

00:00;19;27 - 00:00;44;17

Stephen Gutowski

All right. Welcome, ladies and gentlemen, to another episode of the Weekly Reload podcast. I'm your host, Stephen Gutowski. I'm also a CNN contributor and the founder of thereload.com, where you can head over and sign up for your free weekly newsletter today. If you want to keep up to date with what's going on with guns in America from a sober, serious perspective that focuses on hard news reporting and analysis instead of opinion and bloviating, so to speak.

00:00;44;19 - 00:01;04;18

Stephen Gutowski

This week we are talking about the gun industry, the state of the industry, the impact of these tariffs, perhaps, you know, how sales have been and where things may be headed on a policy front. And to do that, we have the senior vice president, general counsel of the National Shooting Sports Foundation, Larry Keane, with us. Welcome back to the show.

00:01;04;18 - 00:01;06;10

Stephen Gutowski

Larry. Thank you so much for joining.

00:01;06;15 - 00:01;10;19

Larry Keane

Well, thanks for having me. And I appreciate the opportunity to chat with you.

00:01;10;22 - 00:01;17;18

Stephen Gutowski

Yeah, absolutely. And, for anyone who doesn't know, can you explain, what the National Shooting Sports Foundation is exactly.

00:01;17;22 - 00:01;47;07

Larry Keane

Sure. And it's the staff is the firearms industry's trade association. So we represent in firearms, ammunition, hunting and shooting, sports industry. Everything from the manufacturers, big and small, to distributors to retailers big and small in generic media and companies that make products, for the hunting, shooting and personal protection market. So very broad band membership over 10,000 all across the country.

00:01;47;08 - 00:02;10;19

Larry Keane

So, as your audience may know, we own shots. You know, that's our deal. And, so, people ask all the time, what's the difference between, and as this happens, say, NRA or, or, you know, other Second Amendment groups in the elevator speeches, the dividing line is the checkout counter. Now, we're the industry side. The business side of that transaction.

00:02;10;22 - 00:02;20;09

Stephen Gutowski

Right? Absolutely. And, you know, shot show is the is the trade show in Vegas. Every year you get, 1000 tens of thousands of people attend that.

00:02;20;11 - 00:02;29;16

Larry Keane

Like somewhere between like about 55,000 people come to the show. It's a it's a massive undertaking, you know.

00:02;29;18 - 00:03;12;07

Stephen Gutowski

Absolutely. And yeah. So let's talk about the big news of the week. We got sort of a bit of a back and forth on this, but tariffs are what everyone is talking about obviously. And they are intended according to president Donald Trump, to try

and boost the American manufacturing sector. Obviously the gun industry has a very strong American component for manufacture, dominates the market, really, and but also strong import sector as well, you know, Glock and SIG and, and, you know, all sorts of, of gun makers, are from other countries now.

00:03:12:07 - 00:03:48:29

Stephen Gutowski

They also some of them make their guns here too. But, let's just go through it a little bit. You know, we we had, the first round was supposed to be, you know, really a much larger increase in tariffs on some of these other countries, especially the ones I think most relevant to at least the guns and ammo side, you know, the EU and, Brazil, Turkey, where, where you'll see some very popular, imports come from and then Trump walk that back a bit and went down to a 10% tariff on those and then, 145% on China.

00:03:48:29 - 00:04:10:01

Stephen Gutowski

Where to be fair to while there aren't a lot of guns or ammo necessarily coming from China, there's a lot of, you know, other, gun accessories, really red dots. And, to, clothes and, and and slings and things of that nature. So, you know, I guess just, start us off here with, you know, how is how is NSF looking at this?

00:04:10:01 - 00:04:16:18

Stephen Gutowski

Are you concerned about the overall tariffs, even with this pause in place? Or how are you feeling?

00:04:16:23 - 00:04:52:11

Larry Keane

Well, it's just tough to keep up because it keeps changing every day. Some little bit of whiplash. But, we are certainly monitoring the situation. We we do have concerns about how it will impact the market. You know, tariffs on commodities like steel, aluminum and copper, will increase, cost of manufacturing. And it'll cause the pricing of even domestically sourced commodities to increase as people transition from imported to domestic prices are going up, no matter what.

00:04:52:12 - 00:05:24:14

Larry Keane

That will increase the cost of manufacturing. Some part of that costs will be passed on to the consumers. The companies will have to, absorb, and then of course, on, you know, finished products, ammunition, firearms, etc., tariffs, you know, will increase the cost, increase the price. And for those, items, and then, you know, China certainly is a source of a lot of accessories and things like that.

00:05:24:14 - 00:05:50:06

Larry Keane

There is some significant amount of like, shot for shot shell is in imported from China. So, we're trying to gauge it. You know, I think, we understand the objective of the administration is to ensure jobs and to level the playing field. So the pause pauses. Welcome. We can catch our breath, at least.

00:05:50:06 - 00:06:18:14

Larry Keane

But for yourself, you know, we've got members on both sides of the equation, right? I mean, by analogy, if we were, you know, the national car, industry Association, we have Audi, Volkswagen, BMW members, Toyota, and then we also have Ford, Chevy and General Motors are members. So, you know, they have, different points of view on a subject.

