


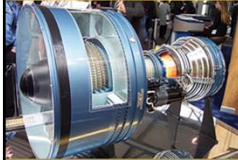




Regime Rules and Enforcement Rule

Sharron Cook
Senior Export Policy Analyst





Wassenaar Arrangement 2012

- **06/20/13 - 78 FR 37372**
- Revises 37 ECCNs and adds 2 ECCNs (2D003 and 7D004)
- Fly-by-wire source code (was 7D003 now 0D521 No. 2) and technology (was 7E001 now 0E521 No. 6)
 - Also must look at 7D004 (new)
 - Also must look at 7E004

Wassenaar Arrangement 2012



- Key ECCN Changes:
 - 2B001: Machine Tools for milling and turning
 - 3A001: Electronic Components, such as field programmable logic devices and Microwave “Monolithic Integrated Circuits” (MMIC) power amplifiers
 - 3A002: General purpose electronic equipment, such as signal and network analyzers
 - 3B001: Equipment for the manufacturing of semiconductor devices or materials
 - 3C002: Resist materials and “substrates” coated with specified resists



Wassenaar Arrangement 2012



- Key ECCN Changes (continued):
 - 5A001: Telecommunications systems, equipment, components and accessories, such as interception and jamming equipment
 - 5A002: “Information security” systems, equipment, components (encryption/decryption)
 - 6A001: Acoustic systems, equipment and components
 - 6A005: “Lasers,” components and optical equipment
 - 6C004: Optical materials
 - 7A001: Accelerometers
 - 9A001: Aero gas turbine engines



Australia Group 2012



- **06/05/13 -78 FR 33692**
- Implementation of the Understandings Reached at June 2012 AG Plenary Meeting:
 - **ECCN 1C351** (Human & zoonotic pathogens & “toxins”) amended to:
 - **Add** botulinum neurotoxin producing strains of the following bacteria to 1C351.c: *Clostridium argentinense* (formerly known as *Clostridium botulinum* Type G); *Clostridium baratii*; and *Clostridium butyricum*;
 - **Clarify** controls on “*Escherichia coli* and other verotoxin producing serotypes” in ECCN 1C351.c and on “*Staphylococcus aureus* toxins” in ECCN 1C351.d.14.



Australia Group 2012



- Implementation of the Understandings Reached at June 2012 AG Plenary Meeting (continued):
 - **ECCN 1C354** (Plant pathogens) amended to add five fungi to 1C354.b: *Peronosclerospora philippinensis* (*Peronosclerospora sacchari*); *Sclerophthora rayssiae* var. *zeae*; *Synchytrium endobioticum*; *Tilletia indica*; and *Thecaphora solani*.



Australia Group 2012



- Implementation of the 2012 AG Intercessional Decisions:

ECCN 1C354 (Plant pathogens) amended to **clarify** controls on the following bacteria, fungi, and viruses in 1C354.a, .b, and .c, respectively:

- “Xanthomonas campestris pv. citri” in 1C354.a.2;
- “Ralstonia solanacearum” in 1C354.a.5;
- “Colletotrichum coffeanum var. virulans (Colletotrichum kahawae)” in 1C354.b.1;
- “Puccinia graminis” in 1C354.b.4;
- “Magnaporthe grisea” in 1C354.b.6;
- “Potato Andean latent tymovirus” in 1C354.c.1.



Australia Group 2012



- Implementation of the 2012 AG Intercessional Decisions (continued):

ECCN 2B352 (Equipment capable of handling biological materials) amended to **add controls** for spray-drying equipment capable of drying toxins or pathogenic microorganisms and having all of the following characteristics:

- A water evaporation capacity of ≥ 0.4 kg/h and ≤ 400 kg/h;
- Ability to generate a typical mean product particle size of ≤ 10 micrometers with existing fittings or by minimal modification of the spray-dryer with atomization nozzles enabling generation of required particle size;
- Capable of being sterilized or disinfected in situ.



Australia Group 2012



- Changes to Select Agents Controls in the CCL:

Removal of ECCN 1C360 from the CCL and related conforming changes:

- Removes ten of the eighteen select agents that were listed in ECCN 1C360 from the CCL, because these select agents are no longer included on the CDC/APHIS select agents lists following recent amendments to these lists by CDC and APHIS;
- Adds select agents, previously controlled by ECCN 1C360 and that continue to be identified on the CDC/APHIS lists, to the appropriate AG-related ECCNs on the CCL (i.e., ECCNs 1C351 and 1C354);
- Amends §§ 740.20 and 742.2 of the EAR and ECCNs 1C353, 1C991, 1E001 and 1E351 to make conforming changes reflecting the removal of ECCN 1C360 from the CCL.



Australia Group 2012



- Changes to Select Agents Controls in the CCL (continued):

- **ECCN 1C351** amended to add SARS-associated coronavirus (SARS-CoV) under 1C351.b.2 and tick-borne encephalitis virus (Siberian subtype) under 1C351.b.3 – both of these viruses were recently added to CDC's list of "HHS select agents and toxins."
- Eliminates redundant controls on two bacteria of the Mycoplasma mycoides cluster (i.e., Mycoplasma capricolum subspecies capripneumoniae and Mycoplasma mycoides subspecies mycoides small colony), both of which are now controlled under ECCN 1C352.b.1, only.



