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## **DEPARTMENT OF COMMERCE**

### **Bureau of Industry and Security**

**15 CFR Parts 730, 740, 742, 744, 746, 754, 762, 772, and 774**

**[Docket No. 160302175- 6175- 01]**

**RIN 0694-AG83**

### **Removal of Short Supply License Requirements on Exports of Crude Oil**

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

**ACTION:** Final rule.

**SUMMARY:** The Bureau of Industry and Security (BIS) publishes this final rule to amend the Export Administration Regulations (EAR) to remove the short supply license requirements that, prior to the entry into force of the “Consolidated Appropriations Act, 2016” on December 18, 2015, applied to exports of crude oil from the United States. Specifically, this rule removes the Commerce Control List (CCL) entry and the corresponding short supply provisions in the EAR

that required a license from BIS to export crude oil from the United States. This rule also amends certain other EAR provisions to reflect the removal of these short supply license requirements. The changes made by this rule are intended to bring the provisions of the EAR into full compliance with the act, which mandates that, apart from certain exemptions specified therein, “no official of the Federal Government shall impose or enforce any restriction on the export of crude oil.” Consistent with the exceptions in the act, exports of crude oil continue to require authorization from BIS to embargoed or sanctioned countries or persons and to persons subject to a denial of export privileges.

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

**ADDRESSES:** Send comments regarding this collection of information, including suggestions for reducing the burden, to Jasmeet Sehra, Office of Management and Budget (OMB), by e-mail to [Jasmeet\\_K.\\_Sehra@omb.eop.gov](mailto:Jasmeet_K._Sehra@omb.eop.gov), or by fax to (202) 395-7285; and to the Regulatory Policy Division, Bureau of Industry and Security, Department of Commerce, 14th Street & Pennsylvania Avenue, N.W., Room 2705, Washington, DC 20230.

**FOR FURTHER INFORMATION CONTACT:** Eileen Albanese, Director, Office of National Security and Technology Transfer Controls, Bureau of Industry and Security, Telephone: (202) 482-0092, E-mail: [eileen.albanese@bis.doc.gov](mailto:eileen.albanese@bis.doc.gov).

**SUPPLEMENTARY INFORMATION:** The Bureau of Industry and Security (BIS) is

amending the Export Administration Regulations (EAR) to comply with the requirements of Division O, Title 1, Section 101 of Pub. L. 114-113 (the Consolidated Appropriations Act, 2016) concerning exports of crude oil from the United States. These provisions repeal Section 103 of the Energy Policy and Conservation Act (formerly, 42 U.S.C. 6212), which required that the President promulgate a rule prohibiting the export of crude oil, and mandate, instead, that “notwithstanding any other provision of law, except as provided in subsections (c) and (d) ... no official of the Federal Government shall impose or enforce any restriction on the export of crude oil.” Consistent with this requirement, this final rule amends part 754 of the EAR by removing and reserving § 754.2, which described the short supply license requirements and licensing policies that applied to exports of crude oil from the United States to all destinations. This rule also amends the Commerce Control List (CCL) in Supplement No. 1 to part 774 of the EAR by removing Export Control Classification Number (ECCN) 1C981, which controlled crude petroleum, including reconstituted crude petroleum, tar sands and crude shale oil listed in Supplement No. 1 to part 754 of the EAR (Crude Petroleum and Petroleum Products). In addition, this rule moves the definition of “crude oil,” which previously appeared in § 754.2(a) of the EAR, to § 772.1 (Definitions of terms as used in the Export Administration Regulations (EAR)), because it continues to have relevance with respect to the end-user/end-use requirements in part 744 of the EAR and the embargoes and other special controls in part 746 of the EAR. The scope of this definition remains unchanged.

The effect of the changes described above is to remove the short supply license requirements previously applicable to crude oil, as controlled under ECCN 1C981, thereby making crude oil an EAR99 item (i.e., subject to the EAR, as described in § 734.3(a), but no longer listed on the

CCL). As such, crude oil exports will now be treated similarly to exports of petroleum products listed in Supplement No. 1 to part 754 that have not been produced or derived from the Naval Petroleum Reserves (NPR) or become available for export as a result of an exchange of any NPR produced or derived commodities (such petroleum products are not controlled under ECCN 1C980, 1C982, 1C983, or 1C984 on the CCL, but are designated as EAR99 items, instead). As an EAR99 item, crude oil remains subject to the EAR, as described in § 734.3(a) of the EAR, and exports of crude oil continue to require authorization from BIS to embargoed or sanctioned countries or persons and to persons subject to a denial of export privileges, as described in parts 744, 746, and 764 of the EAR. The continuance of these EAR controls is consistent with the exemptions stated in Division O, Title 1, Section 101, subsections (c) and (d) of Pub. L. 114-113.

