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U.S. Customs Arbitrary 16-Day Seizure of Locking Liner Knives Cost Columbia River Knife and Tool More Than \$1,000,000

October 20, 2000 – In a dramatic turn of events today, the U.S. Customs Service gave life back to Columbia River Knife and Tool (CRKT) Company of Wilsonville, Oregon with one phone call. The Customs Service reversed itself, calling off a sweeping product seizure that had lasted some 16 days and threatened Columbia River’s future. Their story is not unique in the history of the knife industry. But it is the most recent and the most dramatic example of how the interpretation of Federal Law by even one person can alter the course of a company, perhaps even an industry.

What really happened to CRKT? How could a thriving, responsible company in our industry suddenly find itself unable to ship 50 models of its locking liner folding knives that had always passed every previous test devised by U.S. Customs? How could they get to

the point where nearly seven years of effort was almost destroyed by one arbitrary action carried out by the Portland office of the U.S. Customs Service? For those of you who want the facts, here they are.

The Customs Service action began with the October 3rd notice of seizure of a routine shipment of CRKT locking liner folding knives entering the port of Portland. According to Rod Bremer of

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“It could have made millions of folding-knife users in this country de-facto criminals.”

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CRKT, “this action by our local U.S. Customs office froze more than 80,000 pieces of our product with a retail value in excess of \$4.3 million. We have lost more than \$1million in sales during our busiest time of year. We have already spent more than \$30,000 on legal fees. And we’re still counting.”

CRKT, like many U.S. knife and hand tool companies, contracts significant manufacturing to overseas suppliers. This particular shipment had actually cleared Customs on September 29th. But after thinking about the folding knives for some four days, one inspector then decided on October 3 that the CRKT products acted like switchblades, in their opinion, so they could be seized. The following day, October 4, U.S. Customs agents then made an on-site inspection of the Columbia River warehouse in Wilsonville.

The inspection resulted in Customs

AKTI Presentation to U.S. Congresswoman Darlene Hooley in May 2000 Helped Set the Stage for Her and Oregon U.S. Senator Gordon Smith to Come to the Rescue of Columbia River Knife and Tool Company

Four AKTI Members educated their elected representatives on the knife industry’s impact in Oregon, as well as nationally ...



*Les deAsis
Benchmade Knife Co.*



*Rod Bremer
Columbia River
Knife and Tool Co.*



*Doug Flagg
Kershaw Knives*



*Robert Bascom
Gerber Legendary
Blades*

agents taking seven models as samples, with the added stipulation that these seven models were being “detained” in the CRKT warehouse and could not be distributed by the company until released by Customs. Two days later, on October 6, Portland Customs faxed CRKT an expanded notice of seizure that now included exactly 50 models stored by CRKT. “In a matter of days,” Bremer said, “we had gone from an approved shipment and business as usual to seizure of 54 percent of our entire product offering and some 85 percent of our total business.”

The U.S. Switch Blade Knife Act of 1958, 15 U.S.C. 1241, defines “switchblade knife” as one that has a “blade which opens automatically - (1) by hand pressure applied by a button or other device in the handle of the knife, or (2) by operation of inertia, gravity, or both.” The CRKT folding knives are designed with a bias to remain closed. They don’t open automatically or with a release button or as a result of gravity. They have to be opened manually, not with a flick of the wrist. However, Bremer notes when the inspectors came to the CRKT facility on October 4th, they tried to open sample knives using “vigorous, full-arm swinging motions, and were able to achieve 90-degree opening in some cases after four or five tries.” In short, the agents worked very hard to make these knives meet their own arbitrary conception of how they imagined a switchblade really worked.

CRKT began in 1994 with the express purpose of making multi-function working knives – folding knives and small straight knives. “In the

beginning,” Rod Bremer adds, “we alerted Customs to new models we were expecting to import, even though we didn’t have to do that. We didn’t want any surprises. But as the business grew, we stopped that practice because it was so time-consuming and also because for the past four years all models of our locking liner knives have always cleared the Customs inspections.”

Until now. Now the decision of one U.S. Customs specialist, in one office, attempting to create their own definition of a “switchblade” that is both contrary to the Federal definition and to U.S. Customs Regulations, thrust a reputable company into a high-stakes, high-cost fight for its very life. If the decision had not been overturned, it could have made millions of folding-knife users in this country de-facto criminals.

