



DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 746

[Docket No. 240417-0112]

RIN 0694-AJ61

Export Control Measures Under the Export Administration Regulations (EAR) to Address Iranian Aggression Against Israel and Military Support for Russia

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

ACTION: Final rule.

SUMMARY: In this final rule, the Bureau of Industry and Security (BIS) makes changes to the Export Administration Regulations (EAR) to expand the scope of items that require a license for export and reexport to Iran; this rule also expands the scope of the Russia/Belarus/Temporarily occupied Crimea region of Ukraine Foreign Direct Product (FDP) rule and the Iran FDP rule. Certain foreign-made items located outside of the United States are subject to the EAR because they meet criteria specified under one of the FDP rules under the EAR. This final rule expands the product scope of two of the FDP rules to make additional items subject to the EAR and imposes a license requirement when they are reexported or exported from abroad to Iran, Russia, Belarus, or the Temporarily occupied Crimea region of Ukraine. Prior to this rule, BIS had not controlled all foreign transactions involving items covered by this rule, but in light of recent events and the need to fully leverage EAR controls to address U.S. national security and foreign policy interests, these additional controls are now warranted under the EAR.

DATES: This rule is effective on April 18, 2024.

FOR FURTHER INFORMATION CONTACT: For questions on this final rule, contact Tracy Patts, Supervisory Export Policy Analyst, Office of Nonproliferation and Foreign Policy Controls, Bureau of Industry and Security, Department of Commerce, Phone: 202-482-4252,

E-mail: Foreign.Policy@bis.doc.gov

For emails, include “supplement no. 7” in the subject line.

SUPPLEMENTARY INFORMATION:

I. Background

On April 13, 2024, the Islamic Republic of Iran and its proxies conducted an unprecedented air attack on Israel. Iran’s destabilizing actions endanger the region and all its people. In addition, Iran’s military cooperation with Russia has increased Russia’s capacity to wage war against Ukraine while enabling advancements in Iran’s and Russia’s military capabilities. Consistent with the U.S. Government’s commitment to restrict Iran from obtaining any item that might contribute to its manufacture of missiles, including those used against Israel and Ukraine, this rule amends the EAR to impose new controls restricting Iran’s access to additional low-level technology, including items manufactured outside the United States that are produced using U.S. technology, *i.e.*, through the Iran FDP Rule in § 734.9(j) of the EAR.

Iran is already subject to comprehensive export restrictions under U.S. law, including licensing requirements described in § 746.7 of the EAR. This rule builds on BIS’s February 2023 action that targeted Iran’s involvement in supplying Unmanned Aerial Vehicles (UAVs) in support of Russia’s war in Ukraine (see 88 FR 12150, February 24, 2023) In that rule, BIS imposed export and reexport license requirements on a subset of EAR99 items, *i.e.*, items not specified on the Commerce Control List (CCL, supplement no. 1 to part 774 of the EAR) if destined to Iran, regardless of whether a U.S. person is involved in the transaction. BIS also added a new Iran Foreign Direct Product rule for items in certain categories of the CCL and for certain other items identified by Harmonized Tariff System Codes at the six-digit level (HTS-6 Codes) in supplement no. 7 to part 746 of the EAR in the February 24, 2023 rule. On January 23, 2024, BIS expanded the list of items included in supplement no. 7 to part 746 of the EAR (see 89 FR 4804, January 23, 2024).

Russia, Belarus, and certain temporarily occupied regions of Ukraine have been subjected to increasing export controls since Russia's full-scale invasion of Ukraine on February 24, 2022. There are now thousands of categories of items controlled to these destinations, including those controlled together with substantially aligned allies and partners in the Global Export Control Coalition (GECC). Export controls in the EAR extend to foreign produced items caught by the Russia/Belarus/Temporarily occupied Crimea region of Ukraine FDP rule in § 734.9(f) of the EAR (Russia FDPR), ensuring that foreign items produced with controlled software and technology are also caught by U.S. restrictions. The continued expansion of controls on Russia, Belarus, and the temporarily occupied regions of Ukraine meets U.S. national security and foreign policy objectives to continue the degradation of Russia's ability to execute its war against Ukraine.

This action is consistent with U.S. policy objectives to continue to strengthen the impact of export control measures in response to Iran's attack on Israel and Iran's support for Russia's war in Ukraine by limiting Iran's and Russia's access to certain EAR99 items critical to their weapons programs.

II. Overview of New Controls

This rule revises the EAR to enhance and strengthen existing measures against Iran, Russia, and Belarus. Specifically, this rule further expands the list of items included in supplement no. 7 to part 746 to include additional items that are critical to Iran and Russia's weapons programs. The export control measures in this final rule build upon the national security and foreign policy objectives of the United States. The expansion of items included in supplement no. 7 to part 746 will enhance the effectiveness of export controls on Iran and Russia by further limiting access to items that enable their military capabilities.

