

Performance Goals and Results

Protect the Public

Through this activity, ATF complements reducing violent crime and collecting revenue with training and prevention strategies through law enforcement and industry partnerships, and reducing public safety risk and consumer deception on regulated commodities.

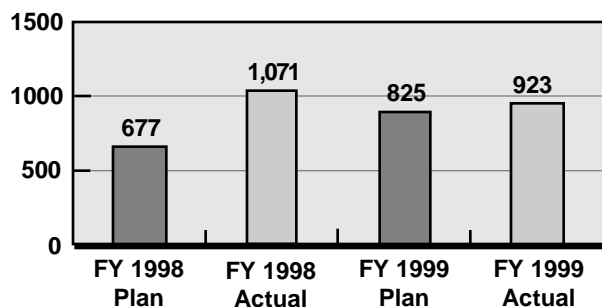
Strategic Goal: Protect the public and prevent consumer deception in ATF's regulated commodities.

Programs: This strategic goal is accomplished through three programs:

- ❖ Assure the Integrity of the Products, People, and Companies in the Marketplace
- ❖ Ensure Compliance with Laws and Regulations through Education, Inspection, and Investigation
- ❖ Inform the Public

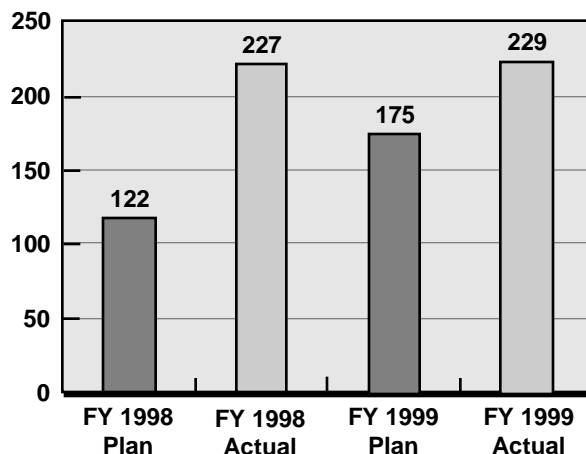
Performance Measure: Response to unsafe conditions and product deficiencies discovered (explosives). This measure tracks the number of corrections made to unsafe conditions reported to ATF and from inspection activities.

Number of Corrections Made to Unsafe Conditions Reported to ATF and from Inspection Activities



Performance Measure: The number of commodity seminars held.

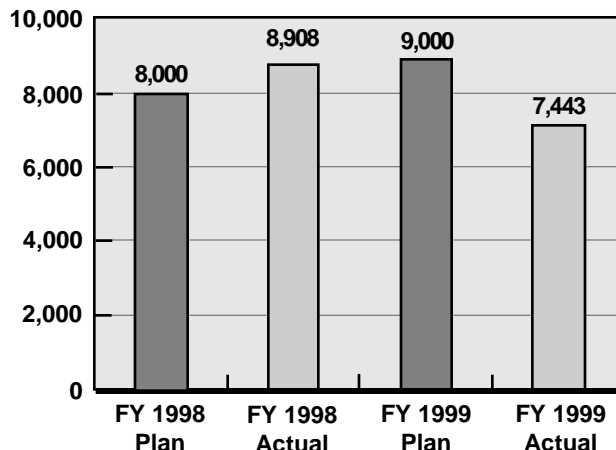
Number of Commodity Seminars Held



Commodity seminars are held to provide information to industry members, law enforcement, and the public about the laws and regulations that ATF is responsible for enforcing. These seminars are periodically given to new industry members and others to educate and inform them about recent changes in these laws and regulations.

Workload Measure: Number of inspections (explosives).

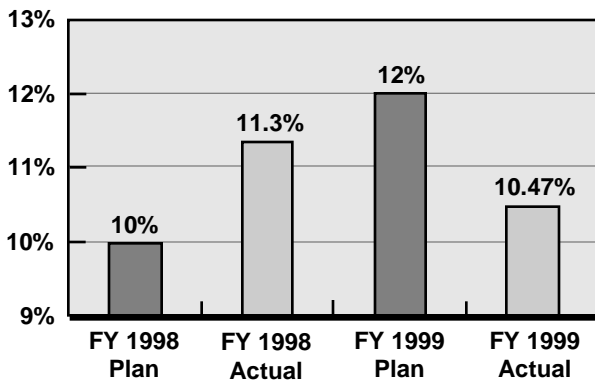
Number of Explosives Inspections



The FY 1999 Plan of 9,000 inspections (explosives) was not met, due to several factors: (1) attrition of experienced inspectors; (2) hiring of new personnel who, during the first two years of employment, underwent extensive formal classroom and on-the-job (OJT) training and were not working independently to make a significant impact on completions; and (3) the OJT instructor's productivity was reduced when conducting an inspection with a new trainee by taking more time to ensure the trainee understands the concept of the inspections and findings.

