

PART 150—EXEMPTIONS AND CONTINUED REGULATORY AUTHORITY IN AGREEMENT STATES AND IN OFFSHORE WATERS UNDER SECTION 274

■ 14. The authority citation for part 150 continues to read as follows:

Authority: Atomic Energy Act secs. 161, 181, 223, 234 (42 U.S.C. 2201, 2021, 2231, 2273, 2282); Energy Reorganization Act sec. 201 (42 U.S.C. 5841); Government Paperwork Elimination Act sec. 1704 (44 U.S.C. 3504 note); Energy Policy Act of 2005, Pub. L. 109–58, 119 Stat. 594 (2005).

Sections 150.3, 150.15, 150.15a, 150.31, 150.32 also issued under Atomic Energy Act secs. 11e(2), 81, 83, 84 (42 U.S.C. 2014e(2), 2111, 2113, 2114).

Section 150.14 also issued under Atomic Energy Act sec. 53 (42 U.S.C. 2073).

Section 150.15 also issued under Nuclear Waste Policy Act secs. 135 (42 U.S.C. 10155, 10161).

Section 150.17a also issued under Atomic Energy Act sec. 122 (42 U.S.C. 2152).

Section 150.30 also issued under Atomic Energy Act sec. 234 (42 U.S.C. 2282).

§ 150.15 [Amended]

■ 15. In § 150.15, remove paragraph (a)(9).

Dated at Rockville, Maryland, this 23rd day of September, 2014.

For the Nuclear Regulatory Commission.

Annette L. Vietti-Cook,

Secretary of the Commission.

[FR Doc. 2014–23257 Filed 9–29–14; 8:45 am]

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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Parts 730, 732, 738, 743, 748, 752, 762, 772, and 774

[Docket No. 140613501–4501–01]

RIN 0694–AG13

Proposed Amendments to the Export Administration Regulations: Removal of Special Comprehensive License Provisions

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Proposed rule.

SUMMARY: In this rule, the Bureau of Industry and Security (BIS) proposes to continue updating export controls under the Export Administration Regulations (EAR) consistent with the Retrospective Regulatory Review Initiative that directs BIS and other Federal Government Agencies to streamline regulations and reduce unnecessary regulatory burdens on the public. Specifically, in this rule, BIS proposes to amend the EAR by

removing the Special Comprehensive License authorization. This rule also proposes conforming amendments.

DATES: Comments must be received no later than October 30, 2014.

ADDRESSES: You may submit comments by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. The identification number for this rulemaking is BIS–2014–0021.

- By email directly to publiccomments@bis.doc.gov. Include RIN 0694–AG13 in the subject line.

- By mail or delivery to Regulatory Policy Division, Bureau of Industry and Security, U.S. Department of Commerce, Room 2099B, 14th Street and Pennsylvania Avenue NW., Washington, DC 20230. Refer to RIN 0694–AG13.

FOR FURTHER INFORMATION CONTACT:

Thomas Andrukonis, Director, Export Management and Compliance Division, Office of Exporter Services, Bureau of Industry and Security, by telephone at (202) 482–8016 or by email at Thomas.Andrukonis@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

Origin and Historical Advantages of the Special Comprehensive License

The restructuring and reorganizing of the Export Administration Regulations (EAR) that were finalized in 1997 established provisions for the Special Comprehensive License (SCL) in part 752 of the EAR (61 FR 12714, March 25, 1996, as amended by 62 FR 25451, May 9, 1997).

In keeping with the purpose of those reforms, which was to “simplify, clarify and make regulations more user-friendly,” the SCL made licensing more efficient and practical by consolidating authorizations for activities (e.g., bulk exports and reexports of items as well as certain other activities) and extending periods that had been authorized under the following special licenses: Project, Distribution, Service Supply, Service Facilities, Aircraft and Vessel Repair Station Procedure, and Special Chemical Licenses. With the implementation of the SCL, those special licenses were discontinued. BIS was confident that the more flexible SCL and a pre-approved internal control program (ICP) would advance the agency’s fundamental mission of ensuring national security without unduly burdening legitimate global trade.

