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**DEPARTMENT OF COMMERCE**

**Bureau of Industry and Security**

**15 CFR Part 748**

**[Docket No. 141114969-4969-01]**

**RIN 0694-AG36**

Amendments to Existing Validated End-User Authorization in the People's Republic of China: Lam Research Service Co., Ltd.

**AGENCY:** Bureau of Industry and Security, Commerce.

**ACTION:** Final rule.

**SUMMARY:** In this rule, the Bureau of Industry and Security (BIS) amends the Export Administration Regulations (EAR) to revise the existing authorization for Validated End User (VEU) Lam Research Service Co., Ltd. (Lam) in the People's Republic of China (PRC). Specifically, BIS amends Supplement No. 7 to part 748 of the EAR to change two addresses for Lam's eligible facilities (also known as "eligible destinations"), remove two existing facilities, and add eight eligible facilities.

**DATES:** This rule is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Mi-Yong Kim, Chair, End-User Review Committee, Office of the Assistant Secretary, Export Administration, Bureau of Industry and Security, U.S. Department of Commerce, Phone: 202/482-5991; Fax: 202/482-3911; Email: [ERC@bis.doc.gov](mailto:ERC@bis.doc.gov).

## **SUPPLEMENTARY INFORMATION:**

### **Background**

#### *Authorization Validated End-User*

Validated End Users (VEUs) are designated entities located in eligible destinations to which eligible items may be exported, reexported, or transferred (in-country) under a general authorization instead of a license. The names of the VEUs, as well as the dates they were so designated, and their respective eligible destinations and items are identified in Supplement No. 7 to part 748 of the EAR. Under the terms described in that supplement, VEUs may obtain eligible items without an export license from BIS, in conformity with Section 748.15 of the EAR. Eligible items vary between VEUs and may include commodities, software, and technology, except those controlled for missile technology or crime control reasons on the Commerce Control List (CCL) (part 774 of the EAR).

VEUs are reviewed and approved by the U.S. Government in accordance with the provisions of Section 748.15 and Supplement Nos. 8 and 9 to part 748 of the EAR. The End-User Review Committee (ERC), composed of representatives from the Departments of State, Defense, Energy, and Commerce, and other agencies, as appropriate, is responsible for administering the VEU program. BIS amended the EAR in a final rule published on June 19, 2007 (72 FR 33646) to create Authorization VEU.

### **Amendments to Existing Validated End-User Authorization in the People's Republic of China (PRC)**

*Revisions to the List of "Eligible Destinations" for Validated End User Lam Research Service Co., Ltd. (Lam)*

In this final rule, BIS amends Supplement No. 7 to part 748 of the EAR to revise Lam's VEU authorization. BIS is not making these changes in response to activities of concern. BIS is making these changes at the request of the company. Specifically, this rule changes the address of two Lam facilities in the PRC to which eligible items may be exported, reexported or transferred (in-country) using Authorization VEU. The two facilities ("Eligible destination") and their respective current and new addresses are as follows:

Lam Research International Sarl (Lam Beijing Warehouse)

*Current Address:*

Lam Research International Sarl (Lam Beijing Warehouse)  
c/o Beijing Lam Electronics Tech Center,  
No. 8 Building No. 1, Disheng North Street,  
Beijing Economic & Technological Development Area  
Beijing, China 100176.

*New Address:*

Lam Research International Sarl (Lam Beijing Warehouse)  
c/o Beijing Lam Electronics Tech Center  
1 Building, No. 28, Jinghai Second Road, BDA  
Beijing, China 100176.

Lam Research Service Co., Ltd. (Beijing Branch)

*Current Address:*

Lam Research Service Co., Ltd. (Beijing Branch)  
Rm 1010, Zhaolin Building  
No. 15 Rong Hua Zhong Road  
Beijing Economic & Technological Development Area  
Beijing, China 100176.

*New Address:*

Lam Research Service Co., Ltd. Beijing Branch  
6th Floor, Building 52,  
No.2, Jingyuan North Street,  
Beijing Economic & Technological Development Area  
Beijing, China 100176.

This rule does not change the eligible items, identified in Supplement No. 7 to part 748, that may be exported, reexported or transferred (in-country) to these two facilities.

This rule also removes two of Lam's existing eligible facilities. The facilities removed by this rule are as follows:

Lam Research Semiconductor (Suzhou) Co., Ltd. (Suzhou) A Division of Lam Research International Sarl  
A-2 Building, Export Processing Zone  
Suzhou New District  
Jiangsu Province, China 215151.