00:06:18:14 - 00:06:50:18

Larry Keane

And so it's, it's typical industry association to, take a position because whatever position you take will make some of your members unhappy. So so we're looking at it, we're trying to provide information to the industry, about the tariffs with the you know, it's hard for us at this point to gauge economic impact. You know, what the prices will be because

we don't know how much will be absorbed and how much will be passed on, but it will have it, certainly have an impact.

00;06;50;20 - 00;07;23;06

Larry Keane

So at this point, we're sort of like Switzerland. We're monitoring it. But, you know, we do certainly understand the objective is to ensure jobs and as you mentioned, a number of even the large importers like, you know, bread, sig Glock, Taurus, also manufacturers as well as import. So there's so it's a sort of a different, not different call, but, you know, it's sensitive to make sure we don't, you know, we take the right position.

00;07;23;13 - 00;08;11;18

Larry Keane

So at this point it's monitoring, providing information, staying on top of it. We will be doing a webinar for our members in the near future about what your legal options are. If you want to, you know, seek exemptions, exemptions on the tariffs. I'm not quite positive. The nomenclature it's not the kind of law practice, but yeah, we want to make sure, you know, for folks, they know what their options are and, even parentheses if the tariffs will have an impact, because the locks that we purchased from vendors and distributors for an a project child, say, for example, come from really either Taiwan or China, there's no US lock manufacturers.

00;08;11;21 - 00;08;39;15

Larry Keane

You know, back back to the point of the, you know, the president's objectives and those same vendors provide locks that go in the box that the manufacturers provide. So, you know, we're going to take a look at that and what our options are, because again, they largely come from China. And so that will significantly increase the cost of those locks, you know, that we distribute and that the manufacturers put in, you know, with new firearms of ships.

00;08;39;15 - 00;08;46;04

Larry Keane

So, you know, yours is welcome. So I can catch my breath. Yeah.

00;08;46;07 - 00;09;09;27

Stephen Gutowski

You know, it's a that's, So there's a pause right now. Right. This 90 day pause now, I guess even with the pause, you're still getting this at least 10% increase, in tariffs across the board on every country. So costs presumably will go up for any sort of imported good raw material or final products. Though not as much as it was originally announced.

00;09;10;00 - 00;09;15;22

Stephen Gutowski

I was, and it's 90 days. In theory, this could all come back after 90 days are right good.

00;09;15;22 - 00;09;22;25

Larry Keane

Or like my if you look, for example, at the situation on TikTok, the president has extended the deadline again, right.

00;09;22;26 - 00;09;23;28

Stephen Gutowski

To get extended.

00;09;23;28 - 00;09;49;04

Larry Keane

Yeah. They paused it because, course in the white House, you know, many 50 of the 60 countries or something like that have, said they want to negotiate. Soon, a pause in so they can have those negotiations over the next 90 days. I wouldn't be surprised to see at least some of the tariffs. The pause extended at least to some countries if they're making good progress.

00:09:49:04 - 00:09:51:12

Larry Keane
And. Sure. So I.

00:09:51:12 - 00:09:52:15

Stephen Gutowski
Guess, it's a question.

00:09:52:15 - 00:09:53:17

Larry Keane
Situation.

00:09:53:20 - 00:10:06:25

Stephen Gutowski
Yeah. The question there is, you know, is 90 day is enough time to like reasonably shifts. For instance, the even just the locs that you're talking about to shift suppliers or onshore that operate.

00:10:07:03 - 00:10:30:21

Larry Keane
Well, certainly not to onshore. Right. Somebody has to build a factory to make them. And that's that doesn't happen overnight. And that's one of the issues is, you know, takes you've seen companies in other industries commit to, you know, investing billions of dollars to build new facilities to manufacture in the United States. But that takes time, takes years to get the permits to build the building, to hire and train the employees.

00:10:30:22 - 00:10:51:25

Larry Keane
It's not going to happen overnight. But, so that's part of it, but also just getting, fair trade. You know, we support free trade. Fair trade. We want to see more imports. You can see more exports and let companies compete in the marketplace. And who's got the, you know, the best product. So we work on both.

00:10:51:25 - 00:11:11:23

Larry Keane
We work to improve the import situation and importantly to improve the export, market. And, you know, the contrary, countervailing tariffs that have been imposed or threatened will constrict the export market. You know, if the EU jack some tariffs that will that will be an issue.

00:11:11:26 - 00:11:29:20

Stephen Gutowski
Yeah. And right. Because that's the other concern is the potential trade war, of this I mean you already seeing it a bit with China and and the EU as you mentioned. But it could get worse, as I said, is one of the main concerns that, and then that might seriously harm American exporters too, right.

00:11:29:23 - 00:12:02:09

Larry Keane
Absolutely. And, and we've already lost 36 countries under the Biden, interim final rule. We want to that we want to see, you know, repealed by the Trump administration and were truly actively working on that as we speak. But, so, I think I suspect, we'll see progress on, on the negotiating front. And I think you'll probably I wouldn't be surprised when all we see tariffs put back on and I take it back off if it's necessary to squeeze people in.