When introduced, SCLs presented certain advantages to exporters and consignees that could not be met by the Validated Licenses (formerly referred to

as Individual Validated Licenses), which was the other licensing option at that time. In return for committing to enhanced administrative responsibilities and compliance requirements, the SCL authorized, among other things:

- Exports and reexports of multiple shipments of all items subject to the EAR, with the exception of items prohibited by statute or regulation (*inter alia*, items controlled for missile technology and short supply reasons) and items identified as being of significant strategic and proliferation concern;

- Exports and reexports of multiple shipments of items to all destinations, except to embargoed and terrorist supporting destinations (i.e., destinations in Country Groups E:1 and E:2 in Supplement No. 1 to Part 740 of the EAR), and countries that BIS may designate on a case-by-case basis;

- Possible authorization by prior approved consignees abroad of servicing, support services, stocking spare parts, maintenance, capital expansion, scientific data acquisition support, reselling and reexporting items in the form received, and other activities, on a case-by-case basis;

- Exports and reexports of items for a period of four years; and

- Exports and reexports by an SCL holder to approved consignees and directly to the consignees’ customers, the end-users (known as drop shipping).

In a recent review of the SCL, it became apparent that the purposes served by an SCL and the advantages it provided have been overtaken by changes to the EAR, including changes that have occurred since the implementation of the President’s Export Control Reform (ECR) (See “Initial Implementation of Export Control Reform Rule” (73 FR 22660, April 16, 2013), effective October 15, 2013; “Improving Regulatory Review” (Executive Order 13563 of January 18, 2011); and BIS’s “Notice of Inquiry: Retrospective Regulatory Review Under E.O. 13563” (76 FR 47527, August, 5, 2011)).

At the direction of the President, in August, 2009, BIS in conjunction with other agencies that have export control-related jurisdiction began an interagency initiative to reform the export control system. The reform’s objective has been to help strengthen our national security and the competitiveness of key U.S. manufacturing and technology sectors while simultaneously enabling export control officials to better focus government resources on transactions that pose the most concern. Some of the

results of this reform effort include broadening EAR provisions so that they are not more restrictive than similar provisions in the International Traffic in Arms Regulations. Such broadening included extending the validity period of most BIS licenses from two years to four years, and allowing shipments to and among approved end-users.

For purposes of the Retrospective Regulatory Review, the President reaffirmed the principles, structures, and definitions that were established in Executive Order 12866 of September 30, 1993, and which govern present-day regulatory review. Further, the President directed agencies to improve their regulations by pursuing regulatory reviews that ensure public participation, the best regulatory tools, weighing the benefits and costs of regulations, and making regulations consistent, easier to read and focused on measurable results.

BIS's proposal to discontinue the SCL authorization advances the objectives of the Retrospective Regulatory Review. Additionally, this proposed rule addresses concerns about the utility and unduly burdensome requirements associated with the SCL expressed by the exporting public in comments submitted in response to the August 5, 2011, BIS "Notice of Inquiry, Retrospective Regulatory Review Under E.O. 13563." One commenter responding to that Notice of Inquiry stated that the SCL rule is the most rigorous and burdensome license. The commenter claimed that the SCL rule needs "greater regulatory clarity, less administrative burden and greater return on resource." The commenter went on to note that SCL holders and consignees could get a better return on the resources expended for the license and on compliance efforts if more activities were authorized, such as manufacturing, if eligible items were expanded and if small changes or edits to an SCL could be made without the need for multiple forms and without the extensive processing time of the interagency license review. Finally, the commenter stated that the time and costs associated with the management and administrative burden of the SCL outweigh the benefit of the license especially when a license must be obtained for items that are not SCL eligible. Another commenter recommended the "deletion" of the SCL provision and stated that the provision "may no longer be practical" because of the creation of License Exception STA.

