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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Parts 730, 732, 738, 743, 748, 752, 762, 772, and 774

[Docket No. 140613501-5698-02]

RIN 0694-AG13

Export Administration Regulations: Removal of Special Comprehensive License Provisions

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: In this final rule, the Bureau of Industry and Security (BIS) amends the Export Administration Regulations (EAR) by removing the Special Comprehensive License (SCL) authorization. Based on changes to the EAR as part of Export Control Reform, BIS concludes that the SCL has outlived its usefulness to the exporting public since recent changes to the EAR permit exporters to accomplish similar results using individual licenses and without undertaking the more onerous SCL application. This rule also makes conforming amendments. These changes are part of BIS's efforts to further update export controls under the EAR consistent with the Retrospective Regulatory Review Initiative that directs BIS and other federal agencies to streamline regulations and reduce unnecessary regulatory burdens on the public.

DATES: This is effective [INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Thomas Andrukonis, Director, Export Management and Compliance Division, Office of Exporter Services, Bureau of Industry and Security, by telephone at (202) 482-6396 or by email at Thomas.Andrukonis@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

BIS issues this final rule to remove the Special Comprehensive License (SCL) provisions from the Export Administration Regulations (EAR), consistent with the Retrospective Regulatory Review Initiative and Export Control Reform. In the preamble to a rule published in the *Federal Register* on September 30, 2014 (79 FR 58704) (hereinafter “the September 30 proposed rule” or “the September 30 rule”), BIS reviewed the origins and historical nature of the SCL, and described the specific sections of the EAR that BIS proposed to amend. Based on changes to the EAR as part of Export Control Reform, BIS concluded that the SCL has outlived its usefulness to the exporting public since recent changes to the EAR permit exporters to accomplish similar results using individual licenses and without undertaking the more onerous SCL application.

This rule finalizes the revisions to the EAR as described in the September 30 proposed rule except for a modification discussed in the Transition Guidance section of the preamble. In that guidance, BIS proposed that all SCLs would expire one year from the date of publication of a final rule that removes SCL provisions from the EAR or on the expiration date of the SCL under the particular terms of the license, whichever would come earlier. As a practical matter to facilitate administrative ease for SCL holders who already have begun to transition to licenses other than the SCL and for SCL holders who have yet to begin that transition for their

transactions under the EAR, BIS provides instead in this final rule that all SCLs still in effect at this publication will expire one year from the effective date of this rule, which will be September 26, 2016. Further, during this transition period, BIS will not accept new SCL applications or amendments, including renewals, to outstanding SCLs. As stated in the proposed rule, with the publication of this final rule, SCL holders may choose to apply for four-year individual licenses for exporting and reexporting items under the EAR or use available license exceptions. Finally, as stated in the proposed rule, as with all transactions subject to the EAR, the applicable recordkeeping requirements under 15 CFR part 762 will continue to apply to SCL transactions until the applicable retention periods are fulfilled.

Public Comments on the September 30 Proposed Rule to Remove the SCL and BIS

Responses

BIS received three comments from three SCL holders who are private companies in the fields of geophysical and seismic technology on the September 30 proposed rule. A summary of the comments and BIS responses are below. Where possible, similar comments on the proposed rule have been consolidated.

Advantages of the SCL Compared to Individual Licenses

Comment 1: One commenter acknowledged that while the current individual validated license, (individual license) offers advantages previously only available with the SCL, the SCL offers additional advantages that to a great extent do not exist with an individual license. The commenter explained that the SCL allows the company, given the company's volume of business, to operate effectively with minimal interruptions and to ensure compliance for the following reasons: the SCL is a single license requiring a single license application, which is

easier to track than a large number of individual licenses with varying expiration dates; and the SCL has a four-year validity period, while individual licenses may be, but are not automatically, granted for up to four years, making planning for medium- and long-term operations onerous. The commenter also noted that unlike individual licenses for which amendments require a replacement license, the SCL item or end user may be amended without submitting an entirely new license application.