00:12:02:15 - 00:12:20:13

Larry Keane
Like it's all on investigation at this point. And, you know, I think over his his lifetime in business, the president has demonstrated, he knows how to negotiate. You know, he he wrote a book about it, the Art of the deal. So, well.

00;12;20;15 - 00;12;39;01

Stephen Gutowski

Yeah, I think that was ghostwritten, but, yes, I understand your point here that he's been in business a long time. The white House has been pretty. They've said a couple different things about why they want these tariffs, at different points. But I understand where we're coming from. The story is, this idea of it's, perhaps a negotiation tactic.

00;12;39;01 - 00;12;57;28

Stephen Gutowski

That is one of the things they've said. Now, I just to give people like, an understanding this because, you just said a base level, right. I think it's pretty easy to grasp why tariffs are going to be hard for importers. Right. It's because just a tax that goes on top of, you know, the cost of, of doing business.

00;12;57;28 - 00;13;23;11

Stephen Gutowski

Right. It's it's just it's just a, a tax. But I think the harder aspect for people to understand maybe is why it could be negative for American producers. Right? I mean, you touched on it a little bit. But like, why why might an American producer not want to see the, you know, large tariffs on, on imported goods?

00;13;23;13 - 00;13;24;02

Stephen Gutowski

Well.

00;13;24;04 - 00;13;52;26

Larry Keane

I think probably the most for American manufacturers. Tariffs on imported commodities will raise the price both obviously of the imported commodity, but it will also increase the price of that same commodity domestically sourced, because people will, you know, the market will transition from higher prices to lower prices, right, as they move from imported to domestic. Well, that will increase demand for the the domestic source of the commodity.

00;13;52;28 - 00;14;21;12

Larry Keane

And just basic economics. Prices will go up. So cost of production is going to go up and some amount of that, depending on the commodity, the margins etcetera will be absorbed by the manufacturer hurting their profitability. And some of it will be passed on to the consumer resulting in higher prices. So that's just, you know, basic economics is, is why a lot of people, you know, don't support trade wars.

00;14;21;12 - 00;14;47;23

Larry Keane

They think they never they never work, they raise prices, they cause inflation, all of those things. But, you know, domestically manufactured jargon. Well, if you're bringing in lead shot from China, that's going to increase the cost of manufacturing. It's going to result in increase in the price of shot shell in the United States from the, you know, domestic manufacturers.

00;14;47;23 - 00;14;49;23

Larry Keane

So,

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Stephen Gutowski

And not and, you know, and obviously, the counterargument to that is, is, well, they should, you know, buy from they should produce it here. You know, is that realistic? I guess is one of the, the big critiques like that. They can't necessarily get all this stuff from.

00;15;05;16 - 00;15;33;12

Larry Keane

From well, there are no lead smelters in the United States anymore. Right. So, and lead that that's using ammunition is, you know, it's basically all recycled lead, and there's, you know, so the main source, is from China at this point, and so, there'll be opportunities for somebody in the business can be created to recycle lead in the United States.

00;15;33;14 - 00;15;57;17

Larry Keane

There is some but, you know, and like any business, you know, you you want to, you know, improve your margins. You try to buy, just just like a person going to Walmart, right? You want to buy less expensive things so you can buy them commodity. It's cheaper. You know, and that improves the pricing, improves your your margins, you profitability.

00;15;57;17 - 00;16;24;01

Larry Keane

You're going to do that. That's just that's not our industry. That's every industry. And so now obviously over the last three years, a lot of jobs have been, offshored to places like China, increasingly Vietnam and elsewhere because of lower labor costs in those countries. And that's really, you know, what's driving, the president, and, you know, you really want to get a window into this thinking.

00;16;24;04 - 00;16;50;25

Larry Keane

And I would demand that you read Hillbilly Elegy by J.D. Vance before he was elected. Really kind of gives you a window into, you know, the the loss of industrial jobs, manufacturing job jobs, particularly in the heartland where he comes from and the impact that's had on those communities. So you certainly creating more jobs, manufacturing jobs in the United States will be good for the US.

00;16;50;26 - 00;17;28;02

Larry Keane

There's certainly issues about that. We we learned in Covid where we were relying upon, other countries to provide, PPE, you know, medicines, and things like that. So I think it's one of the lessons of the Covid pandemic was not to be reliant on foreign sources for critical, critical things like medicine. And, you know, we see this, for example, you know, with nitrocellulose, which is a critical component of making gunpowder.

00;17;28;04 - 00;18;01;03

Larry Keane

There's only one U.S. domestic source for, nitrocellulose. It's called explosive nitrocellulose gun cotton. And that's the, Army Radford facility in Radford, Virginia, which is government owned contractor run, the rest of it was imported from places like China and Turkey and Brazil, but mostly China. We no longer import, nitrocellulose from China because China is engaged elsewhere, primarily Russia.

00;18;01;03 - 00;18;30;29

Larry Keane

So, you know, you don't want to be relying upon a foreign source for, critical items. But, we'll just have to see how and kind of, you know, plays out. I think we're going to see deals. You know, these countries ran, you know, through the white House to say we want to negotiate. I think that was clearly part of the president's strategy was ratcheted up, gain leverage in the negotiations.