BIS has issued fewer than a dozen SCLs, and this limited number of license holders and the low volume of trade under SCLs are further indicators that the present and future value of an

SCL is outweighed by the burdens exporters experience in applying for and administering an SCL. Included among these burdens are the high monetary and resource cost incurred by the SCL holders and their consignees related to:

- Applying for the SCL or an amendment, which involves large volumes of detailed documentation to support that application or amendment;
- Developing, administering, and maintaining ICPs, which requires extensive time and resources to implement and revise; and
- Traveling and conducting internal audits or preparing for U.S. Government audits overseas or domestically, which involves several weeks per year of company staff time to prepare for, conduct and assess, in addition to the travel expenses necessary to carry out the overseas audits of consignees.

The U.S. Government also incurs high costs in administering and enforcing the SCL program internationally for such a limited number of SCL holders, whose licenses involve a low volume of trade, which could otherwise be more efficiently administered under the EAR.

Augmented Advantages of the EAR's Licenses and Other Authorizations

BIS's implementation of the President's initiatives has increased the scope of the availability, ease of applying for, and practical and economic usefulness of export licenses and license exceptions under the EAR, while facilitating better compliance by the exporting public through expanded outreach. The President's initiatives have included the following changes to the EAR:

- A four-year export or reexport validity period with agency consideration of a request for an extended validity period on a case-by-case basis;
- The option to export, reexport, or transfer (in-country) to and among approved end-users on a license, under certain conditions; and
- The expansion of License Exception Temporary imports, exports, and reexports, and transfers (in-country) (TMP) (Section 740.9), which now authorizes temporary exports to a U.S. person's foreign subsidiary, affiliates, or facility abroad outside of Country Group B, and will, upon request, authorize the retention of items abroad beyond one year, up to a total of four years.

Also worth noting are other potentially beneficial changes over time under the EAR. They include:

- Easier license application-filing procedures where exporters now have

the ability to save and work on license information that they then can submit to BIS via the Simplified Network Application Process—Redesign System, or SNAP-R;

- Shorter license application processing times, typically without pre-license consultations, ICP requirements, or post-license system reviews;
- No requirement for reports for all items exported or reexported;
- Licenses that could include items controlled for Missile Technology, Short Supply and other reasons excluded from the SCL; and
- No expiration for an authorization allowing U.S., foreign, affiliated or unaffiliated parties to export and reexport approved items to approved validated end-users (VEUs).

These streamlined, more flexible and varied authorizations are available, as appropriate, to facilitate more efficient and practical means of exporting, reexporting and transferring (in-country) items subject to export controls under the EAR without the burdens imposed by an SCL. More importantly, the amendments proposed in this rule eventually will lead to more efficient administration and enforcement of export controls under the EAR.

Description of Proposed Changes

Primary Provisions for the SCL: Part 752—Special Comprehensive License

BIS proposes to discontinue the SCL authorization, and therefore remove the text of the SCL provisions located at part 752 (Sections 752.1 through 752.17 and Supplements No. 1 through No. 5 to part 752) of the EAR. In addition, BIS proposes to reserve part 752.

Conforming Amendments

BIS also proposes conforming amendments that would remove references to the SCL authorization in other parts of the EAR. The SCL-related provisions that BIS proposes to remove from the EAR are set out according to part number as follows:

Part 730—General Information

- The reference to the SCL in the second sentence of paragraph (a)(5) of section 730.8 (How to proceed and where to get help); and
- In Supplement No. 1 to Part 730—Information Collection Requirements Under the Paperwork Reduction Act: OMB Control Numbers:
 - References to the SCL in control numbers 0694–0088 (Simplified Network Application Processing + System (SNAP+)) and the Multipurpose Export License Application) and 0607–0152 (Automated Export System (AES) Program); and

- The collection of information authorized under control number 0694–0089 (Special Comprehensive License Procedure).