Response 1: BIS acknowledges, as a practical matter, that there is a likelihood exporters might need more than one individual license or need to replace an existing license more than once within a four-year validity period to complete transactions under the EAR. However, BIS licensing information indicates that SCL holders also have needed to amend their SCLs a number of times within the SCL four-year validity period. It also indicates that the initial SCL application and review process historically required that applicants submit more documents and wait for decisions on those applications for a longer period than that for an individual license. Currently, applying for an amendment to either a SCL or a replacement for an individual license requires that exporters submit in a less cumbersome manner such information electronically through SNAP-R. Further, not all changes to individual licenses require that they be replaced. As detailed in Section 750.7 of the EAR, non-material changes to a license may be made without the issuance of a replacement license. In addition, the four-year validity period for an individual license is not as tentative or unpredictable as the commenter suggests, given the updated provisions in Section 750.7(g) of the EAR. Finally, with regard to the ease of tracking SCLs versus individual licenses, exporters are responsible for keeping track of all authorizations allowed or granted to the exporter under the EAR. While BIS continually seeks to decrease any unreasonable burden exporters may have in complying with the EAR, BIS suggests that

exporters develop a degree of familiarity or predictability regarding their business practices that allows them to review and predict what resources and activities will be needed to complete their regulatory obligations for export and reexport.

Comment 2: A commenter stated that an advantage of the SCL is that it contains a single set of conditions while the conditions for individual license vary. The commenter further stated that the varying conditions on individual licenses make compliance difficult if not impossible. However, another commenter stated that SCL conditions and individual license conditions for the commenter's individual licenses are the same, as agreed to by BIS and the State Department's Directorate of Defense Trade Controls (DDTC).

Response 2: BIS agrees with the second commenter on this issue. Conditions attached to a particular license, whether on an individual license or SCL, remain the same for the duration of the validity period. Should an exporter submit a replacement license, the related changes could reasonably impact the nature and scope of the conditions on that license. Even if there are variations between conditions on different individual licenses, these variations may be justified in light of the different fact sets for each license application.

Comment 3: A commenter stated that the SCL is more flexible and better fits a company that needs quick turnaround to compete in the international marketplace, such as the market for subsea remotely operated vehicles (ROVs) to support oil and gas exploration. The commenter added, as an example of flexibility, that the United Kingdom offers two week processing on flexible individual licenses, which impose significantly less restrictive conditions as compared to the individual licenses issued by the United States. The commenter further stated that the SCL is

critical to enabling the company to compete effectively with foreign competitors while continuing to manufacture controlled ROVs in the United States. Without the SCL, according to the commenter, the commenter's competitiveness with foreign ROV manufacturers, who function under less restrictive export control regimes and with the benefit of flexible licensing, would be negatively impacted.

Response 3: BIS notes that the current features of the EAR's SCL can be replicated in an individual license. More importantly, as noted in *Response to Comment 1*, the review period for an individual license is less cumbersome and time consuming than for a SCL application, barring any missing information or significant interagency concerns about the proposed transaction. Finally, the SCL holders are companies with well-established license history under the EAR. These companies have conducted business in their industries long enough to reasonably forecast licensing needs, including needs for authorizations for potential additional export or reexport opportunities, and submit requests to BIS accordingly. Thus, the individual licensing process described by the commenter should not negatively impact the commenter's export and reexport interests under the EAR.

Comment 4: A commenter stated that the SCL advances U.S. national security and foreign policy interests. The commenter further stated that it was not surprising that the September 30 proposed rule did not suggest that eliminating the SCL furthers U.S. national security or foreign policy interests because the existence of the SCL provides an impetus for companies to develop and implement comprehensive Internal Control Programs (ICPs), which are subject to audits by BIS. The commenter also stated that the commenter's compliance with the EAR is reinforced due to the stringent requirements for obtaining and relying on a SCL.

Response 4: BIS finds merit in the commenter's point that the SCL has contributed to advancing U.S. national security and foreign policy interests and provided an impetus for companies to invest in comprehensive ICPs. Further, the commenter's point gives BIS an opportunity to note that the elements of a SCL ICP are strong, practical factors that will contribute to the success of transactions using individual licenses authorized under the EAR. These factors reflect that SCL holders are sophisticated businesses that manage well their export licensing obligations, as noted in the *Response to Comment 1*.

Comment 5: One commenter stated that SCL administrative and compliance benefits greatly outweigh the SCL administrative burden, unlike individual licenses. The commenter added that individual licenses are tedious, time consuming and repetitious, and hamper companies' abilities to respond to short-term bid opportunities.