Lam Research (Shanghai) Co., Ltd.  
No.1 Jilong Road, Room 424-2  
Waigaoqiao Free Trade Zone  
Shanghai, China 200131.

Finally, this rule adds eight facilities to Lam's authorization. As a result of this rule, Lam's total number of eligible facilities is 18. The eight new facilities and their respective eligible items ("Eligible items (by ECCN)") are as follows:

*New Facilities (1) through (6):*

(1) Lam Research International Sarl (Lam Shanghai Warehouse Operator)  
c/o Shanghai Well-win Logistics Co., Ltd  
No. 2667 Zuchongzhi Road  
Pudong New District  
Shanghai, China.

(2) Lam Research International Sarl (Lam Beijing Warehouse)  
c/o China International ElectronicService Company  
1 Building, No. 28, Jinghai Second Road, BDA  
Beijing, China 100176.

(3) Lam Research International Sarl (Lam Beijing Warehouse)  
c/o Beijing STE International Logistics Co., Ltd.  
Building 3, No. 9 Ke Chuang Er Street  
Beijing Economic & Technological Development Area

Beijing, China 100176.

(4) Lam Research International Sarl (Lam Dalian Warehouse)  
c/o JD Logistics Dalian Bonded Logistic Co., Ltd.  
No.1 Public Warehouse  
Dalian Bonded Logistics Zone  
Dalian, China 116600.

(5) Lam Research International Sarl (Lam Xi'an Warehouse)  
c/o VR International Logistics (Xi'an) Co., Ltd.  
No.28 Information Road,  
EPZ B Zone, Xian New District  
Xian, China 710119.

(6) Lam Research International Sarl (Wuxi Bonded Warehouse for CIQ inspection)  
c/o SinoTrans Jiangsu Fuchang Logistics Co., Ltd.  
No.1 Xiqin Road,  
Area A, Export Processing Zone, New District  
Wuxi, China 214028.

The eligible items for new facilities (1) through (6) are 2B230, 2B350.c, 2B350.d, 2B350.g, 2B350.h, 2B350.i, 3B001.c and 3B001.e (items classified under ECCNs 3B001.c and 3B001.e are limited to “specially designed” components and accessories), 3D001 (limited to “software” (excluding source code) “specially designed” for the “development” or “production” of equipment controlled by ECCN 3B001), 3D002 (limited to “software” (excluding source code) “specially designed” for the “use” of equipment controlled by ECCN 3B001), and 3E001 (limited to “technology” according to the General Technology Note for the “development” of equipment controlled by ECCN 3B001). These ECCNs are identified by a single asterisk in the “Eligible items (by ECCN)” Column of the entry for Lam in Supplement No. 7 to part 748.

*New Facilities (7) and (8):*

(7) Lam Research Service Co., Ltd. (Lam Dalian Representative Office)  
c/o Intel Semiconductor (Dalian) Ltd.  
No. 109 Huaihe Road East,  
Dalian Economic & Technical Development Area  
Dalian, China, 116600.

(8) Lam Research Service (Shanghai) Co., Ltd. Xi'an Branch  
Room 602, Building G, Wangzuo Xiandai City  
35 Tangyan Road, Gaoxin District,  
Xi'an, China, 710065.

The eligible items for new facilities (7) and (8) are as follows 2B230, 2B350.c, 2B350.d, 2B350.g, 2B350.h, 2B350.i, 3B001.c and 3B001.e (items classified under ECCNs 3B001.c and 3B001.e are limited to “specially designed” components and accessories), 3D001 (limited to “software” (excluding source code) “specially designed” for the “development” or “production” of equipment controlled by ECCN 3B001), 3D002 (limited to “software” (excluding source code) “specially designed” for the “use” of equipment controlled by ECCN 3B001), and 3E001 (limited to “technology” according to the General Technology Note for the “development” or “production” (limited to those stages that support integration, assembly (mounting), inspection, testing, and quality assurance) of equipment controlled by ECCN 3B001). These items are identified by two asterisks in the “Eligible items (by ECCN)” Column of the entry for Lam in Supplement No. 7 to part 748.

To conform with Section 772.1 of the EAR, this rule adds quotation marks to the term “specially designed” in the list of eligible items for Lam’s facilities.