Workload Measure: Percent of population inspected (firearms).

Percentage of Firearms Licensees Inspected



Due to attrition and increase in inspector staffing as stated above, ATF was not able to meet the FY 1999 Plan of 12 percent. At midyear, the percent was adjusted to 10 percent, and ATF actually completed inspections of 10.47 percent of firearms licensees.

❖ Program: Assure the Integrity of the Products, People, and Companies in the Marketplace

This program ensures that commodities meet safety and product identity standards, and keeps ineligible or prohibited persons from entering the regulated industries.

Assuring Alcohol Product Integrity

ATF conducts a full range of regulatory functions in the beverage alcohol industry. The Federal Alcohol Administration Act, passed shortly after the repeal of Prohibition, coupled with certain Internal Revenue Code provisions and the Alcohol

Beverage Labeling Act, authorize ATF to regulate the alcohol industry and provide protection to consumers of alcohol beverages. Each year, through the Market Basket Sampling program, ATF collects alcohol products from the marketplace for analysis by ATF's laboratories. The sampling program includes samples collected directly from producers, bottlers, and products in the market. Any problems or unsafe conditions are investigated.

ATF also investigates complaints that are received from consumers or other agencies regarding contaminated or adulterated beverage alcohol products. Product testing is conducted at the ATF laboratories which work closely with their counterparts at the United States Food and Drug Administration, state laboratories, and regulatory agencies in many foreign countries. The laboratories exchange information on existing and new analytical methods and on product contamination or adulteration issues discovered by governmental laboratories, both domestic and foreign. This level of cooperation enhances ATF's proactive stance to ensure that contaminated or adulterated products do not reach the United States marketplace.



ATF Chemist checking samples of alcohol beverages.

Certificates of Label Approval

ATF is charged with protecting the consumer by preventing false or misleading claims on beverage labels and in advertising. ATF enforces the Government Health Warning Statement requirements, prohibits unbalanced and unsubstantiated health claims or misleading and deceptive claims, monitors industry advertising, and conducts investigations of suspected label fraud. With limited exceptions, ATF issues Certificates of Label Approval for all domestic and imported beverage

alcohol products offered for sale in the United States. ATF processed approximately 68,000 new and amended label applications during FY 1999.



ATF Specialist reviewing application for label approval.

The Bureau remains committed to improving customer service for label and formula approvals. In FY 1999, two major initiatives were begun: the Beverage Alcohol Manual and the Beverage Alcohol Streamlining Team (BAST). The Beverage Alcohol Manual is a comprehensive guide to address labeling and associated topics; the first section on wine was provided to the industry for review and comments.

BAST identified streamlined methods of team operation to provide quality and efficient services to the alcohol industry with regards to label and formula approval. BAST principles were initiated in FY 1999 and will continue in FY 2000.

Deny Prohibited or Ineligible Persons Entry into the Regulated Industries

Alcohol and tobacco producers, packagers, wholesalers and importers of alcohol beverages, tobacco export warehouses, and users of industrial alcohol must meet certain mandatory requirements, and apply for and obtain a Federal permit. ATF examines and verifies applications, bonds, and other documents, conducts investigations of applicants, and determines eligibility for permits. Regulatory requirements are explained throughout the application process.



National Revenue Center employee examining a permit application.

The Gun Control Act of 1968 mandates that every manufacturer, importer, or dealer in firearms obtain a Federal firearms license. ATF conducts inspections of applicants for Federal firearm licenses. During these inspections, ATF inspectors explain the Federal firearm laws and regulations, and determine if the applicants are bona fide candidates for a license. Where inspection reveals conflicts with state laws and local ordinances, inspectors make referrals to the appropriate regulatory agency such as a zoning, occupancy, fire code, or law enforcement agency.