Part 732—Steps for Using the EAR

- The reference to the SCL with regard to Destination Control Statements in paragraph (b) of section 732.5 (Steps regarding shipper's export declaration or automated export system record, Destination Control Statements, And Recordkeeping); and
- The specific obligations imposed on parties to an SCL that appear in paragraph (d) of section 732.6 (Steps for other requirements).

Part 738—Commerce Control List Overview and the Country Chart

- References to the SCL in paragraph (b)(3) of section 738.4 (Determining whether a license is required), which provides a sample CCL entry for determining whether a license is required.

Part 743—Special Reporting and Notification

- The reporting requirement for exports of certain commodities, software, and technology controlled under the Wassenaar Arrangement when the items are authorized under the SCL procedure from paragraph (b)(2) of section 743.1 (Wassenaar Arrangement); and
- The reporting requirement for exports of certain items listed on the Wassenaar Arrangement Munitions List and the UN Register of Conventional Arms when those items are authorized under the SCL procedure from paragraph (b)(2) of section 743.4 (Conventional arms reporting).

Part 748—Applications (Classification, Advisory, and License) and Documentation

References and provisions related to the SCL in the following paragraphs:

- Paragraph (d), introductory text, of section 748.1 (General provisions), which provides that SCL export and reexport license applications are exempted from electronic filing requirements;
- Paragraph (h) of section 748.4 (Basic guidance related to applying for a license), which provides that emergency processing is not available for SCL applications;
- Paragraphs (a) (Scope) and (d) (Role of individual users) of section 748.7 (Registering for electronic submission of license application and related documents);
- Paragraph (a)(6) of section 748.9 (Support documents for license

applications), which provides that SCL applications are exempted from the support documents requirement;

- Paragraph (a)(1)(iii) of section 748.12 (Special provisions for support documents), which provides that an item removed from SCL eligibility would have a grace period of 45 days for complying with support documents requirements for a license application for the item; and
- The reference to SCL as a type of application in “Block 5,” the entire “Block 8” of “Supplement No. 1 to Part 748–BIS–748P, BIS–748P–A; Items Appendix; and BIS–748P–B; End-User Appendix; Multipurpose Application Instructions”.

Part 762—Recordkeeping

References and provisions related to the SCL in the following paragraphs:

- Paragraphs (b)(31) “§ 752.7, Direct shipment to customers,” (b)(32) “§ 752.9, Action on SCL applications,” (b)(33) “§ 752.10, Changes to the SCL,” (b)(34) “§ 752.11, Internal Control Programs,” (b)(35) “§ 752.12, Recordkeeping requirements,” (b)(36) “§ 752.13, Inspection of records,” (b)(37) “§ 752.14, System reviews,” and (b)(38) “§ 752.15, Export clearance” of section 762.2 (Records to be retained).

Part 772—Definitions of Terms

- The definition of “*Controlled in Fact*” from section 772.1 (Definitions of terms as used in the Export Administration Regulations (EAR)).

Part 774—The Commerce Control List

- Reference to the SCL in the “REPORTING REQUIREMENTS” section of all applicable ECCNs.

Transition Guidance

BIS proposes that all SCLs would expire one year from the date of publication of a final rule that removes SCL provisions from the EAR, or the expiration date of the SCL under the particular terms of the license, whichever is earlier. During that transition period, which could be up to one year after the publication of the final rule, BIS will not accept amendments, including renewals, to outstanding SCLs. After the publication of the final rule, SCL holders may choose to apply for four-year individual licenses for exporting and reexporting items under the EAR or use available license exceptions. Finally, as with all transactions subject to the EAR, the applicable recordkeeping requirements under 15 CFR part 762 will continue to apply to SCL transactions until the applicable retention requirements are fulfilled.