### **Export Administration Act**

Although the Export Administration Act expired on August 20, 2001, the President, through Executive Order 13222 of August 17, 2001, 3 CFR, 2001 Comp., p.783 (2002), as amended by Executive Order 13637 of March 8, 2013, 78 FR 16129 (March 13, 2013) and as extended by the Notice of August 7, 2014, 79 FR 46959 (August 11, 2014), has continued the Export Administration Regulations in effect under the International Emergency Economic Powers Act.

BIS continues to carry out the provisions of the Export Administration Act, as appropriate and to the extent permitted by law, pursuant to Executive Order 13222 as amended by Executive Order 13637.

### **Rulemaking Requirements**

1. Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. This rule has been determined to be not significant for purposes of Executive Order 12866.

2. This rule involves collections previously approved by the Office of Management and Budget (OMB) under Control Number 0694-0088, “Multi-Purpose Application,” which carries a burden hour estimate of 43.8 minutes to prepare and submit form BIS-748; and for recordkeeping, reporting and review requirements in connection with Authorization VEU, which carries an estimated burden of 30 minutes per submission. This rule is expected to result in a decrease in license applications submitted to BIS. Total burden hours associated with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA) and OMB Control Number 0694-0088 are not expected to increase significantly as a result of this rule.

Notwithstanding any other provisions of law, no person is required to respond to, nor be subject to a penalty for failure to comply with a collection of information subject to the

requirements of the PRA, unless that collection of information displays a currently valid OMB Control Number.

3. This rule does not contain policies with Federalism implications as that term is defined under Executive Order 13132.

4. Pursuant to the Administrative Procedure Act (APA), 5 U.S.C. 553(b)(B), BIS finds good cause to waive requirements that this rule be subject to notice and the opportunity for public comment because they are unnecessary. In determining whether to grant VEU designations, a committee of U.S. Government agencies evaluates information about and commitments made by candidate companies, the nature and terms of which are set forth in 15 CFR part 748, Supplement No. 8. The criteria for evaluation by the committee are set forth in 15 CFR 748.15(a)(2).

The information, commitments, and criteria for this extensive review were all established through the notice of proposed rulemaking and public comment process (71 FR 38313 (July 6, 2006) (proposed rule), and 72 FR 33646 (June 19, 2007) (final rule)). Given the similarities between the authorizations provided under the VEU program and export licenses (as discussed further below), the publication of this information does not establish new policy. In publishing this final rule, BIS updates addresses, adds eligible destinations, and removes eligible destinations of that VEU. These changes have been made within the established regulatory framework of the VEU program. Further, this rule does not abridge the rights of the public or eliminate the public's option to export under any of the forms of authorization set forth in the EAR.

Publication of this rule in other than final form is unnecessary because the authorizations granted in the rule are consistent with the authorizations granted to exporters for individual

licenses (and amendments or revisions thereof), which do not undergo public review. In addition, as with license applications, VEU authorization applications contain confidential business information, which is necessary for the extensive review conducted by the U.S. Government in assessing such applications. This information is extensively reviewed according to the criteria for VEU authorizations, as set out in 15 CFR 748.15(a)(2). Additionally, just as the interagency reviews license applications, the authorizations granted under the VEU program involve interagency deliberation and result from review of public and non-public sources, including licensing data, and the measurement of such information against the VEU authorization criteria. Given the nature of the review, and in light of the parallels between the VEU application review process and the review of license applications, public comment on this authorization and subsequent amendments prior to publication is unnecessary. Moreover, because, as noted above, the criteria and process for authorizing and administering VEUs were developed with public comments, allowing additional public comment on this amendment to individual VEU authorizations, which was determined according to those criteria, is unnecessary.

Section 553(d) of the APA generally provides that rules may not take effect earlier than thirty (30) days after they are published in the *Federal Register*. BIS finds good cause to waive the 30-day delay in effectiveness under 5 U.S.C. 553(d)(3) because the delay would be contrary to the public interest. BIS is simply amending the authorization of an existing VEU by updating two addresses, removing two existing facilities, and adding eight additional facilities, consistent with established objectives and parameters administered and enforced by the responsible designated departmental representatives to the End-User Review Committee. Delaying this action's effectiveness could cause confusion regarding which facilitates and items are authorized

by the U.S. Government and in turn stifle the purpose of the VEU Program. Accordingly, it is contrary to the public interest to delay this rule's effectiveness.