ATF recognizes the value of averting accidents and keeping explosives from the hands of those who are prohibited from possessing them. ATF enforcement provides a system of industry regulation, emphasizing a proactive approach to the problem. Similar to the firearms industry, all manufacturers, importers, and dealers are required to obtain a Federal license from ATF to conduct business, and certain users of explosives are required to obtain a Federal permit.

⌘ **Program: Ensure Compliance with Laws and Regulations Through Education, Inspection, and Investigation**

Once a person or entity is licensed or obtains a permit to conduct a regulated business, ATF monitors and enforces compliance with applicable laws and regulations. Inspections of firearms licensees focus on ensuring that firearms are properly accounted for. Licensees are selected for focused inspections when data from the NTC and other information indicate that illicit trafficking may be taking place. In the explosives industry, the emphasis is on safe and secure storage of explosives as well as accountability. Alcohol and tobacco inspections check on compliance with product and trade practice provisions. Education initiatives such as industry seminars are utilized in all industries.

Federal Firearms Licenses and Inspections

ATF is responsible for enforcing the licensing provisions of Federal firearms and explosives laws and regulations. These laws mandate that every manufacturer, importer or dealer in firearms or explosives obtain a Federal Firearms License (FFL) or explosives license, and that certain users of explosives obtain a Federal permit. The National Licensing Center (NLC) is responsible for issuing these licenses and/or permits.



ATF inspectors conducting an inspection at the premises of a Federal Firearms Licensee.

ATF recognizes the value of averting accidents, keeping explosives out of the hands of individuals prohibited from possessing them, ensuring that explosives are safely and securely stored—which is vital to public safety, curbing the illegal use of firearms and explosives, and enforcing Federal firearms and explosives laws. These public safety issues warrant the work of the NLC to issue firearms and explosives licenses/permits only to those individuals who are qualified to possess them.

Once a licensee is engaged in business, inspectors ensure the licensee's compliance with Federal laws and specific recordkeeping regulations. ATF enforces the licensing provisions of the Gun Control Act of 1968 by conducting routine on-premises inspections, including focused inspections on problem areas throughout the United States.

ATF implemented procedures for routinely providing the Chief Law Enforcement Officer in each jurisdiction information on the status of Federal Firearms Licensees in that area. Working in partnership with state and local law enforcement officials, ATF can effectively address licensing and illegal firearms trafficking problems.

Alcohol Industry Inspections

ATF inspects alcohol plants [distilleries, wineries, and breweries] to assure that products are manufactured in keeping with approved formula processes so that products fulfill labeling and advertising claims. Samples of manufactured products are collected and submitted to the ATF Laboratories for analysis to assure product compliance.



ATF inspectors checking bottling line at a U.S. Distillery.

ATF investigates anti-competitive business practices between alcohol beverage suppliers and retailers to preserve the retailers' economic independence and protect the consumer.

Alcohol Trade Issues

The solidification of the European Union, the emergence of new Pacific Rim economies, and the movement of former Soviet States to market economies have had a major influence on the world economy. While this global economy provides new opportunities for U.S. producers of beverage alcohol products, the changing political and economic landscape also produces discriminatory trade barriers that limit market access to U.S. manufacturers. ATF assists U.S. businesses in overcoming trade barriers through direct intervention with foreign governments, and by supporting the United States Trade Representative in negotiations concerning the North American Free Trade Agreement, the European Union and the World Trade Organization.

ATF also monitors and analyzes changes in foreign trade and political policies to anticipate and overcome potential barriers to U.S. interests. ATF represents the domestic wine and brandy interests through membership and participation in the International Organization of Vine and Wine, and assists the governments of developing world market economies to establish effective revenue collection models through training courses offered in cooperation with the Department of State. The ATF laboratories and the laboratories of U.S. trading partners routinely share scientific methods and information on alcohol products being tested.

The results of this international activity have been greater access to international markets for U.S. alcohol beverage exporters and increased acceptance of U.S. production practices by countries reluctant to approve new production techniques. For example, the number of United States products requiring certification that gained entry into foreign markets due to the efforts of ATF were 6,881 in FY 1998 and 5,626 in FY 1999.