Australia Group 2012



- **Changes to Select Agents Controls in the CCL (continued):**
 - **ECCN 1C354.a.3** amended to include the species of proteobacteria identified as *Xanthomonas oryzae*, which is identified on the APHIS list of “PPQ select agents and toxins.”
- Clarification to the Scope of ECCNs 1C351, 1C352, 1C353, and 1C354:
 - License Requirements Note(s) in ECCNs 1C351, 1C352, 1C353, and 1C354 amended to indicate that these ECCNs control all biological agents or “toxins,” regardless of quantity or attenuation, that are identified in the List of Items Controlled for each ECCN .



Missile Tech Control 2012



- Revises six ECCNs: 1C011, 1C111, 1C116, 9A101, 9B105 and 9E101 and definition of “payload”.
- Final rule also revises ECCNs 7E004 and 9D004 to better align the CCL with the MTCR Annex and past MTCR agreements.
- Revisions include: 9B105 heading; 1C111 and 1C116 “items” paragraphs; 1C011, 7E004 and 9D004 MT control(s) paragraphs; 7E004 and 9E101 “related controls” paragraphs; 9A101 “related definitions” paragraph; and 9B105 technical notes.



VSD Time Limit



- 11/07/12 – Proposed Rule: Time Limit for Completion of Voluntary Self-Disclosures and Revised Notice of the Institution of Administrative Enforcement Proceedings
- 01/07/13 – Comment period closed
- BIS received 5 comments
- Final rule is pending clearance
- Affected sections: 764.5(c)(2) and 766.3(b)(1) and (c)



13

VSD Time Limit



- That the final, comprehensive narrative account required for VSDs be submitted to the Office of Export Enforcement (OEE) within 180 days of OEE's receipt of the initial VSD notification.
- This rule adds, as an authorized method of notification, sending a copy of the charging letter to the respondent's last known address by express mail or by a commercial courier or delivery service.





14




REGULATORY REVIEW

End-User FOCUS
Country Policy FOCUS
A New FOCUS

Sheila Quarterman Senior Export Policy Analyst
Regulatory Policy Division





REGULATORY REVIEW: End-User FOCUS

01/16/13
78 FR 3319

Amendments to Existing Validated End-User Authorizations: Advanced Micro Devices China, Inc., Lam Research Corporation, SK hynix Semiconductor (China) Ltd., and SK hynix Semiconductor (Wuxi) Ltd. in the People's Republic of China; Clarification of Scope of Entries in Supplement

REGULATORY REVIEW: End-User FOCUS Cont'd

04/19/13

78 FR 23472

Amendments to Existing Validated End-User
Authorizations: CSMC Technologies Corporation in the
People's Republic of China (PRC)



REGULATORY REVIEW: End-User FOCUS Cont'd

06/03/13

78 FR 32981

Addition, Removals, and Revisions to the List of
Validated End-Users in the People's Republic of China



REGULATORY REVIEW: End-User FOCUS Cont'd

07/10/13

78 FR 41291

Addition to the List of Validated End-Users in the People's Republic of China: Samsung China Semiconductor Co. Ltd. and Advanced Micro-Fabrication Equipment, Inc., China



REGULATORY REVIEW: Policy FOCUS

07/23/12

77 FR 42973

Export and Reexport Controls to Rwanda and United Nations Sanctions Under the Export Administration Regulations



REGULATORY REVIEW: A New FOCUS

03/28/13

78 FR 18814

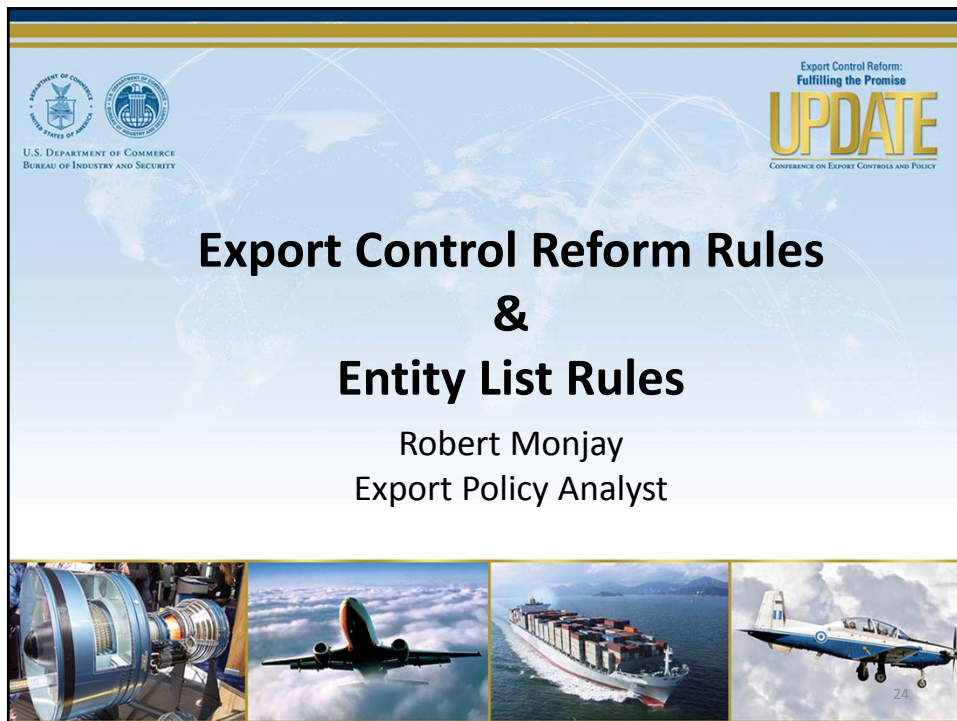
Amendment to the Export Administration Regulations:
List of Items Classified Under Export Control
Classification OY521 Series – Biosensor Systems