No other law requires that a notice of proposed rulemaking and an opportunity for public comment be given for this final rule. Because a notice of proposed rulemaking and an opportunity for public comment are not required under the APA or by any other law, the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) are not applicable. As a result, no final regulatory flexibility analysis is required and none has been prepared.

#### **List of Subjects in 15 CFR Part 748**

Administrative practice and procedure, Exports, Reporting and recordkeeping requirements.

Accordingly, part 748 of the EAR (15 CFR parts 730 – 774) is amended as follows:

#### **PART 748 – [AMENDED]**

1. The authority citation for 15 CFR part 748 continues to read as follows:

**Authority:** 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2014, 79 FR 46959 (August 11, 2014).

2. Amend Supplement No. 7 to part 748 by revising the entry for “Lam Research Service Co., Ltd.” in “China (People’s Republic of)” to read as follows:

**SUPPLEMENT NO. 7 TO PART 748 - AUTHORIZATION VALIDATED END-USER (VEU): LIST OF VALIDATED END-USERS, RESPECTIVE ITEMS ELIGIBLE FOR EXPORT, REEXPORT AND TRANSFER, AND ELIGIBLE DESTINATIONS**

Country	Validated End-User	Eligible Items (By ECCN)	Eligible Destination	Federal Register Citation
Nothing in this Supplement shall be deemed to supersede other provisions in the EAR, including but not limited to § 748.15(c).				
*	*	**	**	*
	Lam Research Service Co., Ltd.	<p><i>These Items Authorized for those Lam's Destinations Identified by a single asterisk (*):</i>            2B230, 2B350.c, 2B350.d, 2B350.g, 2B350.h, 2B350.i, 3B001.c and 3B001.e (items classified under ECCNs 3B001.c and 3B001.e are limited to "specially designed" components and accessories), 3D001 (limited to "software" (excluding source code) "specially designed" for the "development" or "production" of equipment controlled by ECCN 3B001), 3D002 (limited to "software" (excluding source code) "specially designed" for the "use" of equipment controlled by ECCN 3B001), and 3E001 (limited to "technology" according to the General Technology Note for the "development" of</p>	<p>*Lam Research International Sarl (Lam Shanghai Warehouse)            c/o HMG Supply Chain (Shanghai) Co., Ltd.            No. 3869, Longdong Avenue            Pudong New District            Shanghai, China 201203.</p> <hr/> <p>*Lam Research International Sarl (Lam Shanghai Warehouse; WGQ Bonded Warehouse)            c/o HMG Supply Chain (Shanghai) Co., Ltd.            No. 55, Fei la Road, Waigaoqiao Free Trade Zone            Pudong New Area            Shanghai, China 200131.</p> <hr/> <p>*Lam Research International Sarl (Lam Beijing Warehouse)            c/o Beijing Lam Electronics Tech Center            1 Building, No. 28, Jinghai Second Road,            BDA            Beijing, China 100176.</p>	<p>75 FR 62462,            10/12/10.            77 FR 10953,            2/24/12.            78 FR 3319,            1/16/13.            78 FR 54752,            9/6/13.            79 FR            [INSERT            PAGE            NUMBER],            [INSERT            DATE OF            PUBLICATI            ON].</p>

Country	Validated End-User	Eligible Items (By ECCN)	Eligible Destination	Federal Register Citation
Nothing in this Supplement shall be deemed to supersede other provisions in the EAR, including but not limited to § 748.15(c).				
		equipment controlled by ECCN 3B001).	<p>*Lam Research International Sarl (Wuxi EPZ Bonded Warehouse) c/o HMG WHL Logistic (Wuxi) Co., Ltd. 1st Fl, Area 4, No. 1, Plot J3 No. 5 Gaolang East Road Export Processing Zone Wuxi, China 214028.</p> <p>*Lam Research International Sarl (Lam Beijing Warehouse) c/o HMG Hi-tech Logistics (Beijing) Co., Ltd. Building 3, No. 9 Ke Chuang Er Street Beijing Economic Technological Development Area Beijing, China 100176.</p> <p>*Lam Research International Sarl (Wuhan TSS) c/o HMG Wuhan Logistic Co., Ltd. 1<sup>st</sup>-2<sup>nd</sup> Floor, Area B, No. 5 Building Hua Shi Yuan Er Road East-lake Hi-Tech Development Zone Wuhan, Hubei Province, China 430223..</p> <p>*Lam Research International Sarl (Lam Shanghai Warehouse Operator) c/o Shanghai Well-win Logistics Co., Ltd No. 2667 Zuchongzhi Road Pudong New District Shanghai, China.</p>	

