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Commerce Adds Six to Entity List for Supporting PRC Military Modernization, Intelligence, and Reconnaissance Activities

Entities tied specifically to the People’s Liberation Army’s aerospace programs including airships and balloons and related materials and components

WASHINGTON, D.C. – Today, the Commerce Department’s Bureau of Industry and Security (BIS) added six entities in the People’s Republic of China (PRC) to the Entity List for supporting the PRC’s military modernization efforts, specifically those related to aerospace programs, including airships and balloons and related materials and components, that are used by the People’s Liberation Army (PLA) for intelligence and reconnaissance.

Companies or other entities added to the Entity List are restricted from obtaining U.S. items and technologies without U.S. government authorization. This protects U.S. national security by imposing additional U.S. government oversight on exports of items subject to U.S. jurisdiction and sends a clear message to companies, governments, and other stakeholders globally that the entities on the list present a threat to national security.

“The Commerce Department will not hesitate to continue to use the Entity List and our other regulatory and enforcement tools to protect U.S. national security and sovereignty,” **said Deputy Secretary of Commerce Don Graves.** “The Entity List is a powerful tool for identifying and cutting off actors that seek to use their access to global markets to do harm and threaten American national security.”

“The PRC’s use of high-altitude balloons violates our sovereignty and threatens U.S. national security,” **said Under Secretary of Commerce for Industry and Security Alan Estevez.** “Today’s action makes clear that entities that seek to harm U.S. national security and sovereignty will be cut off from accessing U.S. technologies.”

“Designating companies engaged in activities contrary to U.S. national security and foreign policy on the Entity List enables us to screen all exports to them and gives exporters a tool to determine who poses security concerns,” **said Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler.** “Today’s action furthers President Biden’s strong response to the PRC’s surveillance balloon’s violation of U.S. airspace and makes clear that we will not hesitate to act to protect Americans’ security.”

“Today’s action demonstrates our concerted efforts to identify and disrupt the PRC’s use of surveillance balloons, which have violated the airspace of the United States and more than forty countries,” **said Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod.** “Export Enforcement will vigilantly monitor and prevent shipments to the listed parties and investigate any efforts to circumvent these restrictions.”

As a result of today’s rule, any transactions with these entities that involve items subject to the Export Administration Regulations (EAR) will require a license from the BIS, and applications for those licenses are likely to be denied.

The text of the rule released today, which includes the list of entities, is available on the Federal Register’s website here ([link](#)). The effective date for the rule is February 10, 2023.

Additional Background on the Entity List Process

These BIS actions were taken under the authority of the Export Control Reform Act of 2018 and its implementing regulations, the Export Administration Regulations (EAR).

The Entity List ([supplement no. 4 to part 744 of the EAR](#)) identifies entities for which there is reasonable cause to believe, based on specific and articulable facts, that the entities—including businesses, research institutions, government and private organizations, individuals, and other types of legal persons—that have been involved, are involved, or pose a significant risk of being or becoming involved in activities contrary to the national security or foreign policy interests of the United States. Parties on the Entity List are subject to individual licensing requirements and policies supplemental to those found elsewhere in the EAR.

Entity List additions are determined by the interagency End-User Review Committee (ERC), comprised of the Departments of Commerce (Chair), Defense, State, Energy, and where appropriate, the Treasury.

The ERC makes decisions regarding additions to, removals from, or other modifications to the Entity List. The ERC makes all decisions to add an entity to the Entity List by majority vote and makes all decisions to remove or modify an entity by unanimous vote.

Additional information on the Entity List is available on BIS’s website at: <https://bis.doc.gov/index.php/policy-guidance/faqs>

For more information, visit www.bis.doc.gov.

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