Request for Comments

BIS seeks comments on this proposed rule. BIS will consider all comments received on or before October 30, 2014. All comments (including any personally identifying information or information for which a claim of confidentiality is asserted either in those comments or their transmittal emails) will be made available for public inspection and copying. Parties who wish to comment anonymously may do so by submitting their comments via Regulations.gov, leaving the fields that would identify the commenter blank and including no identifying information in the comment itself. See methods for submitting comments in the **ADDRESSES** section of this rule.

Export Administration Act

Since August 21, 2001, the Export Administration Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 CFR, 2001 Comp., 783 (2002), as amended by Executive Order 13637 of March 8, 2013, 78 FR 16129 (March 13, 2013), and extended most recently by the Notice of August 7, 2014, 79 FR 46959 (August 11, 2014), has continued the EAR in effect under the International Emergency Economic Powers Act. 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, reducing costs, harmonizing rules, and promoting flexibility. This rule has been determined to be a significant regulatory action, although not economically significant, under section 3(f) of Executive Order 12866 for purposes of Executive Order 12866. Accordingly, the rule has been reviewed by the Office of Management and Budget (OMB).

2. This rule amends collections previously approved by the Office of Management and Budget (OMB) under Control Numbers 0694–0088, “Simplified Network Application Processing + System (SNAP+) and the

Multi-Purpose Application,” which carries a burden hour estimate of 43.8 minutes to prepare and submit form BIS-748; 0694-0089, “Special Comprehensive License,” which carries a burden hour estimate of 40 hours to complete an application, 30 minutes to complete annual extension requests, 4 hours to complete amendments, and six hours to perform recordkeeping and internal control program annual certifications; and 0694-0152, “Automated Export System (AES) Program,” which carries a burden hour estimate of three minutes or 0.05 hours per electronic submission. This requirement has been submitted to OMB for approval.

The total burden hours associated with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA) and the aforementioned OMB Control Numbers would be expected to decrease as a result of this proposed removal of part 752 of the EAR and related provisions this rule if the rule is eventually issued in final form, thereby reducing burden hours associated with approved collections related to the EAR.

Public comment is sought regarding: Whether this proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; the accuracy of the burden estimate; ways to enhance the quality, utility, and clarity of the information to be collected; and ways to minimize the burden of the collection of information, including through the use of automated collection techniques or other forms of information technology. Send comments on these or any other aspects of the collection of information to Regulatory Policy Division, Bureau of Industry and Security, U.S. Department of Commerce at the **ADDRESSES** above, and email to OMB at OIRA_Submission@omb.eop.gov, or fax to (202) 395-7285.

Notwithstanding any other provision of the 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 PRA, unless that collection of information displays a currently valid OMB Control Number.

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

4. Regulatory Flexibility Act of 1980 (5 U.S.C. 601 *et seq.*). The Chief Counsel for Regulation of the Department of Commerce has certified to the Chief Counsel for Advocacy of the Small Business Administration that this proposed rule, if adopted in final form,

would not have a significant economic impact on a substantial number of small entities.

Economic Impact. BIS believes this rule will reduce the economic impact on impacted entities because although this rule would eliminate the availability of the SCL, such entities could still obtain individual validated licenses from BIS to export their product. In fact, the other licenses available are less burdensome and require fewer compliance/reporting measures than those associated with SCL. It would be an overall reduction in burden for an SCL holder to transition to one of the other available licenses authorized under the EAR. For example, under the SCL, a license holder was required to implement a specific internal control program (ICP). Under a license established under the ECR, the impacted entities would be measured by their ultimate compliance with the EAR. Also with a license established under the ECR, SCL holders can transition to a four-year license through the validated license process. In addition, they have the availability of license exception Strategic Trade Authorization (STA), which allows shipments of higher-end controlled items than allowed under the SCL, when conditions are met. Also, impacted entities would have the convenience of applying for a license via the Simplified Network Application Process-Redesign (SNAP-R) System, an updated system for electronically filing export and reexport license applications.

