### SUPPLEMENT NO. 4 TO PART 744—ENTITY LIST—Continued

<table>
<thead>
<tr>
<th>Country</th>
<th>Entity</th>
<th>License requirement</th>
<th>License review policy</th>
<th>Federal Register citation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iran</td>
<td>Hassan Seifi, Unit #23, Eighth Floor, No. 193 West Sarve Boulevard Kaj Square, Saadat Abad, 19987–14434, Tehran, Iran.</td>
<td>For all items subject to the EAR. (See § 744.11 of the EAR).</td>
<td>Presumption of denial ......</td>
<td>76 FR [INSERT FR PAGE NUMBER] June 28, 2011.</td>
</tr>
<tr>
<td></td>
<td>Reza Seifi, Unit #23, Eighth Floor, No. 193 West Sarve Boulevard Kaj Square, Saadat Abad, 19987–14434, Tehran, Iran.</td>
<td>For all items subject to the EAR. (See § 744.11 of the EAR).</td>
<td>Presumption of denial ......</td>
<td>76 FR [INSERT FR PAGE NUMBER] June 28, 2011.</td>
</tr>
<tr>
<td></td>
<td>Sabanican Company (a.k.a., Sabanican Pad Co.), Unit #23, Eighth Floor, No. 193 West Sarve Boulevard Kaj Square, Saadat Abad, 19987–14434, Tehran, Iran.</td>
<td>For all items subject to the EAR. (See § 744.11 of the EAR).</td>
<td>Presumption of denial ......</td>
<td>76 FR [INSERT FR PAGE NUMBER] June 28, 2011.</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>Aletra General Trading (a.k.a., Erman &amp; Sultan Trading Co.), Sabkha Street, Shop No. 8, Dubai, U.A.E.</td>
<td>For all items subject to the EAR. (See § 744.11 of the EAR).</td>
<td>Presumption of denial ......</td>
<td>76 FR [INSERT FR PAGE NUMBER] June 28 2011,</td>
</tr>
</tbody>
</table>

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**DEPARTMENT OF COMMERCE**

Bureau of Industry and Security

15 CFR Part 748

[Docket No. 110519290–1298–01]

RIN 0694–AF25

**Revision to the Validated End-User Authorization for CSMC Technologies Corporation in the People’s Republic of China**

**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) to revise the validated end-user authorization for CSMC Technologies Corporation (CSMC) in the People’s Republic of China (PRC) by adding an item to the list of items that may be exported, reexported, or transferred (in-country) to CSMC’s eligible destinations under Authorization Validated End-User (VEU).

**DATES:** This rule is effective June 28, 2011.

**FOR FURTHER INFORMATION CONTACT:**
Karen Nies-Vogel, 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, E-mail: ERC@bis.doc.gov.
SUPPLEMENTARY INFORMATION:

Background

Authorization Validated End-User (VEU): The List of Approved End-Users, Eligible Items and Destinations in the PRC

BIS amended the EAR in a final rule on June 19, 2007 (72 FR 33646), creating a new authorization for "validated users" (VEUs) located in eligible destinations to which eligible items may be exported, reexported, or transferred (in-country) under a general authorization instead of a license, in conformance with section 748.15 of the EAR. On January 18, 2011, BIS identified CSMC as a Validated End-User (76 FR 2802).

VEUs may obtain eligible items that are on the Commerce Control List, set forth in Supplement No. 1 to Part 774 of the EAR, without having to wait for their suppliers to obtain export licenses from BIS. Eligible items may include commodities, software, and technology, except those controlled for missile technology or crime control reasons.

The VEUs listed in Supplement No. 7 to Part 748 of the EAR were 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. A unanimous vote by the ERC is required to authorize VEU status for a candidate or to add any eligible items to an existing authorization. Majority vote of the ERC is required to remove VEU authorization or to remove eligible items from an existing authorization.

In addition to U.S. exporters, Authorization VEU may be used in accordance with the provisions of the EAR by foreign reexporters and by persons transferring in-country, and it does not have an expiration date. VEUs are subject to regular reviews, based on information available to the United States government, to ensure that items shipped under Authorization VEU are used for civilian purposes. In addition, VEUs are subject to on-site reviews as warranted.

As of the date of this rule, pursuant to section 748.15(b) of the EAR, VEUs are only located in the PRC and India.