00;18;30;29 - 00;18;51;08

Larry Keane

And I think he clearly has the US is, you know, an enormous economic market. And these foreign countries need to be able to sell their goods and to the United States, the trick is to, you know, allow us to be able to sell our goods in their countries and at the same time create more, manufacture jobs and states.

00;18;51;10 - 00;19;06;25

Larry Keane

But that doesn't happen overnight and takes time to, you know, find a place to build it, you know, all the permitting that goes with it. And it takes years to put up and put, you know, country ribbon on a new factory. So it's not going to happen overnight.

00;19;06;27 - 00;19;35;09

Stephen Gutowski

Yeah. No, I, I take your point that there certainly, legitimate reasons why you might want to pursue, policies that would increase manufacturing in the United States, especially in specific industries like you're talking about with, the, the gunpowder, components. I guess, you know, obviously the making it's pretty clear as you kind of articulated earlier, it's just that this, these across the board tariffs, blanket tariffs.

00;19;35;11 - 00;19;57;25

Stephen Gutowski

You know, they're obviously not targeted. That's and oftentimes we saw this in the first Trump administration with washing machines. They did and they did bring some manufacturing back to the United States. But the cost of that was something like \$800,000 per job. And so it can have knock on effects and other industries, I guess, is the critique.

00;19;57;25 - 00;20;38;20

Stephen Gutowski

And I, you know, this is not an economics show, right? But, so there's there's obviously a lot of, you know, debate around whether these makes sense. In, in total, I guess, I just want to zoom in on the, the gun industry. Right. And so one of the, questions I have is, you know, beyond the fact that maybe this isn't going to be as good for domestic makers as it might seem, because, yes, the the import, the cost of the imported competitors may go up, but also their cost of doing business goes up as well, so that everyone has to raise prices at that point.

00;20;38;22 - 00;21;00;09

Stephen Gutowski

But you know, some of these import tariffs. So the initial numbers, were to the point where, you know, you start to wonder if some of these very popular brands can survive. You know, I spoke with Lucky Gunner and, she ordered another online on, ammo dealer about, you know, some of the thoughts they had on this.

00;21;00;09 - 00;21;26;06

Stephen Gutowski

And one of the both of them pointed to PMC, which is a very popular, ammunition brand. It's made in South Korea. Initially the tariff, there was going to be 25%. Now, obviously it's been paused and down to 10%, I guess, at this point. But yeah, you know, is there one of the concerns they raised, especially Sigma, just kind of basically said there's no way that these brands are going to be able to even continue to operate in the United States under that.

00;21;26;08 - 00;21;26;17

Stephen Gutowski

Yeah.

00;21;26;17 - 00;21;58;17

Larry Keane

I mean, I think, for the ammunition market, the imported ammunition is if these tariffs that were put out there will stay and hold is going to be very challenging for those importers to bring ammunition into the United States. So some of those companies are members, as are the U.S manufacturers. So that's a good example of where it's, you know, where, you know, if we say the tariffs have to go, that's not going to make some of our big manufacturers happy.

00;21;58;17 - 00;22;05;24

Larry Keane

And if we say tariffs are rate, we're going to, you know, make our border members happy. So it's

00:22:05;26 - 00:22:07;15

Stephen Gutowski

Well you're saying here's a question.

00:22:07;17 - 00:22:23;00

Larry Keane

But I mean, I take your point that. Yeah. And I heard that this week in talking with a number of, ammunition, importers during our flying that, you know, it's unsustainable and it comes prices. That's just unsustainable.

00:22:23;02 - 00:22:44;00

Stephen Gutowski

And, you know, let's say that that happens and some of these foreign makers have to drop out of the American market. Is there even enough capacity, manufacturing capacity right now in the United States to make up for that loss? I mean, that my understanding is a lot of these ammo makers are running pretty, high rates as it is.

00:22:44;03 - 00:23;09;17

Larry Keane

Yeah, I'm not sure about that. I'm really inquiring about, you know, is there is there additional capacity? Certainly. The ammunition market's better than it was a few years ago. Where where that, you know, was supply was, you know, not enough to meet demand. So I think, you know, and again, you know, building an ammunition factory is not an easy thing to do.

00:23;09;17 - 00:23;15;12

Larry Keane

It's very expensive, particularly, you know, it's a very, very high volume, low, low margin business. Right?

00:23;15;13 - 00:23;17;18

Stephen Gutowski

You know, and it's volatile, right?

00:23;17;18 - 00:23;18;02

Larry Keane

Yeah.

00:23;18;02 - 00:23;36;27

Stephen Gutowski

I mean, that's the other hand the, you know, they're, they're going to want to be from I remember reporting and talking to a lot of these domestic manufacturers during the Covid, you know, shortage. And one of the issues is that they don't want to build out a factory if they're not sure that it's going to be running.

00:23;36;27 - 00:23;41;23

Stephen Gutowski

And then they have to lay people off and their business goes on, you know, they're concerned about that sort of thing.

00:23;41;28 - 00:24;04;00

Larry Keane

And that's a very legitimate concern, right. If you invest a lot of capital to build additional capacity and then demand goes away, you know, you can't get a return on your investment. So, or a reasonable return on your investment. So it's, you know, this is why the CEOs get paid the big bucks, right? To make these, these decisions.