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“The ‘hold harmless’ agreement stipulated that if Customs incurred any expense in pursuing their seizure, they could bill CRKT for their costs!”

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Once the seizure was announced, CRKT quickly retained legal counsel expert in import and customs issues. Fortified by extensive CRKT research

on the knife industry and knife types, the company’s legal representatives filed a Petition of Relief from unfair and discriminatory treatment with the U.S. Customs Service headquarters in Washington, D.C.

In addition, on Tuesday, October 17, as a result of groundwork laid at a May 2000 AKTI presentation on the knife industry and follow-up by CRKT, Oregon U.S. Congresswoman Darlene Hooley and U.S. Senator Gordon Smith co-signed a letter that also petitioned the head of U.S. Customs for relief for CRKT.

This letter was momentous for two reasons. It showed that a responsible company doing its best to follow the law can expect to be supported by its elected representatives. And once the letter was sent, it automatically prompted a Federal inquiry of U.S. Customs actions in this case that must be answered in 30 days.

Finally, on Friday, October 20, 2000, the owners of Columbia River Knife and Tool received a phone call that they were effectively back in business. The petition to the U.S. Customs Service had been decided in their favor.

Columbia River Knife and Tool is fully back in business. But its losses were significant, losses it will never recover. In fact, U.S. Customs only reversed itself after CRKT agreed never to sue them on this or any other planet for losses related to the seizure. Even more frightening, the “hold harmless” agreement also stipulated that if the U.S. Customs Service incurred any expense in pursuing their seizure, they could bill CRKT for their costs!

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AKTI’s Quick Response and Lobbying Efforts Save One-Handers in California in 2000 ... Will Monitor 2001 Legislative Session

February 17, 2000 – Frustrated by judges throwing out cases against gang members who were carrying cheap one-hand opening knives, the Deputy District Attorney for Ventura County, California, proposed removing all one-hand openers from the exemption to the California Penal Code (Section 653k) regulating switchblade knives.

Buck Knives and other industry manufacturers had waged this battle in California in 1997 (and in the process laid the groundwork for the formation

of AKTI). Their efforts culminated in then-Governor Pete Wilson signing AB3314 on September 30, 1997. The new law declared that the definition of a “switchblade” knife “does not include a knife that is designed to open with one hand utilizing thumb pressure applied solely to the blade of the knife or a thumb stud attached to the blade.”

We thought this battle had been won. But in February 2000 the Ventura County DA wanted the California District Attorneys Association (CDA

that represents the state’s 58 elected DAs to introduce new legislation taking back this hard-won exemption.

AKTI board members were informed of this new threat while in their annual meeting. That very day, February 17th, they voted to retain the lobbyist firm that worked on the earlier exemption.

March 22, 2000 – the lobbyist firm had arranged an AKTI meeting with Larry Brown, Executive Director of CDA and Jeff Gorell, Deputy DA from Ventura County.

AKTI representatives at the meeting in Sacramento were president Les deAsis, vice president Bob Miller, secretary/ treasurer CJ Buck, and Buck Knives' general counsel, Lisa Sanderson.

At the meeting, AKTI learned that CDAA had two concerns. Police officers didn't want to be surprised by easily opened knives in encounters with gang members. And the Ventura

“AKTI now has far more clout and gets a lot more respect from lawmakers than any one company or individual could. CDAA will not propose new knife legislation without first consulting AKTI.”

County DA didn't want to be haunted by the prospect of gang members getting back their confiscated knives and believing that carrying these cheap, easily-opened imports made them exempt from the switchblade law.

AKTI representatives succeeded in getting CDAA to pull back from its original goal of striking the exemption. CDAA agreed to accept one-hand knives “with a bias toward closure” as falling within the current exemption. An exaggerated hand movement was necessary to open them so CDAA agreed they could not effectively be used as a “surprise” weapon.

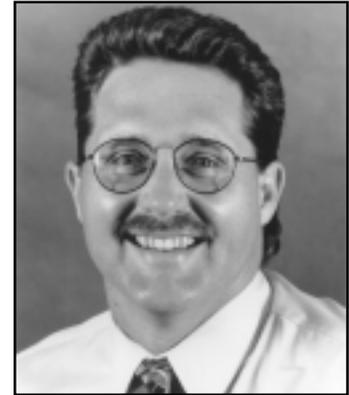
CDAA also agreed to poll all its members to gauge statewide problems with switchblade prosecutions. For its part, AKTI agreed to review possible alternative language presented to them that would continue to protect one-hand knives with a bias toward closure while giving DAs and judges more power to add penalties for using knives in the commission of crimes.