Response 5: As mentioned in the *Response to Comment 3*, barring an insufficient individual license application or significant concerns raised during interagency review, objectively the individual license application process is less cumbersome and time consuming than the SCL application process. BIS appreciates that the commenter does not mind the administrative burden associated with the SCL. However, the point of Export Control Reform and the President's Retrospective Regulatory Review is for agencies to adopt regulatory changes that will remove redundancies and offer more streamlined and practical requirements and processes benefiting the greatest number of constituents while facilitating the agencies' missions. An individual license should be able to accommodate in a timely manner the commenter's efforts to pursue short-term bid opportunities, especially given the company's established licensing history under the EAR. Lastly, whether changes in transactions require companies to submit an application to amend a SCL or to replace an individual license (in case the change does not qualify as a non-material

change), the thoroughness and accuracy of the application and the complexity of the basis for and type of change requested will impact how quickly BIS can process a license application, whether a SCL amendment or replacement license.

Alternative Authorizations under the EAR (i.e., License Exceptions, Validated End User (VEU) Authorization, etc.)

Comment 6: One commenter stated that none of the changes to the EAR described in the preamble of the September 30 proposed rule would make up for that commenter's loss of the SCL. In particular, the commenter stated that the existing license exceptions do not offer a viable alternative for the commenter's operations because the majority of the commenter's commodities fall under Export Control Classification Number (ECCN) 6A001.a.2 and the only license exception allowed would be License Exception Temporary imports, exports, reexports, and transfers (in-country) (TMP), which does not meet the commenter's business needs. A second commenter also stated that restrictions on available license exceptions significantly limit the benefit of the exceptions. For example, License Exceptions, such as Shipments to Country Group B countries (GBS), cover only a fraction of controlled spare parts for ROVs; and License Exception Servicing and replacement of parts and equipment (RPL) only authorizes a one-for-one replacement of parts. The second commenter also stated that License Exception Strategic Trade Authorization (STA) does not solve the commenter's authorization needs because the countries in which the commenter's ROVs are currently used are not in Country Group A:5 and ROVs under ECCN 8A001 are not eligible for export to STA Country Group A:6. Lastly, the commenter stated that TMP does not solve the commenter's needs because installation and use of ROVs abroad may go on for years and applying for individual licenses to keep the ROVs abroad is a cumbersome process.

Response 6: BIS understands that the scenario described by the commenter relative to potential assistance provided by license exceptions will not apply to every situation or exporter, but will assist some exporters in certain situations.

Comment 7: A commenter stated that the VEU Authorization would not be a viable alternative to the SCL because of the limited number of countries approved under the authorization.

Response 7: BIS acknowledges that currently there are few approved validated end users and countries. However, the use of VEU Authorization for the existing approved end users and the respective approved countries and items provides easier and accountable access for U.S. companies and other companies. Therefore, the authorization remains an option, which may be helpful for some exporters or reexporters, including SCL holders.

Improvements in Individual Licenses

Comment 8: One commenter stated that the process or procedures for obtaining individual licenses under the EAR has not grown noticeably simpler or more expeditious than when the commenter received its SCL. The commenter further stated that SNAP-R is not new to the commenter, and that application processing times also have not grown appreciably shorter, noting that BIS reported that the average processing time to review a license application was 29 days in FY 2010 and 26 days in FY 2013.

Response 8: The system for submitting and processing license applications has substantially improved over the decades. Although the improvements that BIS has implemented do not perfectly accommodate every licensable EAR transaction, they have resulted in a more streamlined and comparably versatile licensing process when compared to the protracted initial SCL application. BIS reminds exporters that the updates for individual license applications

include four-year, or longer—per Section 750.7(g)—validity period, and allowing the listing of a greater number of end-users, among other enhancements. Lastly, the September 30 proposed rule described developments and improvements under the EAR that directly respond to the President’s Retrospective Regulatory Review Initiative.

Projected Impact of Removal of the SCL

Comment 9: Raising a point similar to that in *Comment 1*, a commenter stated that the removal of the SCL will increase the number of individual licenses that must be managed, and that unlike the SCL, exporters will be unable to amend export and reexport licenses. The commenter noted that the commenter amends its SCL twice a year. The commenter further stated that an increase in individual licenses will require additional internal resources, and increased chances of freight forwarder errors.