While BIS's controls cover a vast array of items necessary to the defense industries of Iran and Russia, certain items are more significant to their weaponry than others. The items in supplement no. 7 to part 746 will now include the entirety of the 'Common High Priority List'

(CHPL). (See <https://www.bis.doc.gov/index.php/all-articles/13-policy-guidance/country-guidance/2172-russia-export-controls-list-of-common-high-priority-items>) BIS, in coordination with its partners in the European Union, Japan, and the United Kingdom, developed the CHPL to jointly identify items used in Russian weapons development by HTS-6 Codes. The 50 CHPL HTS-6 Codes include electronic components such as integrated circuits and radio frequency (RF) transceiver modules, items essential for the manufacturing and testing of electronic components, and computer numerically controlled (CNC) machine tools. Iran's drone program is also dependent on foreign sources for these items. In adding 39 additional items to supplement no. 7 to part 746, the supplement will now include all 50 Common High Priority items.

III. Amendments to the EAR

This rule expands the list of items in supplement no. 7 to part 746 (Items That Require a License Under § 746.6 When Destined to the Temporarily Occupied Crimea region of Ukraine, Under § 746.7 When Destined to Iran, and Under § 746.8 When Destined to Russia or Belarus) by adding 39 additional HTS-6 Code entries (845710, 845811, 845891, 845961, 846693, 847180, 848210, 848220, 848230, 848250, 848610, 848620, 848640, 850440, 851769, 852589, 852990, 853400, 853669, 853690, 854110, 854121, 854129, 854130, 854149, 854151, 854159, 854160, 854320, 880730, 901310, 901380, 901420, 901480, 902750, 903020, 903032, 903039, and 903082).

All items subject to the EAR that are classified under these HTS-6 entries already require a license for export, reexport, or transfer (in-country) to Russia and Belarus under § 746.5 of the EAR. In addition, CCL and U.S.-origin EAR99 items classified under these HTS-6 entries are prohibited for export or reexport to Iran under § 746.7(e) of the EAR. By adding these items to supplement no. 7 to part 746, BIS jurisdiction over foreign produced items in these categories will be expanded, which will in turn expand license requirements for Russia and Belarus under § 746.8(a)(2). The addition of these codes to supplement no. 7 to part 746 will also expand EAR restrictions over foreign transactions with Iran under § 746.7(a). The restrictions on these items

are intended to further undermine the ability of Iran and Russia to support the production of missiles, drones, and other military items for use against Israel and Ukraine.

Savings Clause

Shipments of items removed from eligibility for a License Exception or export, reexport, or transfer (in-country) without a license (NLR) as a result of this regulatory action that were en route aboard a carrier to a port of export, reexport, or transfer (in-country), on April 18, 2024, pursuant to actual orders for export, reexport, or transfer (in-country) to or within a foreign destination, may proceed to that destination under the previous eligibility for a License Exception or export, reexport, or transfer (in-country) without a license (NLR), provided the export, reexport, or transfer (in-country) is completed no later than on May 20, 2024.

Export Control Reform Act of 2018

On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which included the Export Control Reform Act of 2018 (ECRA) (codified, as amended, at 50 U.S.C. 4801–4852). ECRA provides the legal basis for BIS’s principal authorities and serves as the authority under which BIS issues this rule.

Rulemaking Requirements

1. BIS has examined the impact of this rule as required by Executive Orders 12866, 13563, and 14094, which 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 (*e.g.*, potential economic, environmental, public, health, and safety effects, distributive impacts, and equity). Pursuant to E.O. 12866, as amended, this final rule is not a “significant regulatory action.”

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 involves the following OMB-approved collections of information subject to the PRA:

- 0694-0088, “Simple Network Application Process and Multipurpose Application Form,” which carries a burden hour estimate of 29.4 minutes for a manual or electronic submission;
- 0694-0096 “Five Year Records Retention Period,” which carries a burden hour estimate of less than 1 minute; and
- 0607-0152 “Automated Export System (AES) Program,” which carries a burden hour estimate of 3 minutes per electronic submission.

BIS estimates that these new controls on Iran under the EAR will result in an increase of five license applications submitted annually to BIS. However, the additional burden falls within the existing estimates currently associated with these control numbers. Additional information regarding these collections of information – including all background materials – can be found at <https://www.reginfo.gov/public/do/PRAMain> by using the search function to enter either the title of the collection or the OMB Control Number.

3. This rule does not contain policies with federalism implications as that term is defined in E.O. 13132.

4. Pursuant to section 1762 of ECRA (50 U.S.C. 4821), this action is exempt from the Administrative Procedure Act (APA) (5 U.S.C. 553) requirements for notice of proposed rulemaking, opportunity for public participation, and delay in effective date. While section 1762 of ECRA provides sufficient authority for such an exemption, this action is also independently exempt from these APA requirements because it involves a military or foreign affairs function of the United States (5 U.S.C. 553(a)(1)).