00:24;04;00 - 00:24;26;02

Larry Keane

But I don't think there's any question that high tariffs on imported ammunition from places like South Korea or Bosnia or elsewhere, that, you know, Brazil, will impact will impact those companies imported will impact the price of

ammunition. But again, this is not unique to our industry, right? I mean.

00:24:26:04 - 00:24:26:26

Stephen Gutowski

Yeah.

00:24:26:29 - 00:24:37:15

Larry Keane

Yeah. I mean, the price of an imported car is going to go up, right? The price of parts for your imported car to repair are going to go up. So yeah.

00:24:37:18 - 00:24:57:18

Stephen Gutowski

Speaking of the car industry, because I do think that is a pretty good analog, right? It's another industry where you have a very strong, American manufacturing component that some of these, brands like Stellantis have already throttled, manufacturing plants or laid off people even in the United States, you know, dissipation of these tariffs. Have you seen anything like that?

00:24:57:20 - 00:24:58:03

Stephen Gutowski

Yeah, I've.

00:24:58:03 - 00:25:20:05

Larry Keane

Heard and actually, you know, I was talking to, an importer, this week in our flying and, and that, you know, the factory overseas is basically shut down, and a couple hundred people in that country that work through that factory or, you know, or on vacation is not out of a job. If the tariffs load.

00:25:20:07 - 00:25:24:26

Larry Keane

So, you know, it has impacts on both sides of, you know, the transaction.

00:25:24:29 - 00:25:28:27

Stephen Gutowski

So, but you haven't heard of anything here in American companies at this point?

00:25:28:29 - 00:25:48:27

Larry Keane

No, I know of, there is a foreign ammunition manufacturer who has been in the process of and is about understand is about to make a big announcement, the massive investment to build a facility in the United States, as you say, in the Midwest. And so.

00:25:49:01 - 00:25:50:07

Stephen Gutowski

We have the northeast, right?

00:25:50:09 - 00:26:35:26

Larry Keane

Yeah. No, I don't see anybody open factories in the northeast. So so you're seeing and I think, you know, and as you mentioned earlier, a lot of, a lot of the big companies that, you know, foreign parents like Glock, Taurus, sig, Beretta, they manufacture here in the United States as well as import. So I think you might see it if this goes on in a system, you might see them increase their manufacturing capabilities in the US, into making the U.S what they used to import them, which is frankly how some of these companies came to have manufacturing in the United States.

00:26:35;26 - 00:26:43;12

Larry Keane

They could import certain products. Right. So they started building factories here.

00:26:43;14 - 00:27:02;15

Stephen Gutowski

Okay. Well, so let's talk a little bit now about, you know, the well, I guess real quick, the 154% tariff on China, anyone that's making products, they know, again, they don't do guns and ammo as I don't think they import them. Import or import ammo. Right. It's my understanding of.

00:27:02;22 - 00:27:12;00

Larry Keane

Chinese, and not assembled cartridges, but like, one shot, like, I'm not sure you can't import firearms in China.

00:27:12;02 - 00:27:15;22

Stephen Gutowski

Right? There's already restrictions in that way. On on China and.

00:27:15;22 - 00:27:16;21

Larry Keane

Russia, longstanding.

00:27:16;21 - 00:27:32;11

Stephen Gutowski

Some of these other other countries. But, you know, red dots especially, you know, I think that's a that's where I guess if the average consumer expects to see this impact right away, it's probably going to be on the red dot market. Right? Because that's become so popular.

00:27:32;15 - 00:27:43;04

Larry Keane

I think optics will be impacted and a lot of optics are imported. Or components are imported. So it I think it will have an impact in the optics market.

00:27:43;07 - 00:27:46;17

Stephen Gutowski

That's probably where you immediately see it. Right.

00:27:46;19 - 00:27:58;11

Larry Keane

Yeah, I think so. Yes. And and top goods, a lot of, you know, hunting clothing as prints like that are made right in China. You know, we, elsewhere in Southeast Asia.

00:27:58;13 - 00:28:03;15

Stephen Gutowski

Do we do we know if Vietnam is part of the pause? Because that was another thing.

00:28:03;15 - 00:28:10;08

Larry Keane

I believe it is. I believe they were one of the very first countries to, say we want we want to talk.

00:28:10;10 - 00:28:19;13

Stephen Gutowski

Yeah, they they offered to take off all their tariffs, but, my understanding is, it's, you know, this is like you've said at the beginning, it's been moving very fast. Yeah. Entirely sure what the status is.

00:28;19;19 - 00:29;00;09

Larry Keane

I think well, my understanding is that they were one of the very first countries to say. Wait a second. We want to talk. Sure. So I, I believe that's going on. I think South Korea is, sending I read this morning now South Korea is sending a trade delegation to talk. So, yeah, I know it's, I talked to another importer this week who, you know, met with the president in the Oval Office and, you know, the president told him that, you know, I think it was, you know, of the 16 countries that were on the chart, 50 have already knocked on the door.

00:29;00;11 - 00:29;21;04

Larry Keane

And the U.S. paused there. You know, there was a Davos, the same time. So and even within Europe, there's different point of views about how to approach this, right to Germany and France, the Italians, the British are part of the EU anymore. But, so, so you you may not even see a unified front from the EU.