Response 9: BIS acknowledges, as a practical matter, there is a likelihood exporters might need more than one individual license or need to replace an existing license more than once within a four-year validity period to complete transactions under the EAR. However, BIS licensing information indicates that SCL holders typically have applied for additional licenses under the EAR to fully accommodate the SCL holders’ export and reexport needs under the EAR. Please see *Response to Comment 1*. Regarding the commenter’s assertion that exporters will be unable to amend export and reexport licenses, BIS expects that changes to individual licenses will be handled in a similar fashion as amendments to SCL amendments.

Other

Comment 10: A commenter suggested that to offset the removal of the SCL, BIS should entertain the possibility of issuing export and reexport licenses to include all countries except

those sanctioned or embargoed. The commenter believed that this approach would help mitigate the risk of losing new business opportunities.

Response 10: BIS will consider the commenter's recommendation consistent with pertinent authorities and U.S. and allied policy objectives.

Comment 11: A commenter asserted that the two 2012 comments from industry cited in the September 30 proposed rule that expressed reservations about the benefits of the SCL do not extend to other U.S. companies, including the commenter's company. The commenter went on to say that other companies should determine if the benefits of a SCL do not outweigh the burdens on an individual basis.

Response 11: BIS did not intend to imply that the SCL has not provided significant benefits to other U.S. companies. BIS included the comments in question in the September 30 proposed rule because their nature and quality were relevant to the priorities of the President's Retrospective Regulatory Initiative. In keeping with that Initiative, BIS published the September 30 proposed rule to determine if there were better ways to serve the broad spectrum of constituents under the jurisdiction of the EAR. That said, as already indicated, BIS believes all current features of the SCL can be replicated in an individual license, and thus the usefulness and effectiveness of export authorizations under the EAR should not be impacted negatively by removal of the SCL.

Description of Changes from the Proposed Rule

This rule publishes in final form the proposed amendments to the SCL as described initially in the September 30 rule, except for one change to the proposed expiration date of the SCL and two proposed amendments that were overtaken by a recent rulemaking.

Change to Expiration Date of the SCL

In the proposed rule, BIS proposed that all SCLs would expire one year from the date of publication of a final rule or the expiration date of the SCL under the particular terms of the license, whichever would come earlier. BIS provides instead in this final rule that all SCLs still in effect at this publication will expire one year from the effective date of this rule, which will be September 26, 2016.

The Intervening Changes

In the September 30 rule, BIS proposed to remove a reference to an exception to required filing of support documents for a SCL by removing and reserving paragraph (a)(6) of Section 748.9 (formerly Support documents for license applications). A final rule, Revisions to Support Document Requirements for License Applications under the Export Administration Regulations, published in the *Federal Register* March 13, 2015 (80 FR 13210) (hereinafter “the March 13 final rule”), revised Section 748.9 (currently Support documents for evaluation of foreign parties in license applications) and in doing so moved the reference to the SCL support documents exception to paragraph (c)(1)(vi) of the section. In this final rule, BIS removes and reserves paragraph (c)(1)(vi) of Section 748.9, which updates the amendment to Section 748.9(a)(6) proposed in the September 30 rule.

In addition, BIS proposed to remove the reference to the SCL in existing paragraph (a)(1)(iii) of Section 748.12 (formerly Special provisions for support documents). This paragraph provided that exporters had a grace period of 45 days to comply with support documents requirements for a license application if an item had been removed from SCL eligibility. The March 13 final rule revised that provision by removing references to the SCL in the provision and moving the

remainder of the provision to Section 748.9(h) of the EAR. The revision in the March 13 final rule eliminates the need to retain the amendment to Section 748.12 (currently Firearms Convention (FC) Import Certificate) (a)(1)(iii) proposed in the September 30 rule. That update will be reflected in the regulatory text of this final rule.

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, 2015, 80 FR 48233 (August 11, 2015), 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 a not significant regulatory action for purposes of Executive Order 12866.

2. This rule amends collections previously approved by the Office of Management and Budget (OMB) under Control Numbers 0694-0088, “Simplified Network Application Processing + System (SNAP+) and the Multi-Purpose Application,” which carries a burden hour estimate of 43.8 minutes to prepare and submit form BIS-748; 0694-0089, “Special Comprehensive License,” which carries a burden hour estimate of 40 hours to complete an application, 30 minutes to complete annual extension requests, 4 hours to complete amendments, and six hours to perform recordkeeping and internal control program annual certifications; and 0694-0152, “Automated Export System (AES) Program,” which carries a burden hour estimate of three minutes or 0.05 hours per electronic submission.