5. Because neither the Administrative Procedure Act nor any other law requires that notice of proposed rulemaking and an opportunity for public comment be given for this rule, the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 et seq.) are not

applicable. Accordingly, no Final Regulatory Flexibility Analysis is required and none has been prepared.

List of Subjects in 15 CFR Part 746

Exports, Reporting and recordkeeping requirements.

For the reasons stated in the preamble, part 746 of the Export Administration Regulations (15 CFR parts 730 through 774) is amended as follows:

PART 746 – EMBARGOES AND OTHER SPECIAL CONTROLS

1. The authority citation for 15 CFR part 746 is revised to read as follows:

Authority: 50 U.S.C. 4801–4852; 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. 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 September 19, 2022, 87 FR 57569 (September 21, 2022); Notice of November 8, 2022, 87 FR 68015, 3 CFR, 2022 Comp., p. 563; Notice of September 7, 2023, 88 FR 62439 (September 11, 2023).

2. Supplement no. 7 to part 746 is amended by adding in numerical order the following entries to the table: 845710, 845811, 845891, 845961, 846693, 847180, 848210, 848220, 848230, 848250, 848610, 848620, 848640, 850440, 851769, 852589, 852990, 853400, 853669, 853690, 854110, 854121, 854129, 854130, 854149, 854151, 854159, 854160, 854320, 880730, 901310, 901380, 901420, 901480, 902750, 903020, 903032, 903039, and 903082.

Supplement No. 7 to Part 746 – Items That Require a License Under § 746.6 When Destined to the Temporarily Occupied Crimea region of Ukraine, Under § 746.7 When Destined to Iran, and Under § 746.8 When Destined to Russia or Belarus

* * * * *

HTS-6 Codes	HTS Description

845710	Machining centers for working metal
845811	Horizontal lathes for removing metal, numerically controlled
845891	Lathes, excluding horizontal, for removing metal, numerically controlled
845961	Milling machines, not knee type, for removing metal, numerically controlled
846693	Parts and accessories for machine tools, for laser operation, metalworking machining centers, lathes and drilling machines, etc., NESOI

847180	Automatic data processing units, NESOI
848210	Ball bearings
848220	Tapered roller bearings, including cone and tapered roller assemblies
848230	Spherical roller bearings
848250	Cylindrical roller bearings NESOI
848610	Machines and apparatus for the manufacture of boules or wafers
848620	Machines and apparatus for the manufacture of semiconductor devices or of electronic integrated circuits
848640	Machines and apparatus for the manufacture or repair of masks and reticles; for assembling semiconductor devices; for lifting, handling, loading or unloading of semi-conductor devices
850440	Electrical static converters; power supplies for ADP machines or units of 8471

851769	Apparatus for the transmission or reception of voice, images or other data, including switching and routing apparatus, NESOI
852589	Television cameras, digital cameras and video camera recorders

852990	Parts (except antennas and reflectors) sfor use with radio transmission, radar, radio navigational aid, reception and television apparatus, NESOI

853400	Printed circuits
853669	Electric plugs and sockets for a voltage not exceeding 1,000 V
853690	Electrical apparatus for switching, protecting or making connections to or in electrical circuits, for a voltage not exceeding 1,000 V, NESOI
854110	Diodes, other than photosensitive or light-emitting diodes
854121	Transistors, other than photosensitive, with a dissipation rate of less than 1W
854129	Transistors, other than photosensitive, NESOI

854130	Thyristors, diacs and triacs, other than photosensitive devices
854149	Photosensitive semiconductor devices, excluding photovoltaic generators and cells
854151	Semiconductor-based transducers, NESOI
854159	Semiconductor devices NESOI
854160	Mounted piezoelectric crystals

854320	Electrical signal generators

880730	Other parts of airplanes, helicopters or unmanned aircraft
901310	Telescopic sights for fitting to arms; periscopes; telescopes designed to form parts of machines, appliances, instruments or apparatus of this chapter or Section XVI
901380	Other optical devices, appliances and instruments not elsewhere specified
901420	Instruments and appliances for aeronautical or space navigation (other than compasses)
901480	Other navigational instruments and appliances
902750	Other instruments and apparatus using optical radiations (ultraviolet, visible, infrared)
903020	Oscilloscopes and oscillographs
903032	Multimeters with recording device
903039	Instruments and apparatus for measuring or checking voltage, current, resistance or electrical power, with recording device
903082	Oscilloscopes, spectrum analyzers and other instruments and apparatus for measuring or checking electrical quantities, for measuring or checking semiconductor wafers or devices

Thea D. Rozman Kendler,

Assistant Secretary for Export Administration.

[FR Doc. 2024-08622 Filed: 4/18/2024 11:15 am; Publication Date: 4/22/2024]