Number of Small Entities. The types entities that would be directly impacted by this action include manufactures, oil and gas exploration and production companies, and exporters and reexporters of various equipment. Based on a review of current Special Comprehensive License (SCL) holders, there are less than a dozen entities that have outstanding licenses for items on the CCL. Due to the nature of the SCL, BIS expects that most of the current license holders would be considered large entities under the Small Business Administration's size standards. However, BIS does not collect data on the size or annual revenue of these entities, and thus some of these entities may be considered small under the SBA size standards. Also, although small entities are not the primary users of the SCL, BIS acknowledges that small entities may have been parties to SCL transactions. To assist in the evaluation of a significant economic impact of this rule on a substantial number of small entities, BIS welcomes comments to explain how and to what extent your business or organization could be affected, if your business or organization

is a small entity and if adoption of any of the amendments discussed in this proposed rulemaking could have a significant financial impact on your operations.

List of Subjects

15 CFR Part 730

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

15 CFR Parts 732, 748, and 752

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

15 CFR Parts 738 and 772

Exports.

15 CFR Part 743

Administrative practice and procedure, Reporting and recordkeeping requirements.

15 CFR 762

Administrative practice and procedure, Business and industry, Confidential business information, Exports, Reporting and recordkeeping requirements.

15 CFR 774

Exports, Reporting and recordkeeping requirements.

Accordingly, under the authority of 50 U.S.C. 1701 *et seq.*, parts 730, 732, 738, 743, 748, 752, 762, 772 and 774 of the Export Administration Regulations (15 CFR parts 730-774) are proposed to be amended as follows:

PART 730—[AMENDED]

■ 1. The authority citation for part 730 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *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; 30 U.S.C. 185(s), 185(u); 42 U.S.C. 2139a; 42 U.S.C. 6212; 43 U.S.C. 1354; 15 U.S.C. 1824a; 50 U.S.C. app. 5; 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 of March 8, 2013, 78 FR 16129 (March 13, 2013); Notice of September 18, 2013, 78 FR 58151 (September 20, 2013); Notice of November 7, 2013, 78 FR 67289 (November 12, 2013); Notice of January 21, 2014, 79 FR 3721 (January 22, 2014); Notice of May 7, 2014, 79 FR 26589 (May 9, 2014); Notice of August 7, 2014, 79 FR 46959 (August 11, 2014).

§ 730.8 [Amended]

■ 2. Section 730.8 is amended by removing the next to last sentence in paragraph (a)(5).

Supplement No. 1 to Part 730 [Amended]

- 3. Supplement No. 1 to Part 730 is amended by:
- a. Revising the entry in the “Reference in the EAR” Column for “Collection number” “0694–0088” to read “parts 746 and 748; § 762.2(b).”;
 - b. Removing the entire entry for “Collection number” “0694–0089”; and
 - c. Removing the citations to “752.7(b)” and “752.15(a)” from the “Reference in the EAR” Column for “Collection number” “0607–0152”.

PART 732—[AMENDED]

■ 4. The authority citation for part 732 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *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, 2014, 79 FR 46959 (August 11, 2014).

■ 5. Section 732.5 is amended by revising the next to last sentence of paragraph (b) to read as follows:

§ 732.5 Steps Regarding Shipper’s Export Declaration or Automated Export System Record, Destination Control Statements, And Recordkeeping.

* * * * *

(b) *Step 28: Destination Control Statement* * * * DCS requirements do not apply to reexports * * *

* * * * *

§ 732.6 [Amended]

■ 6. Section 732.6 is amended by removing and reserving paragraph (d).

PART 738—[AMENDED]

■ 7. The authority citation for 15 CFR part 738 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *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; 30 U.S.C. 185(s), 185(u); 42 U.S.C. 2139a; 42 U.S.C. 6212; 43 U.S.C. 1354; 15 U.S.C. 1824a; 50 U.S.C. app. 5; 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, 2014, 79 FR 46959 (August 11, 2014).