The total burden hours associated with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA) and the aforementioned OMB Control Numbers would be expected to decrease as a result of this removal of part 752 of the EAR and related provisions in this rule issued in final form, thereby reducing burden hours associated with approved collections related to the EAR.

Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person 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. The Chief Counsel for Regulation at the Department of Commerce certified to the Chief Counsel for Advocacy at the Small Business Administration that this rule, if adopted, would not

have a significant economic impact on a substantial number of small entities. The factual basis was published in the proposed rule and is not repeated here. BIS received no comments that addressed the economic impact of this rule on small entities. Therefore, a final regulatory flexibility analysis is not required and one was not prepared.

List of Subjects

15 CFR Part 730

Administrative practice and procedure, Advisory committees, Exports, Reporting and recordkeeping requirements, Strategic and critical materials.

15 CFR Parts 732, 748, and 752

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

15 CFR Parts 738 and 772

Exports.

15 CFR Part 743

Administrative practice and procedure, Reporting and recordkeeping requirements.

15 CFR Part 762

Administrative practice and procedure, Business and industry, Confidential business information, Exports, Reporting and recordkeeping requirements.

15 CFR Part 774

Exports, Reporting and recordkeeping requirements.

Accordingly, under the authority of 50 U.S.C. U.S.C. 1701 *et seq.*, parts 730, 732, 738, 743, 748, 752, 762, 772 and 774 of the Export Administration Regulations (15 CFR parts 730 – 774) are amended as follows:

PART 730 – [AMENDED]

1. The authority citation for part 730 is revised to read as follows:

Authority: Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 10 U.S.C. 7420; 10 U.S.C. 7430(e); 22 U.S.C. 287c; 22 U.S.C. 2151 note; 22 U.S.C. 3201 *et seq.*; 22 U.S.C. 6004; 30 U.S.C. 185(s), 185(u); 42 U.S.C. 2139a; 42 U.S.C. 6212; 43 U.S.C. 1354; 15 U.S.C. 1824a; 50 U.S.C. app. 5; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 11912, 41 FR 15825, 3 CFR, 1976 Comp., p. 114; E.O. 12002, 42 FR 35623, 3 CFR, 1977 Comp., p. 133; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12214, 45 FR 29783, 3 CFR, 1980 Comp., p. 256; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12854, 58 FR 36587, 3 CFR, 1993 Comp., p. 179; E.O. 12918, 59 FR 28205, 3 CFR, 1994 Comp., p. 899; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 12947, 60 FR 5079, 3 CFR, 1995 Comp., p. 356; E.O. 12981, 60 FR 62981, 3 CFR, 1995 Comp., p. 419; E.O. 13020, 61 FR 54079, 3 CFR, 1996 Comp., p. 219; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; E.O. 13338, 69 FR 26751, 3 CFR, 2004 Comp., p. 168; E.O. 13637 of March 8, 2013, 78 FR 16129 (March 13, 2013); Notice of September 17, 2014, 79 FR 56475 (September 19, 2014); Notice of November 7, 2014, 79 FR

67035 (November 12, 2014); Notice of January 21, 2015, 80 FR 3461 (January 22, 2015); Notice of May 6, 2015, 80 FR 26815 (May 8, 2015); Notice of August 7, 2015, 80 FR 48233 (August 11, 2015).

§ 730.8 [Amended]

- 2. Section 730.8 is amended by removing the next to last sentence in paragraph (a)(5).

Supplement No. 1 to Part 730 [Amended]

- 3. Supplement No. 1 to Part 730 is amended by:
 - a. Revising the entries for Collection number “0694-0088” and Collection number “0694-0152”; and;
 - b. Removing the entry for Collection number “0694-0089”.

The revisions read as follow:

**SUPPLEMENT NO. 1 TO PART 730 - INFORMATION COLLECTION
REQUIREMENTS UNDER THE PAPERWORK REDUCTION ACT: OMB CONTROL
NUMBERS**

* * * * *

Collection number	Title	Reference in the EAR
* * * * *		
0694-0088	Simplified Network Application Processing+ System (SNAP+) and the Multipurpose Export License Application	parts 746 and 748, and §762.2(b)
* * * * *		
0607-0152	Automated Export System (AES) Program	§§ 740.1(d), 740.3(a)(3), 754.2(h), 754.4(c), 758.1, 758.2, and 758.3 of the EAR

PART 732 – [AMENDED]

4. The authority citation for part 732 is revised 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, 2015, 80 FR 48233 (August 11, 2015).