00:29;21;04 - 00:29;26;16

Larry Keane

I mean, countries may decide to negotiate their own deals, so. Sure.

00:29;26;18 - 00:29;46;24

Stephen Gutowski

Yeah. So I, you know, we'll have to keep an eye on, how that all it's going to turn out for sure. Speaking of the industry, though, and the sort of economic impact here, you guys just released a new report on the industry's overall economic impact. And, and you found that, it's it's increased quite significantly since you first started.

00:29;46;27 - 00:29;47;28

Stephen Gutowski

Yeah.

00:29;48;00 - 00:30;23;08

Larry Keane

We started putting out an economic impact report in 2008, and, coincides with when we started our, congressional flying. And so since 2008, through, 23, which is, is, 379% increase, in the total economic impact of the industry. So when we started, it was 19.1 billion, you know, eight. And now through 2024, our imports \$91.7 billion.

00:30;23;10 - 00:30;25;28

Larry Keane

So that's been 379% increase.

00:30;26;00 - 00:30;28;28

Stephen Gutowski

And what does that what does that capture.

00:30;29;01 - 00:30;42;04

Larry Keane

Firearms, ammunition hunting, cheating manufacturing and induced jobs. You know, some manufacturing jobs and, and induce jobs as well. So it's like.

00:30;42;05 - 00:30;43;01

Stephen Gutowski

Suppliers.

00:30;43;01 - 00:31;17;08

Larry Keane

Suppliers. Exactly. So OEM I'm sorry, who, me? And, and other, you know, induced jobs are, you know, columnists have mathematical formulas. They used to, you know, to estimate, induced jobs. We saw we went from, 19.5 billion in 2003 to 90.17 billion in 2024 in terms of, in the industry that economic impact, we see an increase in jobs increases.

00:31:17:08 - 00:31:48:16

Larry Keane

You know, the wages that were paid. So, for example, we're now, about when we started, it was 166,000 jobs. Now it's up to 383,000 jobs, and that's 130% increase in average wages. I went from \$67,500 last year to this report there now at \$68,300 wages and benefits per job, which is very, you know, it's a very good paying job.

00:31:48:18 - 00:31:59:15

Larry Keane

Well paying for, you know, jobs in the industry. So and then as you've seen, around 2000 gone up significantly, over the past many years.

00:31:59:15 - 00:32:01:22

Stephen Gutowski

And that comes to compensate conservation.

00:32:01:23 - 00:32:39:29

Larry Keane

Right. So, manufacturers pay a 10% tariff, not tariffs. All right. 10% tax. All on, on, ammunition and 11 more handguns, rather 11% on long guns and ammunition. And so, there's been a 238% increase in Pittman Robertson excise tax payments since we started the report. And, you know, we're we have years where we're over \$1 billion in general Robertson excise tax dollars and that that's the primary source of wildlife conservation funding in the United States.

00:32:39:29 - 00:33:19:01

Larry Keane

So, and just, you know, jobs, taxes, state taxes, federal taxes, local taxes all obviously increase as the industry grows. And, you know, over time, you just look at the next numbers and, you know, insurance growth, growth trend over time. You know, you have ups and downs. Certainly things peaked, I significantly during Covid in the aftermath, George Floyd and the BLM, issues in the summer of 2020.

00:33:19:06 - 00:33:42:26

Larry Keane

But, you know, if you look even now, we're about at pre-pandemic levels, you know, if you told somebody, you know, in 2009 where they would be in 2019, they'd be very happy. And so that's about where we are. You know, the, as you said, you know, the markets picked up a little bit in response to the tariffs.

00:33:42:26 - 00:34:05:27

Larry Keane

People are, you know, trying to buy now from prices go up, which is a normal consumer reaction for any product. Sure. And then, you know, we'll we'll see what happens with the tariffs. But, you know, we've been over a million plus, in adjusted net checks or, you know, closing in on six years, in a row.

00:34:05:27 - 00:34:23:13

Larry Keane

So, you know, right, the market is growing, the consumer base is diversified. Which is a good thing. And, so, you know, you know, market market goes up and down. Yeah, sure. You know.

00:34:23:15 - 00:34:37:23

Stephen Gutowski

So, yeah, it's it sounds like from there that report that the long term trend for the industry is, is pretty good. Yep. Pretty strong growth. I imagine that's above, you know, just the population growth rate. Correct?

00:34:37;27 - 00:34:38;21

Larry Keane

Yes.

00:34:38;24 - 00:35;05;06

Stephen Gutowski

So so you're, you're you've done the industry has grown significantly since 2008. You know, obviously these numbers, the next numbers most recently, as you mentioned, they're showing a bit of, a downturn from the peaks, certainly. And but it's been, you know, that those peaks are in 2020 and we're in 2025 now. We're seeing some of these latest, now it's just months, you know, one month, two months.

00:35;05;09 - 00:35;17;21

Stephen Gutowski

Not necessarily a super long term, but you have seen the last couple of months below some of those pre-pandemic levels. You know what? It sounds like you're still fairly confident in where things are at, though.