§ 738.4 [Amended]

■ 8. Section 738.4 is amended by removing the phrase “or Special Comprehensive License” at the end of the sixth sentence in paragraph (b)(3).

PART 743—[AMENDED]

■ 9. The authority citation for part 743 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13637 of March 8, 2013, 78 FR 16129 (March 13, 2013); 78 FR 16129; Notice of August 7, 2014, 79 FR 46959 (August 11, 2014).

§ 743.1 [Amended]

■ 10. Section 743.1 is amended by removing and reserving paragraph (b)(2).

§ 743.4 [Amended]

■ 11. Section 743.4 is amended by removing and reserving paragraph (b)(2).

PART 748—[AMENDED]

■ 12. The authority citation for part 748 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *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, 2014, 79 FR 46959 (August 11, 2014).

§ 748.1 [Amended]

■ 13. Section 748.1 is amended by removing the phrase “Special Comprehensive License or” from the parenthetical in the first sentence in paragraph (d), introductory text.

§ 748.4 [Amended]

■ 14. Section 748.4 is amended by removing the next to last sentence in paragraph (h).

§ 748.7 [Amended]

■ 15. Section 748.7 is amended by removing the phrase “Special Comprehensive License and” from the parenthetical in the second sentence in paragraph (a) and from the parenthetical in the first sentence in paragraph (d).

§ 748.9 [Amended]

■ 16. Section 748.9 is amended by removing and reserving paragraph (a)(6).

§ 748.12 [Amended]

■ 17. Section 748.12 is amended by:

- a. Removing the semicolon and the word “or” at the end of paragraph (a)(1)(ii)

■ b. Adding a period at the end of paragraph (a)(1)(ii); and

■ c. Removing paragraph (a)(1)(iii).

Supplement No. 1 to Part 748 [Amended]

■ 18. Supplement No. 1 to Part 748 is amended by:

- a. Removing the next to last sentence and the caption, “*Special Comprehensive License*” that precedes it in paragraph “Block 5:” and
- b. Removing and reserving paragraph “Block 8”.

PART 752—[REMOVED AND RESERVED]

■ 19. Remove and reserve part 752.

PART 762—[AMENDED]

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

Authority: 50 U.S.C. app. 2401 *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, 2014, 79 FR 46959 (August 11, 2014).

§ 762.2 [Amended]

■ 21. Section 762.2 is amended by removing and reserving paragraphs (b)(31) through (38).

PART 772—[AMENDED]

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

Authority: 50 U.S.C. app. 2401 *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, 2014, 79 FR 46959 (August 11, 2014).

§ 772.1 [Amended]

■ 23. Section 772.1 is amended by removing the definition “*Controlled In Fact*.”

PART 774—[AMENDED]

■ 24. The authority citation for part 774 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *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; 30 U.S.C. 185(s), 185(u); 42 U.S.C. 2139a; 42 U.S.C. 6212; 43 U.S.C. 1354; 15 U.S.C. 1824a; 50 U.S.C. app. 5; 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, 2014, 79 FR 46959 (August 11, 2014).

Supplement No. 1 to Part 774 [Amended]

■ 25. Supplement No. 1 to part 774 (the Commerce Control List) is amended by removing the phrase “Special

Comprehensive Licenses,” wherever it is found.

Kevin J. Wolf,

Assistant Secretary for Export Administration.