5. Section 732.5 is amended by revising the next to last sentence of paragraph (b) to read as follows:

§ 732.5 Steps regarding Electronic Export Information (EEI) requirements, Destination Control Statements, and recordkeeping.

* * * * *

(b) * * * DCS requirements do not apply to reexports * * *

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§ 732.6 [Amended]

6. Section 732.6 is amended by removing and reserving paragraph (d).

PART 738 – [AMENDED]

7. The authority citation for 15 CFR part 738 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 10 U.S.C. 7420; 10 U.S.C. 7430(e); 22 U.S.C. 287c; 22 U.S.C. 3201 *et seq.*; 22 U.S.C. 6004; 30 U.S.C. 185(s), 185(u); 42 U.S.C. 2139a; 42 U.S.C. 6212; 43 U.S.C. 1354; 15 U.S.C. 1824a; 50 U.S.C. app. 5; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; 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, 2015, 80 FR 48233 (August 11, 2015).

§ 738.4 [Amended]

8. Section 738.4 is amended by removing the phrase “or Special Comprehensive License” at the end of the sixth sentence in paragraph (b)(3).

PART 743 – [AMENDED]

9. The authority citation for part 743 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13637 of March 8, 2013, 78 FR 16129 (March 13, 2013); 78 FR 16129; Notice of August 7, 2015, 80 FR 48233 (August 11, 2015).

§ 743.1 [Amended]

10. Section 743.1 is amended by removing and reserving paragraph (b)(2).

§ 743.4 [Amended]

11. Section 743.4 is amended by removing and reserving paragraph (b)(2).

PART 748 – [AMENDED]

12. The authority citation for part 748 is revised 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, 2015, 80 FR 48233 (August 11, 2015).

§ 748.1 [Amended]

13. Section 748.1 is amended by removing the phrase “Special Comprehensive License or” from the first parenthetical in the first sentence in paragraph (d), introductory text.

§ 748.4 [Amended]

14. Section 748.4 is amended by removing the next to last sentence in paragraph (h).

§ 748.7 [Amended]

15. Section 748.7 is amended by removing the phrase “Special Comprehensive Licenses and” from the parenthetical in the second sentence in paragraph (a) and from the parenthetical in the first sentence in paragraph (d).

§ 748.9 [Amended]

16. Section 748.9 is amended by removing and reserving paragraph (c)(1)(vi).

Supplement No. 1 to Part 748 [Amended]

17. Supplement No. 1 to Part 748 is amended by:

- a. Removing the next to last sentence and the caption, “*Special Comprehensive License*” that precedes it in paragraph “Block 5:” and
- b. Removing and reserving paragraph “Block 8”.

PART 752 – [REMOVED AND RESERVED]

18. Remove and reserve part 752.

PART 762 – [AMENDED]

19. The authority citation for part 762 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2015, 80 FR 48233 (August 11, 2015).

§ 762.2 [Amended]

20. Section 762.2 is amended by removing and reserving paragraphs (b)(31) through (38).

PART 772 – [AMENDED]

21. The authority citation for part 772 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2015, 80 FR 48233 (August 11, 2015).

§ 772.1 [Amended]

22. Section 772.1 is amended by removing the definition “*Controlled in fact.*”

PART 774 – [AMENDED]

23. The authority citation for part 774 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 10 U.S.C. 7420; 10 U.S.C. 7430(e); 22 U.S.C. 287c, 22 U.S.C. 3201 *et seq.*; 22 U.S.C. 6004; 30 U.S.C. 185(s), 185(u); 42 U.S.C. 2139a; 42 U.S.C. 6212; 43 U.S.C. 1354; 15 U.S.C. 1824a; 50 U.S.C. app. 5; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; 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, 2015, 80 FR 48233 (August 11, 2015).

Supplement No. 1 to Part 774 [Amended]

24. Supplement No. 1 to part 774 (the Commerce Control List) is amended by removing the

phrase “Special Comprehensive Licenses,” wherever it is found.

DATED: August 17, 2015.

Kevin J. Wolf

Assistant Secretary for

Export Administration

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