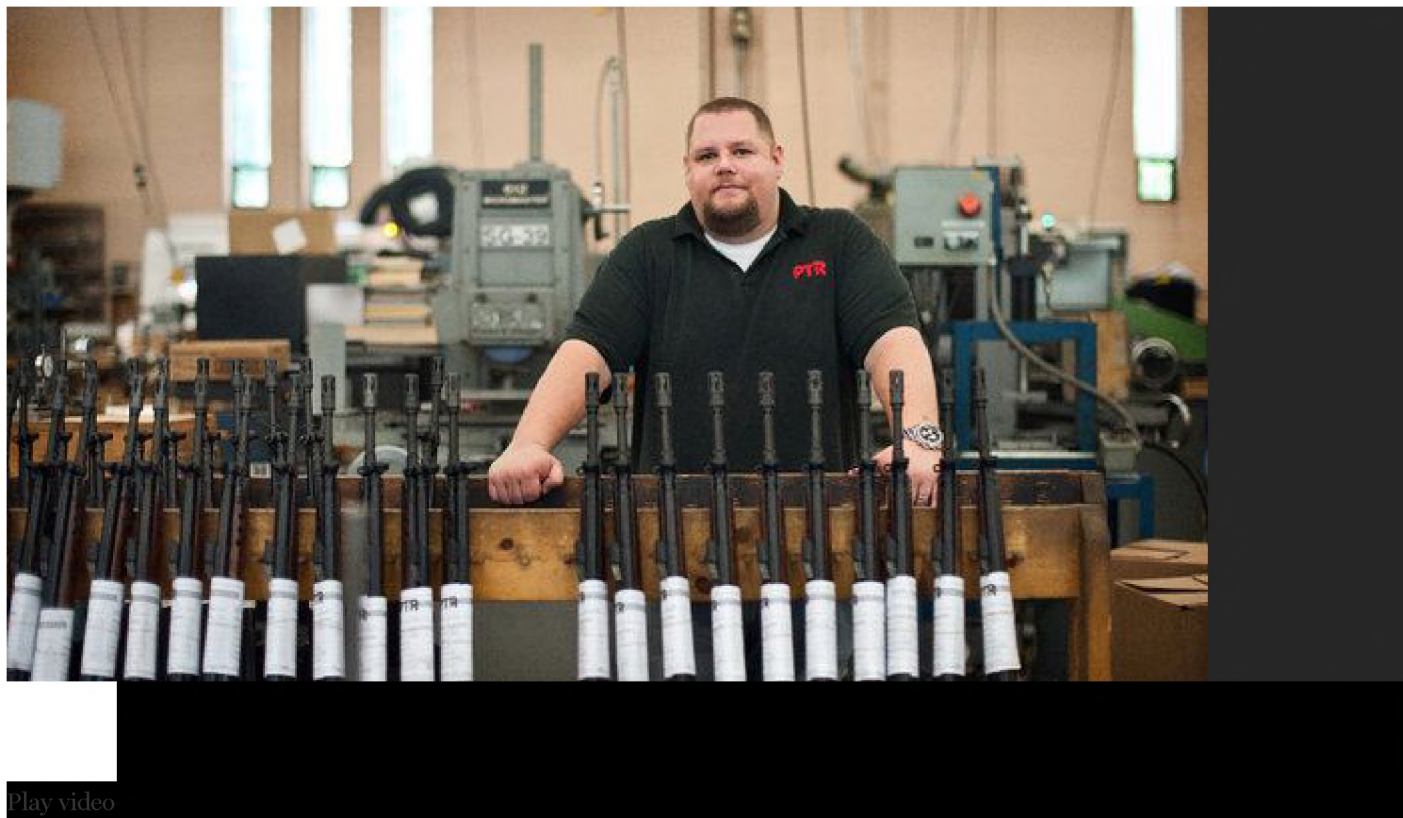


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**Subject:** ED LS: NY Times on SC recruiting gun manufacturers

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## Moving Lock, Stock and Barrel



By Mac William Bishop

**Luring Away Gunmakers:** The gun maker PTR Industries is moving from Connecticut to South Carolina, as tightening restrictions drive the firearms industry to gun-friendly states.

By NELSON D. SCHWARTZ

Published: August 5, 2013 [427 Comments](#)



BRISTOL, Conn. — Even gun makers want to be liked. So governors and other politicians from states eager to embrace the industry have descended on places where they are not so popular — like Connecticut, Maryland, New York and Colorado — offering tax breaks and outright cash grants to persuade them to relocate.

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Joshua Bright for The New York Times

An employee of PTR Industries at the company's factory in Bristol, Conn., last month. PTR is packing up its cutting machines and moving its

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“I sensed an opportunity,” said Alan Clemmons, a South Carolina state representative, who traveled to Connecticut in the spring as part of a successful effort to lure PTR, a maker of assault rifles here.

“They are not feeling loved right now in Connecticut. We’re delighted to have them.”

In June, Gov. Rick Perry of Texas and South Dakota’s governor, Dennis Daugaard, toured Connecticut within days of one another, visiting sites like the Colt factory in Hartford, which the famed gun maker has called home for more than 150 years.

“Shooting and hunting and the outdoors is more of a culture and a way of life in South Dakota than in some larger metropolitan areas,” said Pat Costello, the commissioner of the governor’s Office of Economic Development in South Dakota. “It’s a target industry for us.”

The campaign has already won a few converts.

PTR is packing up its cutting machines and moving its work force of 50 to South Carolina, saying that tough new state gun laws enacted after the school shooting in nearby Newtown made it too risky to keep doing business in Connecticut.

Similar new laws in Maryland prompted Beretta to call off plans to add jobs locally, and the company is now completing plans to expand in a more gun-friendly state.