00:35;17;24 - 00:35;47;23

Larry Keane

Yeah. I mean, it looks slow and steady. Wins the race. You know, obviously companies would like to see more sales and less. But, you know, I don't think you see any panic in the industry at all. I think it's a reflection of part of the market is driven by the politics of the issues. You know, and so, there is no legislative threat coming out of Washington that would cause concern and, and motivate people to buy now before a ban goes into effect.

00:35;47;26 - 00:36;19;21

Larry Keane

So you do see surges in sales in states where there are restrictions being enacted or considered, which is again, a normal reaction in when, consumer perceives, the legislative threat in their ability to buy certain firearms or ammunition, etc.. They typically respond, you know, we saw we didn't see, like a surge in sales leading into the election like we did in 17.

00:36;19;23 - 00:36;22;09

Stephen Gutowski

Yeah. But, 1617.

00:36;22;11 - 00:36;56;16

Larry Keane

And I think that just reflects, that, that the consumer, was confident that that Trump would win and Harris would lose. And, you know, as you got closer to the election that became, I think, more and more apparent and likely so, and people in the industry, leaning into the 16 election, assumed, there was an assumption by many that Hillary Clinton would win and that would cause a surge, post-election surge in demand.

00:36;56;16 - 00:37;11;26

Larry Keane

And so people, you know, position their inventory accordingly. That didn't happen this time. People did not, you know, did not manage their inventory. And then sitting there holding inventory and.

00:37;11;28 - 00:37;13;27

Stephen Gutowski

Yeah, the industry is a bit better position this time.

00:37;13;27 - 00:37;14;05

Larry Keane

Around.

00:37:14:05 - 00:37:16:02

Stephen Gutowski

So that was slow down and.

00:37:16:05 - 00:37:21:28

Larry Keane

Yeah. So okay. And inventory is money burning a hole in your pocket right. Right.

00:37:22:00 - 00:37:46:10

Stephen Gutowski

Right. Yeah I mean that obviously that was what a lot of people contributed the first slowdown and during the first Trump term to, you know, the politics of the issue, there wasn't concern over new restrictions necessarily. It's not as much excuse me. But, and so I think a lot of people are assuming that's going to happen this time around, too.

00:37:46:13 - 00:38:04:03

Stephen Gutowski

One thing I do start to wonder, though, is you had all these new gun owners come into the market in 2020. You know, do you get concerned seeing sales drop below those pre-pandemic numbers? Because shouldn't these millions of new gun owners be, you know, keeping the market a bit higher than it is right now?

00:38:04:10 - 00:38:33:06

Larry Keane

Well, you were seeing new buyers come into the market, more women, you know, more ethnically diverse, consumer base. And that's encouraging. So, there was, you know, 22 million people purchased firearms for the first time in 2020. And, that's, you know, that's population Florida. And, you know, you see people that might purchase a firearm for some protection and then don't go to the Ranger.

00:38:33:06 - 00:38:39:16

Larry Keane

Then they have the one gun, the lock or need, and they're not buying another one. So yeah.

00:38:39:19 - 00:38:45:03

Stephen Gutowski

Yeah. Well I guess that's the question. Like, is the industry failing to turn those people into repeat buyers, like maybe traditional?

00:38:45:06 - 00:39:10:06

Larry Keane

Oh, we spent a lot of time and effort to encourage people to go to the range. And now, you know, if you have a firearm for self-protection, you really need to train on it. Just don't leave it sitting drawer, because when that emergency may arise, you're not going to be is capable using that firearm for protection, as you would if you, you know, practice on a regular basis.

00:39:10:06 - 00:39:41:02

Larry Keane

So we do try to encourage people to do that. We do try and encourage new people to enter the market to, you know, participate in the shooting sports. We have a any number of programs. And as this app runs like plus one, for shots and things like that, to try to help retailers and ranges encourage people to, you know, participate in the shooting sports to go hunting and, and then that, you know, typically leads to, people buying additional firearms.

00:39:41:04 - 00:40:00:09

Larry Keane

It's a little bit like, you know, skiing or golf or, you know, you you know, you you buy your, you center golf clubs and then you play golf and you, you start playing, you realize, well, I need a different putter, I need a better wedge. If you're

skiing, which I do, you know, you get your first hit.

00:40:00:09 - 00:40:31:10

Larry Keane

Excuse me? When you realize that need a different kind of ski for ski moguls and a different kind of ski for skiing. Deep powder and, you know, so, you start buying more than just the one product. So, but, as I said, if you draw somebody in 2009 or, you know, or 2010 where they would be, in 2002 or 2025, they would be very, very happy about that.

00:40:31:16 - 00:40:49:21

Larry Keane

So, you know, our job is to work to help the industry grow and, engage people to participate and enter, the sport sorting. And, you know, people there is, you know, the number one reason people purchase firearms today is it's not protectionism.

00:40:49:23 - 00:41:10:02

Stephen Gutowski

Right? So, you mentioned a little earlier is legislative side of this the policy side of this, what are, what are some realistic goals that you guys have in mind for this administration, either, you know, with legislation which does seem to be like it's going to be probably a bit more challenging given the makeup of Congress.