REGULATORY REVIEW:

Up to the Minute
&
Increasing FOCUS...





Initial Implementation Rule



- April 16, 2013, BIS published "Revisions to the Export Administration Regulations: Initial Implementation of Export Control Reform" 78 FR 22660.
- Creates the 600 Series and makes the changes to the EAR that are necessary to implement these controls.
- Creates the first two sets of 600 Series ECCNs, 9Y610 – Military aircraft and 9Y619 – Military gas turbine engines.
- Creates new definitions, including specially designed.
- Defines the process for transition of items from the USML to the CCL.



Initial Implementation Rule



- The rule is a final rule, with a 180 day delayed effective date. It becomes effective on October 15, 2013.
- Prior to October 15, 2013, BIS will accept CCATs and license applications for 600 Series items. These will be processed and held without action until the effective date.
- BIS has created order of review and specially designed decision tools to help you classify your items under the new regulation.



Proposed ECR Rules



- **11/28/12 – 77 FR 70945**
- **(MILITARY ELECTRONICS)** *Revisions to the EAR: Control of Military Electronic Equipment and Related Items the President Determines No Longer Warrant Control Under the USML.*
- **USML Cat XI and CCL 3Y611 “600 series”**
- Second proposed rule just published and open for comment



Proposed ECR Rules



- **11/29/12 – 77 FR 71214**
- *Revisions to the Export Administration Regulations (EAR) To Make the Commerce Control List (CCL) Clearer*



Proposed ECR Rules



- **1/31/13 – 78 FR 6750**
- **(LAUNCH VEHICLES)** *Revisions to the EAR: Articles the President Determines No Longer Warrant Control under the U.S. Munitions List that are Related to Launch Vehicles, Missiles, Rockets, and Military Explosive Devices.*
- **USML Cat. IV** and **CCL 0Y604 “600 series”**



Proposed ECR Rules



- **5/24/13 – 78 FR 31431**
- **(SATELLITES)** *Control of Spacecraft Systems and Related Items the President Determines No Longer Warrant Control Under the USML.*
- **USML Cat XV** and **CCL 9Y515 “500 series”**



Combined Category Rule



- **07/08/13 - 78 FR 40892**
- BIS published “Revisions to the Export Administration Regulations: Military Vehicles; Vessels of War; Submersible Vessels, Oceanographic Equipment; Related Items; and Auxiliary and Miscellaneous Items that the President Determines No Longer Warrant Control under the United States Munitions List,” which creates four new sets of 600 Series ECCNs:
 - Military vehicles – ECCNs 0x606 (Category VII)
 - Military vessels – ECCNs 8x609 (Category VI)
 - Military submersibles – ECCNs 8x620 (Category XX)
 - Auxiliary and miscellaneous military equipment – ECCNs 0x617 (Category XIII)



ECR Next Steps



- BIS will soon publish the CCL Clean-up Rule and the Second Combined Category Rule (Categories IV, V, IX and X) as final rules.
- The comment period for satellites has closed and we are reviewing your submissions to revise the rule for notification to Congress and publication as a final rule.
- The comment period for the second proposed military electronics rule is open, so please comment.
- BIS will continue to publish the remaining categories for public comments.



Entity List Rules



- Added 191 persons under 196 entries, revised 2 entries
 - Belize, Canada, China, Finland, Germany, Greece, Hong Kong, Iran, Kazakhstan, Pakistan, Russia, Sweden, Taiwan, Ukraine, United Arab Emirates, and United Kingdom
- Removed four persons as a result of successful removal requests
- Performed Annual Reviews
 - 3 additions, 16 removals, and 36 revisions

Date published	Federal Register citation
09/19/2012	77 FR 58006
10/09/2012	77 FR 61249
11/29/2012	77 FR 71097
01/16/2013	78 FR 3317
03/08/2013	78 FR 14914
03/28/2013	78 FR 18808



Editorial Corrections to the CCL



- **12/07/2012, 77 FR 72917**
- This final rule corrected reference and typographical errors in the Commerce Control List in the Export Administration Regulations (EAR).
 - ECCN 3A991.j.2: Revised the control parameter for secondary cells to having an energy density of 300 Wh/kg or less at 293 K.



Questions

Regulatory Policy Division

202-482-2440

RPD2@BIS.DOC.GOV