[FR Doc. 2014–23078 Filed 9–29–14; 8:45 am]

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 40

[Docket No. RM14–13–000]

Communications Reliability Standards

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commission proposes to approve Communications Reliability Standard COM–001–2 and Operating Personnel Communications Protocols Reliability Standard COM–002–4, developed by the North American Electric Reliability Corporation (NERC), which the Commission has certified as the Electric Reliability Organization responsible for developing and enforcing mandatory Reliability Standards. The Commission believes that the proposed Reliability Standards will enhance reliability over the currently-effective COM standards in several respects by, among other things, requiring adoption of predefined communication protocols, annual assessment of those protocols and operating personnel’s adherence thereto, training on the protocols, and use of three-part communications. However, the Commission proposes to direct NERC to modify proposed Reliability Standard COM–001–2 to include internal communications capabilities.

DATES: Comments are due December 1, 2014.

ADDRESSES: Comments, identified by docket number, may be filed in the following ways:

- Electronic Filing through <http://www.ferc.gov>. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format.
- Mail/Hand Delivery: Those unable to file electronically may mail or hand-deliver comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street NE., Washington, DC 20426.

Instructions: For detailed instructions on submitting comments and additional

information on the rulemaking process, see the Comment Procedures Section of this document.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

1. Pursuant to section 215 of the Federal Power Act (FPA),¹ the Commission proposes to approve two Reliability Standards, COM–001–2 (Communications) and COM–002–4 (Operating Personnel Communications Protocols), developed by the North American Electric Reliability Corporation (NERC), which the Commission has certified as the Electric Reliability Organization responsible for developing and enforcing mandatory Reliability Standards. In addition, the Commission proposes to approve three new terms to be added to the NERC Glossary of Terms, and the violation risk factors, violation severity levels, and proposed implementation plan for both revised standards.

2. Proposed Reliability Standard COM–001–2 is intended to establish a clear set of requirements for the communications capabilities that applicable functional entities must have in place and maintain. Proposed Reliability Standard COM–002–4 requires applicable entities to develop communication protocols with certain minimum requirements, including use of three-part communication when issuing Operating Instructions.²

¹ 16 U.S.C. 824o (2012).

² NERC proposes to define Operating Instruction as “[a] command by operating personnel responsible for the Real-time operation of the interconnected Bulk Electric System to change or preserve the state, status, output, or input of an Element of the Bulk Electric System or Facility of the Bulk Electric System. (A discussion of general

Proposed Reliability Standard COM–002–4 also sets out certain communications training requirements for all issuers and recipients of Operating Instructions, and establishes a flexible enforcement approach for failure to use three-part communication during non-emergencies and a “zero-tolerance” enforcement approach for failure to use three-part communications during an emergency.

3. The Commission believes that the proposed Reliability Standards will enhance reliability over the currently-effective COM standards in several respects. For example, the proposed Reliability Standards expand applicability to include generator operators and distribution providers and eliminate certain ambiguities in the currently-effective standard. Thus, the Commission proposes to approve the modified COM standards. However, the Commission seeks additional information and explanation on responsibility for use of three-part communication by transmission owners and generation owners that receive Operating Instructions. In addition, the Commission proposes to direct NERC to modify proposed Reliability Standard COM–001–2 to include internal communication capabilities, and seeks additional information on the lack of a testing requirement for distribution providers and generator operators in COM–001–2 and on the intended meaning and use of the proposed terms Interpersonal Communication and Alternative Interpersonal Communication.

I. Background

A. Regulatory Background

4. Section 215 of the FPA requires a Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards, subject to Commission review and approval.³ Once approved, the Reliability Standards may be enforced by the ERO subject to Commission oversight, or by the Commission independently.⁴ In 2006, the Commission certified NERC as the ERO pursuant to FPA section 215.⁵

5. The Commission approved Reliability Standard COM–001–1 in

information and of potential options or alternatives . . . is not considered an Operating Instruction.)”

³ 16 U.S.C. 824o(c) and (d).

⁴ See *id.* 824o(e).

⁵ *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh’g & compliance*, 117 FERC ¶ 61,126 (2006), *aff’d sub nom. Alcoa, Inc. v. FERC*, 564 F.3d 1342 (D.C. Cir. 2009).