00:41:10:05 - 00:41:18:15

Stephen Gutowski

But also for, you know, ATF rulemaking, ATF, you know, policies. What are you, focused on in that area?

00:41:18:15 - 00:41:53:25

Larry Keane

Well, we have, any number of legislative priorities, everything from addressing financial discrimination to hunting and gene sports, to consumer policy. Certainly. We want to see concealed carry reciprocity passed. We're glad to see that. Get out of the house Judiciary Committee. But the reality is that, you know, while there are pro-gun majorities in the House, in the Senate, majorities are very thin and, you know, do move significant legislation in the Senate.

00:41:53:25 - 00:42:21:01

Larry Keane

You need 60 votes to overcome a filibuster. And so that's a challenge. But, you know, we will continue to push our legislative priorities. We just had our congressional fly on this week, and we had dozens and dozens of, industry members come. And we had, you know, I think something like 100 meetings with members of Congress in the Senate and their staff.

00:42:21:03 - 00:42:30:07

Larry Keane

And so we we're already seeing the results of that and more and more members signing on as co-sponsors to our priority legislation. But I think, do you.

00:42:30:09 - 00:42:51:26

Stephen Gutowski

See, because, just, just real quick on that, on that point, you know, there's there's obviously some big ticket items that we we talked a lot about, like concealed carry reciprocity that are, that are going to be really hard lifts to get through the Senate. But you know, in theory, presumably there are other maybe not as significant reforms but still worthwhile changes in NTSB's view.

00:42:51:28 - 00:43:00:11

Stephen Gutowski

You know, for instance, the end of the, the Biden administration, the they passed the Explorer Act, which included, you know, component for.

00:43:00;14 - 00:43:02;01

Larry Keane

Range access gun ranges.

00:43:02;01 - 00:43:12;07

Stephen Gutowski

Yeah. On public lands. So, you know, that passed after Biden already lost right through the lame duck Congress. Is there something like that? Sure.

00:43:12;10 - 00:43:36;15

Larry Keane

I mean, we want to see we're going to be working with, BLM and U.S. Fish and Wildlife and the Forest Service to implement the Range Access Act, which is a component of the Explorer Act, which would, you know, require each, BLM unit and each, national Forest to have at least one shooting range. So we're working on implementing that.

00:43:36;17 - 00:44:05;10

Larry Keane

We're continuing to work to have more state, fish and game agencies, build and improve ranges through the Target Marksmanship Act and past couple of years ago, you know, where there's room for legislative progress, typically, in the conservation space because you get bipartisan support for that. But, you know, a lot of the work is on the regulatory science policy.

00:44:05;10 - 00:44:39;05

Larry Keane

And so we're, you know, we're working very diligently on any number of regulatory matters, like, you know, repealing the export rule that Biden put in place and hurts the industry. We're looking at, you know, we're very glad to see the, Justice Department announced that they're going to, look at the engaged in the business rule. We think that's a terrible rule and unconstitutional, clearly exceeds, statutory authority and was designed to impose, you know, know it's close to universal background checks is possible.

00:44:39;07 - 00:44:41;21

Stephen Gutowski

Right, right. For people to, to get a license before.

00:44:41;21 - 00:45:04;29

Larry Keane

Those who are not engaged in the business. And the rule itself, is pretty absurd. You don't even have to sell. And then you just have to, like, advertise it. And according to that rule, you're engaged in the business. Of course not. With Congress said so that, you know, other, ATF matters. We want to see suppressors move off the commerce, move from state to commerce.

00:45:04;29 - 00:45:54;11

Larry Keane

They shouldn't be on to us. Email us. Munitions less regulated for export, by the State Department. That's sort of the dangling participle of the export control form we worked on, so diligently and, and we're able to get done, in the Trump administration. We now need to, you know, we would like to see that finished. And, and, any number of regulatory issues, you know, both between commerce state and, obviously ATF, NICs, we want to see the, the rule that died at the end of the Biden administration to implement the ability of licensees to screen current and prospective employees to see whether they are prohibited persons or

00:45:54;11 - 00:46:19;11

Larry Keane

not. Opposition to that. We've had installed the Biden administration, you know, drag their feet on that. They put out the

rule at the very end, knowing that it would die at the end of the term, because the first thing every new administration does when they come in is they put the brakes on all legislative matters so they can, regulatory matters rather, you know, which ones they want to do with them.

00:46:19;11 - 00:46:25;28

Larry Keane

So we're trying to get that, you know, kickstarted and finished so long as them to do.

00:46:26;00 - 00:46:40;00

Stephen Gutowski

All right. Well, I look I appreciate you joining us, and giving us senator's view on, on all these different areas. I will, I will let you go and get back to your pup who seems to, want to see you.

00:46:40;03 - 00:46:44;06

Larry Keane

My dog is my wife's dog.

00:46:44;09 - 00:46:49;12

Stephen Gutowski

But, yes, I appreciate you coming on, and we'll have to have you back on in the future as well.

00:46:49;15 - 00:46:51;21

Larry Keane

Always happy to do it. Thank you. All right.

00:46:51;24 - 00:46:55;21

Stephen Gutowski

I'm going to send it over to myself to tell people a little bit more about, The Dispatch now.