This final rule also amends certain other provisions in the EAR to reflect the removal of the short supply license requirements on crude oil. Specifically, this rule makes additional amendments to part 754 by removing and reserving paragraph (b)(1)(i) in § 754.1 and by removing and reserving Supplement No. 3 to part 754 (Statutory Provisions Dealing with Exports of Crude Oil). This rule also removes references to § 754.2 from Supplement No. 1 to part 730 and § 762.2(b)(39). In addition, this rule amends § 740.15 (License Exception AVS) by removing the parenthetical reference to § 754.2 from § 740.15(b)(3) and by removing the Note to paragraph (c)(3), which also referenced § 754.2. This rule also removes references to ECCN 1C981 from § 742.1(b)(1) and § 746.7(a)(1) of the EAR. In § 744.7 (Restrictions on Certain Exports to and for the use of Certain Foreign Vessels or Aircraft), paragraphs (b)(3)(i) and (ii) are revised to remove the exclusions that previously applied to crude oil and blends of crude oil with other petroleum products, because such items were subject to the short supply controls described in §

754.2 of the EAR.

Finally, this rule removes authority citations for statutory provisions dealing with restrictions on the exports of crude oil, which no longer provide BIS with enforcement authority, based on Division O, Title 1, Section 101, subsection (b) of Pub. L. 114-113, which prohibits officials of the Federal Government from imposing or enforcing any restriction on the export of crude oil “notwithstanding any other provision of law.” Specifically, this rule removes the authority citations to 30 U.S.C. 185(s), 30 U.S.C. 185(u), and 43 U.S.C. 1354 from parts 730, 754, and 774 of the EAR.

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 Fed. Reg. 48233 (Aug. 11, 2015)), has continued the Export Administration Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.). 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, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has been designated a “significant regulatory action,” although not economically significant, under section 3(f) of Executive Order 12866. Accordingly, the rule has been reviewed by the Office of Management and Budget.

2. Notwithstanding any other provision of 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 Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This rule contains a collection of information subject to the requirements of the PRA. This collection has been approved by OMB under Control Number 0694-0088 (Multi-Purpose Application), which carries a burden hour estimate of 58 minutes to prepare and submit form BIS-748. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Jasmeet Sehra, Office of Management and Budget, and to the Regulatory Policy Division, Bureau of Industry and Security, Department of Commerce, as indicated in the “ADDRESSES” section of this rule.

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

4. The provisions of the Administrative Procedure Act (APA) (5 U.S.C. 553) requiring notice of proposed rulemaking and the opportunity for public participation are waived for good cause, because they are “unnecessary” and “contrary to the public interest.” (See 5 U.S.C. 553(b)(B)). This rule brings the Export Administration Regulations (EAR) into conformity with the Congressional mandate in Division O, Title 1, Section 101 of Pub. L. 114-113, which states that “notwithstanding any other provision of law, except as provided in subsections (c) and (d) ... no official of the Federal Government shall impose or enforce any restrictions on the export of crude oil.” A delay of this rulemaking to allow for notice and public comment would be “unnecessary,” within the context of the APA, because continuance of the controls in § 754.2 of the EAR would be contrary to the explicit mandate in Pub. L. 114-113 against the imposition or enforcement of any restriction on the export of crude oil by an official of the Federal Government. Under such circumstances, the public interest would not be served by soliciting comments on the removal of these controls. A delay of this rulemaking to allow for notice and public comment also would be “contrary to the public interest,” within the context of the APA, because continuance of the controls in § 754.2 of the EAR would result in unnecessary confusion due to the obvious contradiction between the short supply license requirements for crude oil, as described in § 754.2 of the EAR prior to the publication of this rule, and the Congressional mandate in Pub. L. 114-113, which prohibits such license requirements. Furthermore, the confusion resulting from any delay to allow for notice and comment would be contrary to the public interest, as stated in Pub. L. 114-113, which is “to promote the efficient exploration, production, storage, supply, marketing, pricing, and regulation of energy resources, including fossil fuels.” Specifically, the obvious contradiction between the requirements previously described in § 754.2 of the EAR and the mandate in Pub. L. 114-

113 might discourage some persons from pursuing crude oil export opportunities, thereby resulting in significant economic losses due to lost sales. At best, the confusion caused by this contradiction likely would result in unnecessary delays, which also can involve significant economic costs.