Revisions to CSMC Technologies Corporation’s “Eligible Items (By ECCN)”

This final rule amends Supplement No. 7 to Part 748 of the EAR to add most items classified under Export Control Classification Number (ECCN) 3B001.h (“Multi-layer masks with a phase shift layer”) to the list of items that may be exported, reexported, or transferred (in-country) to CSMC’s “Eligible Destinations” under Authorization VEU. Multilayer masks with a phase shift layer designed to produce “space qualified” semiconductor devices are excluded from those items eligible for shipment under Authorization VEU to CSMC. The ERC reviewed CSMC’s request to add these items to its VEU Authorization and concluded the proposed addition is appropriate.

The complete list of items by ECCN, as revised, that may be exported, reexported, or transferred (in-country) to CSMC’s eligible destinations under Authorization VEU is as follows:

Eligible Items that may be exported, reexported, or transferred (in-country) to the three “Eligible Destinations” under CSMC Technologies Corporation’s Validated End-User Authorization

Items classified under Export Control Classification Numbers 1C350.c.3, 1C350.c.11, 2B230.a, 2B230.b, 2B350.d, 2B350.g, 2B350.h, 3B001.c.1.a, 3B001.c.2.a, 3B001.e, 3B001.h (except for multilayer masks with a phase shift layer designed to produce “space qualified” semiconductor devices), 3C002.a, and 3C004.

Since August 21, 2001, the Export Administration Act (the Act) has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 CFR, 2001 Comp., p. 783 (2002)), as extended most recently by the Notice of August 12, 2010 (75 FR 50661 (August 16, 2010)), has continued the EAR in effect under the International Emergency Economic Powers Act. BIS continues to carry out the provisions of the Act, as appropriate and to the extent permitted by law, pursuant to Executive Order 13222.

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 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 58 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 because this rule expands the list of items that do not require an individually validated license for exports, reexports, or transfers (in-country) to eligible CSMC destinations. 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.

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 the requirements that this rule be subject to notice and the opportunity for public comment because such notice and comment here 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 2, 2006, and 72 FR 33646, June 19, 2007). 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 simply amends an authorization by adding an eligible ECCN to the list of items approved for export, reexport, or transfer (in-country)
Given the thorough nature of the review, the measurement of such information sources, including licensing data, and review of public and non-public interagency deliberation and result from under the VEU program involve interagency reviews license 748.15(a)(2). Additionally, just as the VEU authorizations, as set out in 15 CFR reviewed according to the criteria for applicants provide the U.S. Government with confidential business information. 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 thorough 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 VEU's were developed with public comments; allowing additional public comment on this amendment to an individual VEU authorization, 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. However, section 553(d)(1) of the APA provides that a substantive rule which grants or recognizes an exemption or relieves a restriction, may take effect earlier. Today's final rule grants an exemption from licensing procedures and thus is effective immediately.

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 and no regulatory flexibility analysis 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:


2. Supplement No. 7 to Part 748 is amended by revising the "Eligible Items (by ECCN)" for "CSMC Technologies Corporation", for "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**

<table>
<thead>
<tr>
<th>Country</th>
<th>Validated end-user</th>
<th>Eligible Items (by ECCN)</th>
<th>Eligible destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>China (People's Republic of)</td>
<td>CSMC Technologies Corporation</td>
<td>1C350.c.3, 1C350.c.11, 2B230.a, 2B230.b, 2B350.c.1, 2B350.c.2, 3B001.c.2.a, 3B001.c.2.b, 3B001.d.1.e, 3B001.d.1.f (except for multilayer masks with a phase shift layer designed to produce “space qualified” semiconductor devices), 3C002.a, and 3C004.</td>
<td>CSMC Technologies Fab 1 Co., Ltd, 14 Liangxi Road, Wuxi, Jiangsu 214061, China. CSMC Technologies Fab 2 Co., Ltd., Block 86, 87, Wuxi National Hi-New Tech Industrial Development Zone, Wuxi, Jiangsu 214061, China. Wuxi CR Semiconductor, Wafers and Chips Co., Ltd., 14 Liangxi Road, Wuxi, Jiangsu 214061, China.</td>
</tr>
</tbody>
</table>

Dated: June 22, 2011.

Kevin J. Wolf,
Assistant Secretary for Export Administration.

[FR Doc. 2011–16156 Filed 6–27–11; 8:45 am]