October, 2000 – The proposed legislative language has still not been rewritten as California's 2000 legislative session comes to a close. The issue may or may not resurface in the 2001 legislative year. In the meantime, we can draw several conclusions from this round of negotiations.

AKTI has spent \$32,000 on this lobbying effort in 2000 and has committed another \$18,000 to our lobbyist firm to monitor the issue in 2001. This \$50,000 AKTI commitment can only be fulfilled by a financial commitment from AKTI members. We have to pay the price to save our knives.

At least for one more year, AKTI's quick and decisive action has saved one-hand openers for Californians.

According to CJ Buck, who has been at the forefront of efforts to save knives in California for several years (he was a key player on AB3314 and also AB78 the same year which excluded folding knives from the definition of “dirk and dagger”), “These kinds of meetings are really where the business of government and new laws get hammered out.” And he also adds, “It was clear AKTI now has far more clout and gets a lot more respect from lawmakers and the law enforcement community than any one company or individual could. The CDAA representatives told AKTI



CJ Buck, Legislative Chair
AKTI Legislative Chair

they will not propose new knife legislation in California without first consulting AKTI.”

We are making progress toward our goal of helping Americans keep and use their knives. But your ongoing financial support of AKTI is a vital cornerstone of maintaining your knife rights.

Yes, I Want to Help AKTI Take Action!!!

- 1) To save one-handers in California in 2001.***
- 2) Meet our \$50,000 lobbyist commitment.***
- 3) Maintain legislative alerts and communicate monthly with knife users and the industry .***
- 4) Move forward with member companies on our state-by-state Legislative Action Plan.***

(Make a copy to mail, fax or share with a friend!)

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Company _____ Title _____

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|--|--|
| <input type="checkbox"/> Annual Ambassador Member (Individual) - \$35/yr | <input type="checkbox"/> Platinum Associate - \$1,000/yr |
| <input type="checkbox"/> Bronze Associate - \$100/yr | <input type="checkbox"/> Premier Member - \$2,000/yr |
| <input type="checkbox"/> Silver Associate - \$200/yr | <input type="checkbox"/> (Voting Membership) |
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I support AKTI with an additional contribution of \$ _____

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PO Box 68
Burlington, IA 52601-0068

Phone:
(877) 752-8770 (toll free)
(319) 752-8770

Fax:
(319) 752-6114

E-Mail:
akti@akti.org

Web site: www.akti.org

Forum: go to www.akti.org and click on AKTI Forum or go to www.bladeforum.com

AKTI's Legislative Action Plan for Manufacturers, Importers and Distributors Will Build Support with Lawmakers, State by State

1. AKTI Board Members with legislative-contact experience will help AKTI-member manufacturers, importers and distributors host meetings with their area state representative(s), U.S. Congressman or Congresswoman, and U.S. Senators.
2. State by state, AKTI's ongoing meetings will create a national network of state and federal lawmakers who understand the vital role of responsible suppliers of knives and tools in America and our industry's total economic impact at all levels.
3. AKTI representatives will offer input on presenting a professional picture of the AKTI-member company, its goals, product lines, and its local and state economic impact. The AKTI-member company will also be positioned as a vital part of a long-standing, viable, and responsible national industry. Current annual industry revenues are projected to be \$1.2 billion; total
4. AKTI will make available appropriate "Position Papers" on various knife-related issues, "Knife Laws" brochures, and current copies of "News & Update" – the AKTI newsletter.
5. AKTI will solicit members of this growing industry-supportive legislative network to co-sponsor model legislation as AKTI develops it. In return, AKTI and AKTI-member companies will offer support to these legislators. AKTI will also communicate its state and national endorsement of supportive legislators.
6. AKTI will make available appropriate "Position Papers" on various knife-related issues, "Knife Laws" brochures, and current copies of "News & Update" – the AKTI newsletter.
7. AKTI will solicit members of this growing industry-supportive legislative network to co-sponsor model legislation as AKTI develops it. In return, AKTI and AKTI-member companies will offer support to these legislators. AKTI will also communicate its state and national endorsement of supportive legislators.

AKTI Was Created to Protect YOU!

You're a responsible U.S. knife supplier.
You're a responsible, law-abiding, knife-using American!