The provision of the Administrative Procedure Act (APA) (5 U.S.C. 553) requiring a 30-day delay in effectiveness is also waived for good cause. (5 U.S.C. 553(d)(3)). The amendments to the EAR contained in this final rule are required to make the EAR conform to the Congressional mandate in Pub. L. 114-113, which states that “except as provided in subsections (c) and (d) ... no official of the Federal Government shall impose or enforce any restrictions on the export of crude oil.” A delay of this rulemaking to allow for a 30-day delay in effectiveness would be “unnecessary,” within the context of the APA, because continuance of the controls in § 754.2 of the EAR would be contrary to the explicit mandate in Pub. L. 114-113 and, as such, would not serve the public interest. A delay of this rulemaking to allow for a 30-day delay in effectiveness, also would be “contrary to the public interest,” within the context of the APA, because such a delay would result in unnecessary confusion caused by the contradiction between the EAR’s short supply license requirements for crude oil and the Congressional mandate in Pub. L. 114-113, as described above. In addition, any delay to allow for notice and comment would be contrary to the public interest, as stated in Pub. L. 114-113 and reiterated above.

Further, 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 to be given for this rule under the



Administrative Procedure Act or by any other law, the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 et seq.) are not applicable. Therefore, this regulation is issued in final form.

## **List of Subjects**

### *15 CFR Part 730*

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

### *15 CFR Part 740*

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

### *15 CFR Part 742*

Administrative practice and procedure, Chemicals, Exports, Foreign trade, Reporting and recordkeeping requirements.

### *15 CFR Part 744*

Exports, Foreign trade, Reporting and recordkeeping requirements.

*15 CFR Part 746*

Exports, Reporting and recordkeeping requirements.

*15 CFR Part 754*

Agricultural commodities, Exports, Forests and forest products, Horses, Petroleum, 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 772*

Exports.

*15 CFR Part 774*

Exports, Reporting and recordkeeping requirements.

For the reasons stated in the preamble, parts 730, 740, 742, 744, 746, 754, 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:* 50 U.S.C. 4601 *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; 42 U.S.C. 2139a; 15 U.S.C. 1824a; 50 U.S.C. 4305; 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, 78 FR 16129, 3 CFR, 2014 Comp., p. 223; Notice of May 6, 2015, 80 FR 26815 (May 8, 2015); Notice of August 7, 2015, 80 FR 48233 (August 11, 2015); Notice of September 18, 2015, 80 FR 57281 (September 22, 2015); Notice of

November 12, 2015, 80 FR 70667 (November 13, 2015); Notice of January 20, 2016, 81 FR 3937 (January 22, 2016).

**Supplement No. 1 to Part 730 - [Amended]**

2. Supplement No. 1 to Part 730 is amended by revising the entries for Collection number “0694-0137” and Collection number “0607-0152” to read as follows:

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

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\* \* \* \* \*

Collection number	Title	Reference in the EAR
* * * * *		
0694-0137	License Exceptions and Exclusions	§734.4, Supplement No. 2 to part 734, §§ 740.3(d), 740.4(c), 740.9(a)(2)(viii)(B), 740.9(c), 740.13(e), 740.12(b)(7), 740.17, 740.18, Supp. No. 2 to part 740, §§ 742.15, 743.1, 743.3, 754.4, 762.2(b) and Supplement No. 1 to part 774
0607-0152	Automated Export System (AES) Program	§§ 740.1(d), 740.3(a)(3), 754.4(c), 758.1, 758.2, and 758.3 of the EAR

**PART 740 – [AMENDED]**

3. The authority citation for part 740 continues to read as follows:

*Authority:* 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 7201 *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).

4. Section 740.15 is amended by revising paragraph (b)(3) introductory text and by removing the note to paragraph (c)(3).

The revision reads as follows:

**§ 740.15 Aircraft, vessels, and spacecraft (AVS).**

\* \* \* \* \*

(b) \* \* \*

(3) *Ship and plane stores.* Usual and reasonable kinds and quantities of the following commodities may be exported for use or consumption on board an aircraft or vessel of any registry during the outgoing and immediate return flight or voyage.

\* \* \* \* \*

**PART 742 – [AMENDED]**

5. The authority citation for part 742 continues to read as follows:

*Authority:* 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42

U.S.C. 2139a; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; Sec. 1503, Pub. L. 108–11, 117 Stat. 559; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Presidential Determination 2003-23, 68 FR 26459, 3 CFR, 2004 Comp., p. 320; Notice of August 7, 2015, 80 FR 48233 (August 11, 2015); Notice of November 12, 2015, 80 FR 70667 (November 13, 2015).

§ 742.1 [Amended]

6. In § 742.1, remove the phrase “1C981 (Crude petroleum, including reconstituted crude petroleum, tar sands, and crude shale oil);” where it appears in the second sentence of paragraph (b)(1).