Kahr Firearms Group, a pistol and rifle maker based less than an hour’s drive north of Manhattan in Rockland County, N.Y., is moving across the border to Pennsylvania.

“We don’t feel welcome,” said Frank Harris, vice president for sales and marketing at Kahr. In Pennsylvania, he said: “All the people we were dealing with on the town level were hunters and comfortable with firearms. We were received with open arms.”

While the gun lobby successfully blocked new restrictions at the federal level, several liberal states have tightened restrictions on weapons sales and broadened background checks in response to the massacre in Newtown, where 20 students and 6 adults were killed in December 2012.

Some well-known gun makers like Sturm, Ruger & Company, which is based in Southport, Conn., have not chosen to abandon the Northeast, but are expanding elsewhere, straddling a broader cultural bifurcation in the United States when it comes to the Second Amendment and the role firearms should play in society.

For states that successfully woo firearms makers, it means new jobs in an industry where sales are rising rapidly and blue-collar work still pays well. “They can’t make guns fast enough,” said Nima Samadi, a gun industry analyst with IBISWorld.

Investors have noticed too. Many big gun brands are privately owned, like Freedom Group’s Remington



and Bushmaster units, but shares of publicly traded Smith & Wesson have more than quadrupled in the last two years. The stock of Sturm, Ruger, which is one of the largest gun makers in the country and recently announced it would open its first big new factory in 25 years in North Carolina, has doubled over the same period.

Gun sales surged before the presidential election, Mr. Samadi said, and fears that some weapons might be banned after Newtown spurred sales further this year.

Figures for total gun sales in the United States are not available, but Mr. Samadi said one useful proxy was the number of background checks being performed before gun purchases. They totaled 2.5 million in January 2013, compared with 1.4 million in January 2012.

Beretta and PTR say they are struggling to keep up with demand, which is why PTR plans to double the size of its factory after the move to South Carolina from its cramped facility here. Workers at PTR earn an average of \$17.50 an hour.

Beretta is also looking for a new factory site. Seven states have emerged as finalists, including South Carolina, Texas and Virginia.

“We’ve excluded states that have not shown consistent, strong support for Second Amendment rights,” said Jeff Reh, Beretta U.S.A.’s general counsel.

Beretta’s political litmus test is stringent.

West Virginia is out because Senator Joe Manchin, a Democrat, was a sponsor of legislation that would have expanded background checks nationwide; the bill failed to overcome a Republican [filibuster](#) in the Senate in April. Louisiana, hardly a liberal redoubt, did not make the cut because Senator Mary Landrieu, a Democrat, voted for Senator Manchin’s bill and because the city of New Orleans sued to hold gun makers liable for damages back in 1998.

Sometimes, however, gun makers speak loudly but carry a smaller stick.

Beretta, which initially threatened to abandon Maryland altogether, ultimately decided to keep its factory in Accokeek, as well as the 300 workers there, but said it would add any new jobs elsewhere. Despite the planned factory in North Carolina, Sturm, Ruger’s chief executive, Michael Fifer, recently told shareholders he did not plan to move its headquarters out of Southport, Conn. Sturm, Ruger did not return calls for comment.

Colt, the oldest gun maker in Connecticut, is staying, at least for now, said Gerald Dinkel, chief executive of Colt Defense, which focuses on weapons for the military and police. “We were disappointed in the position Connecticut took,” Mr. Dinkel said, but he added that he didn’t see a direct impact yet on his business from the new law and therefore wasn’t planning to move his 750 employees out of the state.

Other companies are following through on their threats, however.

Magpul, a Colorado maker of ammunition magazines and other accessories, says it will relocate more than 200 workers after the state banned magazines that hold more than 15 bullets. Two days before the law went into effect on July 1, Magpul organized a giveaway of 1,500 soon-to-be-forbidden 30-round

magazines, attracting thousands to a gun rights rally in Glendale, Colo. Magpul hasn't announced where its new home will be, but company officials say it will be in a gun-friendly state.

Gun companies are getting more than just a public embrace from states when they move. Subsidies help sweeten the deal, along with looser regulation, the general absence of unions and lower costs — factors that have drawn manufacturers in many other industries to the Sun Belt.

Josh Fiorini, PTR's chief executive, estimates it will be one-third less expensive to do business in South Carolina, with lower prices on everything from labor to electricity. Mr. Fiorini said state officials in Connecticut made little effort to persuade him to stay. The governor, in his public comments, has kept his distance from the industry.

"There's no reason for those companies to leave the state," Gov. Dannel P. Malloy told reporters in April. "Obviously, that's their option. We'll work with people who work with us."

For PTR, tax credits, cash grants and other incentives helped make the move to South Carolina worthwhile, Mr. Fiorini said. For one thing, PTR will not have to pay rent at the new facility near Myrtle Beach, S.C., while it still occupies the old factory in Bristol. Mr. Fiorini added that the incentive packages from Texas and South Dakota were also generous, but in the end he chose South Carolina in part because it was a shorter move.

"Were we all sort of pissed off about the legislation? Yes," he said. "Were we pissed off enough to spend millions of dollars to move? No."

Mr. Fiorini said his chief worry was that the new state law would ultimately make it impossible to legally make assault rifles in Connecticut, even if the legislation specifically restricted the sale, not the manufacture, of the guns.

For example, he said, the law permits assault rifles to be transported in Connecticut for the purposes of sale elsewhere. But what if they are being transported as part of the manufacturing process itself, like for painting or testing at the rifle range?

"It's a conservative reading of the law," Mr. Fiorini conceded. "State officials will tell you that my fears are overblown. But why do I need to do business in a place where I have fears, overblown or otherwise? We'd rather be in a place with no gray areas."

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