Country	Validated End-User	Eligible Items (By ECCN)	Eligible Destination	Federal Register Citation
Nothing in this Supplement shall be deemed to supersede other provisions in the EAR, including but not limited to § 748.15(c).				
			<p>*Lam Research International Sarl (Lam Beijing Warehouse) c/o China International Electronic Service Company 1 Building, No. 28, Jinghai Second Road, BDA Beijing, China 100176.</p> <p>*Lam Research International Sarl (Lam Beijing Warehouse) c/o Beijing STE International Logistics Co., Ltd. Building 3, No. 9 Ke Chuang Er Street Beijing Economic &amp; Technological Development Area Beijing, China 100176.</p> <p>* Lam Research International Sarl (Lam Dalian Warehouse) c/o JD Logistics Dalian bonded logistic Co., Ltd. No.1 Public Warehouse Dalian Bonded Logistics Zone Dalian, China 116600.</p> <p>* Lam Research International Sarl (Lam Xi'an Warehouse) c/o VR International Logistics (Xi'an) Co., Ltd. No.28 Information Road, EPZ B Zone, Xian New District Xian, China 710119.</p>	

Country	Validated End-User	Eligible Items (By ECCN)	Eligible Destination	Federal Register Citation
Nothing in this Supplement shall be deemed to supersede other provisions in the EAR, including but not limited to § 748.15(c).				
		<p><i>These Items Authorized for those Lam's Destinations Identified by two asterisks (**):</i>            2B230, 2B350.c, 2B350.d, 2B350.g, 2B350.h, 2B350.i, 3B001.c and 3B001.e (items classified under ECCNs 3B001.c and 3B001.e are limited to “specially designed” components and accessories), 3D001 (limited to “software” (excluding source code) “specially designed” for the “development” or “production” of equipment controlled by ECCN 3B001), 3D002 (limited to “software” (excluding source code) “specially designed” for the “use” of equipment controlled by ECCN 3B001), and 3E001 (limited to “technology” according to the General Technology Note for the “development” or</p>	<p>* Lam Research International Sarl (Wuxi Bonded Warehouse for CIQ inspection)            c/o SinoTrans Jiangsu Fuchang Logistics Co., Ltd.            No.1 Xiqin Road,            Area A, Export Processing Zone, New District            Wuxi, China 214028.</p> <p>**Lam Research Service Co., Ltd.            1st Floor, Area C            Hua Hong Science &amp; Technology Park            177 Bi Bo Road            Zhangjiang Hi-Tech Park            Pudong, Shanghai, China 201203.</p> <p>**Lam Research Service Co., Ltd. Beijing Branch            6th Floor, Building 52,            No.2, Jingyuan North Street,            Beijing Economic &amp; Technological Development Area            Beijing, China 100176.</p> <p>**Lam Research Service Co., Ltd.            Wuxi Representative Office            Room 302, Building 6, Singapore International Park            No. 89 Xing Chuang Si Road</p>	

Country	Validated End-User	Eligible Items (By ECCN)	Eligible Destination	Federal Register Citation
Nothing in this Supplement shall be deemed to supersede other provisions in the EAR, including but not limited to § 748.15(c).				
		<p>“production” (limited to those stages that support integration, assembly (mounting), inspection, testing, and quality assurance) of equipment controlled by ECCN 3B001).</p>	<p>Wuxi New District. Wuxi, Jiangsu, China 214028.</p> <hr/> <p>**Lam Research Service Co., Ltd. Wuhan Representative Office Room 302, Guanggu Software Park Building E4 No. 1 Guanshan Road Donghu Development Zone Wuhan, Hubei Province, China 430074.</p> <hr/> <p>**Lam Research Service Co., Ltd. (Lam Dalian Representative Office) c/o Intel Semiconductor (Dalian) Ltd. No. 109 Huaihe Road East, Dalian Economic &amp; Technical Development Area Dalian, China, 116600.</p> <hr/> <p>**Lam Research Service (Shanghai) Co., Ltd. Xi’an Branch Room 602, Building G, Wangzuo Xiandai City 35 Tangyan Road, Gaoxin District, Xi’an, China, 710065.</p>	
	**	**	**	*

Dated: November 24, 2014.

Kevin J. Wolf,

Assistant Secretary for Export Administration.

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