**PART 744 – [AMENDED]**

7. The authority citation for part 744 continues to read as follows:

*Authority:* 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; 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. 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; Notice of August 7, 2015, 80 FR 48233 (August 11, 2015);

Notice of September 18, 2015, 80 FR 57281 (September 22, 2015); Notice of November 12, 2015, 80 FR 70667 (November 13, 2015); Notice of January 20, 2016, 81 FR 3937 (January 22, 2016).

8. In § 744.7, revise paragraphs (b)(3)(i) and (ii) to read as follows:

**§ 744.7 Restrictions on certain exports to and for the use of certain foreign vessels or aircraft.**

\* \* \* \* \*

(b) \* \* \*

(3) \* \* \*

(i) Fuel, including crude oil, petroleum products other than crude oil that are of non-Naval Petroleum Reserves origin or derivation (see § 754.3 of the EAR), and blends of crude oil with such petroleum products;

(ii) Deck, engine, and steward department stores, provisions, and supplies for both port and voyage requirements, provided that any petroleum products other than crude oil which are listed in Supplement No. 1 to part 754 of the EAR are of non-Naval Petroleum Reserves origin or derivation (see § 754.3 of the EAR);

\* \* \* \* \*

**PART 746 – [AMENDED]**

9. The authority citation for part 746 continues to read as follows:

*Authority:* 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 287c; Sec 1503, Pub. L. 108-11, 117 Stat. 559; 22 U.S.C. 6004; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 12854, 58 FR 36587, 3 CFR, 1993 Comp., p. 614; E.O. 12918, 59 FR 28205, 3 CFR, 1994 Comp., p. 899; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13338, 69 FR 26751, 3 CFR, 2004 Comp., p 168; Presidential Determination 2003-23, 68 FR 26459, 3 CFR, 2004 Comp., p. 320; Presidential Determination 2007-7, 72 FR 1899, 3 CFR, 2006 Comp., p. 325; Notice of May 6, 2015, 80 FR 26815 (May 8, 2015); Notice of August 7, 2015, 80 FR 48233 (August 11, 2015).

§ 746.7 [Amended]

10. In § 746.7, remove “1C981,” where it appears in paragraph (a)(1).

## **PART 754 – [AMENDED]**

11. The authority citation for part 754 is revised to read as follows:

*Authority:* 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; 10 U.S.C. 7420; 10 U.S.C. 7430(e); 15 U.S.C. 1824a; E.O. 11912, 41 FR 15825, 3 CFR, 1976 Comp., p. 114; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2015, 80 FR 48233 (August 11, 2015).

§ 754.1 [Amended]

12. Section 754.1 is amended by removing and reserving paragraph (b)(1)(i).

§ 754.2 [Removed]



13. Section 754.2 is removed and reserved.

14. In Supplement No. 1 to part 754, revise the first sentence in the introductory text to read as follows:

**SUPPLEMENT NO. 1 TO PART 754—CRUDE PETROLEUM AND PETROLEUM PRODUCTS**

This Supplement provides relevant Schedule B numbers and commodity descriptions for crude oil (EAR99) and for petroleum products other than crude oil that are controlled by ECCN 1C980, 1C982, 1C983, or 1C984. \* \* \*

\* \* \* \* \*

**Supplement No. 3 to Part 754 - [Removed and Reserved]**

15. Supplement No. 3 to part 754 is removed and reserved.

**PART 762 – [AMENDED]**

16. The authority citation for part 762 continues to read as follows:

*Authority:* 50 U.S.C. 4601 *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]

17. Section 762.2 is amended by removing and reserving paragraph (b)(39).

**PART 772 - [AMENDED]**

18. The authority citation for part 772 continues to read as follows:

*Authority:* 50 U.S.C. 4601 *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).

19. Section 772.1 is amended by adding in alphabetical order a definition for *crude oil* to read as follows:

**§ 772.1 Definitions of terms as used in the Export Administration Regulations (EAR).**

\* \* \* \* \*

*Crude oil.* A mixture of hydrocarbons that existed in liquid phase in underground reservoirs, remains liquid at atmospheric pressure (after passing through surface separating facilities), and has not been processed through a crude oil distillation tower. Crude oil includes reconstituted crude petroleum, lease condensate, and liquid hydrocarbons produced from tar sands, gilsonite, and oil shale. Drip gases are also included, but topped crude oil, residual oil, and other finished and unfinished oils are excluded.

\* \* \* \* \*

**PART 774 - [AMENDED]**

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

*Authority:* 50 U.S.C. 4601 *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; 42 U.S.C. 2139a; 15 U.S.C. 1824a; 50 U.S.C. 4305; 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]**

21. In Supplement No. 1 to Part 774 (the Commerce Control List), ECCN 1C981 is removed.

DATED: May 5, 2016.

Eric L. Hirschhorn

Under Secretary

for Industry and Security

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