprint resistance, or guns that accept magazines with greater than 10 round capacity.
12. Agree to retrofit existing guns with improved safeties as they become mandated.

#### II. Sales and Distribution

1. In addition to complying with specific terms, manufacturers, wholesalers and retailers shall commit to a standard of conduct to make every effort to eliminate suspect sales

### A. Wholesale and Retail Dealers

1. Manufacturers may only sell to authorized wholesale and retail dealers defined as those who possess a Certificate of Authorization (Certificate), renewed on an annual basis by the manufacturer, subject to approval of the Monitor. In order to be issued a Certificate a wholesale or retail dealer must:

- a. Possess a valid and current federal firearms license, and all other licenses and permits required by local, state, or federal law.
- b. Operate only from the premises listed on those licenses and permits.
- c. Certify on an annual basis, under penalty of perjury, compliance with all local, state, and federal firearms laws.
- d. Carry an appropriate amount of insurance coverage in amounts, at minimum no less than \$1 million for each incident of damage, injury or death.
- e. Make no sales over the Internet or at gun shows.
- f. Have no incentive sales programs or practices.
- g. Maintain an inventory tracking plan, subject to approval by the Monitor, which includes at minimum electronic recording of firearms acquisition and sales data, security from data loss, and forwarding of data to manufacturers and the Monitor.
- h. Implement a security plan for securing firearms and for excluding persons under 18 years of age not accompanied by parent or guardian.
- i. Not sell ammunition magazines able to accept more than 10 rounds, provide child safety lock and warnings with firearms, and sell only guns that comport with design criteria of Code, federal import standards, and assault weapons ban.
- j. Provide manufacturers, law enforcement, government regulators, and the Monitor full access to any documents deemed necessary by one of those parties.
- k. Agree to participate in and comply with all monitoring of firearms distribution by manufacturers, ATF, law enforcement, or the Monitor.
- l. Agree to maintain an electronic record of all trace requests initiated by ATF, and to report those traces to the manufacturer of the firearm and the Monitor within 24 hours.
- m. Agree to be subject to the jurisdiction of the Monitor and the court enforcing this Code.
- n. All employees attend training provided by manufacturers on an annual basis. Content of training shall be pre-approved by the Monitor.
- o. All employees pass a comprehensive written exam administered by Monitor before being allowed to sell or handle firearms.
- p. Provide all sales data to the Monitor for use in the Sales Data Clearinghouse.

2. Failure to adhere to any one of the provisions set forth in 1(a-p) above may subject a dealer to suspension or revocation of the Certificate by the manufacturer or the Monitor.

B. Wholesale Dealers - additional provision

- 1. Agree to sell only to other licensed and authorized dealers or directly to government purchasers.

C. Retail Dealers - additional provisions

- 1. Must be a stocking gun store with a minimum total inventory level and inventory for each manufacturer's product, and with a majority of revenue derived from sale of firearms and/or sporting equipment. *Why?*
- 2. Agree not to sell to any federal firearms licensee that is not a licensed and authorized dealer under this Code.
- 3. Agree not to engage in sales that the retailer knows or has reason to know are being made to straw purchasers.
- 4. Agree not to sell to any person who has purchased a firearm within the previous 30-day period. ✓

D. Manufacturers

- 1. Provide quarterly report of its own sales data and all downstream sales data to Monitor.
- 2. Agree to fund a Sales Data Clearinghouse administered by the Monitor. *Der sheet?*

E. Other terms

- 1. ATF trace requests for firearms recovered by law enforcement shall be rebuttable presumption of misconduct under Code. Burden shall be on industry to prove firearm was sold properly.

III. Monitor

A. Authority

- 1. Funded by manufacturers, with budget set at level sufficient to perform duties. Monitor can seek court approval for additional funds.
- 2. Granted full access to manufacturer and dealer books and records.
- 3. Granted right to communicate information obtained in his or her oversight capacity to law enforcement.

4. 20 year term, subject to application by member of the Oversight Panel for extension of term. Manufacturers cannot withdraw.
5. Subject to removal only by the Oversight Panel and only for good cause. Manufacturers may object on grounds that good cause has not been established. If steps down, replaced within 30 days by Oversight Panel.
6. Shall have the authority to conduct interviews, perform tests, and retain investigators to conduct undercover sting operations and other unannounced investigation and audits.
7. Shall have a reporting line directly to the manufacturer's Board of Directors.
8. Shall promptly report any violations of the Agreement to the Oversight Panel, and may levy fines and sanctions for such violations.
9. Shall issue on a quarterly basis, public reports regarding manufacturers' compliance with the Agreement.

#### B. Manufacturer Cooperation

1. Each manufacturer shall designate an executive level manager to serve as a compliance officer whose name and contact information shall be submitted to the Monitor.
2. Each manufacturer shall commit to full cooperation with the Monitor.
3. Prior to execution of agreement, the Oversight Panel will have an opportunity to review signatory manufacturers' documents regarding design, marketing, and distribution.

#### IV. **Cooperation with Law Enforcement**

1. Manufacturers shall fully disclose marketing, market research, development and production data and documents sought by law enforcement or regulators.
2. Manufacturers shall fire each weapon before sale and retain three fired casings and bullets. Of these, one set along with the weapon's serial number shall be provided to law enforcement.

#### V. **Cooperation with Litigation**

1. Manufacturers shall agree to cooperate in pending and future lawsuits.

## **VI. Legislation**

1. Manufacturers shall support pending and proposed legislative efforts endorsed by the Oversight Panel.

## **VII. Education Trust Fund**

1. Manufacturers shall establish a \$\_\_\_\_\_ trust fund to implement a public service campaign to inform the public on the risk of guns in the home and proper home storage, as well as the need to reduce gun violence.

## **VIII. Enforcement**

1. The Agreement will be entered and is enforceable as a Court order and as a contract.