Explosives Licenses/Permits and Inspections

ATF maintains a regular program of on-site inspections to ensure that explosives are stored in approved facilities, which are secure from theft and located at prescribed distances from inhabited buildings, railways, and roads. These inspections ensure that the licensees and permittees

keep accurate records of the receipt and disposition of explosive materials which are verified through actual inventories of explosives in storage. Unusual discrepancies in records are referred immediately to the appropriate office for further investigation. Inspectors also conduct "forward trace" inquiries on persons who purchase explosives without the benefit of a license or permit for "same day use with no overnight storage."

ATF initiated a program that requires each field area office to notify the local fire department of licensees/permittees storing explosive materials, and the location of the storage. This was done to minimize accidental injury to fire officials fighting fires in buildings or structures that may house explosive materials.

Industry Seminars

ATF conducts seminars for firearms and explosive permittees and licensees, providing current information on the laws and regulations pertaining to these commodities. Through these seminars, ATF has fostered partnerships with firearms and explosive industry members to prevent tragedies stemming from the illegal use of firearms and explosives. Seminar attendees include industry officials, licensees, permittees, and State and local law enforcement officials.

ATF also conducts seminars for alcohol and tobacco permittees. These seminars focus on current market trends, compliance concerns, changes in laws, regulations or Bureau policies, and industry-raised issues. In partnership with the states, the seminars are conducted jointly with the state alcohol beverage control agencies to provide the total compliance enforcement picture to those in attendance. In FY 1999, ATF conducted 28 seminars.

National Firearms Act

The National Firearms Act requires that certain firearms be registered in the National Firearms Registration and Transfer Record. Firearms requiring registration are machine guns, silencers, short-barreled rifles and shotguns, destructive devices, and certain concealable weapons classified as "any other weapons." ATF processes all applications to make, export, transfer, transport, and register National Firearms Act firearms, as well as notices of the National Firearms Act firearms manufactured or imported. The registration information supports the field programs to inspect firearms licenses and to conduct criminal investi-

gations. The NFA Branch continually provides technical information to industry and the public.

Firearms and Ammunition Importation

ATF regulates the importation of firearms, ammunition, and other defense-related articles through the issuance of import permits, and maintains close liaison with the Department of State to ensure that the permits issued do not conflict with the foreign policy and national security interests of the United States. The Department of State recently provided ATF with written guidelines that specify how ATF should process applications for permits to import military defense articles of U.S. origin. Their guidelines were issued for the purpose of ensuring that the return of these types of defense articles to the U.S. is consistent with their statutory and foreign policy obligations.

❖ Program: Inform the Public

This program publicizes information on ATF policies and regulations, product safety, and theft prevention using the Internet, trade publications, seminars, and industry meetings and works in partnership with others to inform, advise, and educate the public.

Industry and State Partnerships

ATF established liaison with several governmental agencies working toward a common goal of public safety in the explosives industry. The Department of Transportation is supplying ATF with a list of its product approval numbers for use in determining the appropriate classification of explosive materials entering into commerce either through domestic production or through importation. ATF furthered its relationship with industry associations such as the Institute of Makers of Explosives and the American Pyrotechnic Association to develop

an Advanced Explosives Training class for all ATF inspectors. The Consumer Products Safety Commission and Department of Transportation have also been instrumental in providing instruction at the Advanced Explosives Training sessions. All classes are conducted at Fort McClellan, Alabama.

ATF established relationships with the Federal Aviation Administration (FAA) to explore the mutual regulatory oversight required in the interaction of commercial site operators for commercial space launchers. Launch site operators may include state government agencies, state-chartered entities, state-sponsored entities, and commercial entities. At FAA's request, ATF has been inspecting explosive storage magazines at specified major airports. ATF has established a relationship with the Consumer Products Safety Commission to regulate the fireworks industry effectively. The Bureau is also exploring refinement of its relationship with the Mine Safety and Health Agency to share more information regarding explosives and the coal mining industry.

ATF is working with the National Shooting Sports Foundation on a variety of firearms commerce related issues. These include the development of joint seminars for firearms dealers on firearms law and regulations, best business practices and licensee safety and security issues. We are also looking at ways to educate firearms dealers on 'straw purchaser' recognition.

ATF continues to work closely with its counterparts in the state liquor control and taxation agencies, and industry groups with regard to the diversion of alcohol and tobacco products. ATF also has become a center for industry-related information by making label approval data available through its Internet site.