

Management and Budget under 44 U.S.C. 3501, *et seq.*

List of Subjects in 14 CFR Part 1274

Grant programs—science and technology.

Tom Luedtke,
Assistant Administrator for Procurement.

- Accordingly, 14 CFR part 1274 is amended as follows:
- 1. The authority citation for 14 CFR part 1274 continues to read as follows:

Authority: 31 U.S.C. 6301 to 6308; 42 U.S.C. 2451 *et seq.*

PART 1274—COOPERATIVE AGREEMENTS WITH COMMERCIAL FIRMS

- 2. Amend § 1274.904 by revising paragraph (a), redesignating paragraph (b) as (c), and adding new paragraph (b) to read as follows:

§ 1274.904 Resource Sharing Requirements.

Resource Sharing Requirements

AUGUST 2006

* * * * *

(a) NASA and the Recipient will share in providing the resources necessary to perform the agreement. NASA funding and non-cash contributions (personnel, equipment, facilities, etc.) and the dollar value of the Recipient's cash and/or non-cash contribution will be on a __ percent (NASA)—__ percent (Recipient) basis. Criteria and procedures for the allowability and allocability of cash and non-cash contributions shall be governed by FAR Parts 30 and 31, and NFS Parts 1830 and 1831.

(b) The funding and non-cash contributions by both parties are represented by the following dollar amounts:

Government Share _____

Recipient Share _____

Total Amount _____

(c) The Recipient's share shall not be charged to the Government under this Agreement or under any other contract, grant, or cooperative agreement, except to the extent that the Recipient's contribution may be allowable IR&D costs pursuant to FAR 31.205-18(e).

[FR Doc. 06-7362 Filed 8-30-06; 8:45 am]

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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Parts 734, 738, 740, 742, 746, 748, 750, 752, 764, 772 and 774

[Docket No. 060816218-6218-01]

RIN 0694-AD81

Implementation in the Export Administration Regulations of the United States' Rescission of Libya's Designation as a State Sponsor of Terrorism and Revisions Applicable to Iraq

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Interim final rule with request for comments.

SUMMARY: In this rule, the Bureau of Industry and Security (BIS) amends the Export Administration Regulations (EAR) to implement the June 30, 2006 rescission of Libya's designation as a state sponsor of terrorism. The rescission followed the President's May 15, 2006 submission of a report to Congress certifying that Libya had not provided any support for international terrorism during the preceding six months and that Libya had provided assurances that it would not support future acts of international terrorism. To implement the rescission, BIS amends the EAR by removing Libya from the list of terrorist supporting countries in Country Group E:1, and by making other conforming amendments and related revisions throughout the EAR. In particular, Libya is added to Country Group D:1 and remains in Country Groups D:2, D:3, and D:4.

This rule also revises the EAR to reflect the fact that in October 2004 the United States rescinded Iraq's designation as a state sponsor of terrorism. As a result of the rescission of this designation, BIS may no longer control for anti-terrorism (AT) reasons items covered by eight export control classification numbers (ECCNs) for which BIS previously required a license for export or reexport to Iraq, or for transfer within Iraq. Note that BIS now controls these items for regional stability (RS) reasons and continues to require a license for their export or reexport to Iraq, or transfer within Iraq. This rule also amends the EAR to delete all references to Iraq's status as a Designated State Sponsor of Terrorism.

DATES: This rule is effective August 31, 2006. Comments must be received October 2, 2006.

ADDRESSES: Written comments on this rule may be sent to the Federal

eRulemaking Portal: <http://www.regulations.gov>, or by e-mail to publiccomments@bis.doc.gov. Include RIN 0694-AD81 in the subject line of the message. Comments may be submitted by mail or hand delivery to Sheila Quarterman, Office of Exporter Services, Regulatory Policy Division, Bureau of Industry and Security, Department of Commerce, 14th & Pennsylvania Avenue, NW., Room 2705, Washington, DC 20230, ATTN: RIN 0694-AD81; or by fax: 202-482-3355.

Send comments regarding the collection of information to David Rostker, Office of Management and Budget (OMB), by e-mail to David_Rostker@omb.eop.gov, or by fax to 202-395-7285.

FOR FURTHER INFORMATION CONTACT: Joan Roberts, Director, Foreign Policy Division, Office of Nonproliferation and Treaty Compliance, Bureau of Industry and Security, Department of Commerce, P.O. Box 273, Washington, DC 20044; Telephone: (202) 482-4252, or E-mail: jroberts@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

The Bureau of Industry and Security (BIS) is amending the Export Administration Regulations (EAR) to implement the June 30, 2006 rescission of Libya's designation as a state sponsor of terrorism. This action is the latest in a series of steps taken by the U.S. Government to reflect the improvement in the bilateral relationship since Libya's announcement in December 2003 that it was renouncing terrorism and giving up its weapons of mass destruction programs. In recognition of these actions, on April 23, 2004, the President terminated the application of the Iran-Libya Sanctions Act with respect to Libya allowing the resumption of most commercial activities with Libya. Concurrent with the President's action, the Department of the Treasury's Office of Foreign Assets Control (OFAC) published a General License implementing the President's action. On April 29, 2004, BIS published an amendment to the EAR that allowed for the licensing and authorization of the export or reexport of dual-use items to Libya. On March 22, 2005, BIS published a second amendment to the EAR on Libya that established a review policy and licensing procedure for items illegally exported or reexported to Libya prior to the end of the comprehensive embargo ("installed base" items). The installed based provisions, as set forth in section 764.7, continue in effect. On November 16, 2005, BIS published a third

amendment to the EAR for Libya that allowed for the export of certain items controlled only for anti-terrorism (AT) reasons to be exported to U.S. Persons in Libya under a new license exception (License Exception USPL).

On May 15, 2006, the President submitted a report to Congress certifying that Libya had not provided any support for international terrorism during the preceding six months and that Libya had provided assurances that it would not support future acts of international terrorism. In light of the report, on June 30, 2006, the U.S. Government rescinded Libya's designation as a state sponsor of terrorism. To implement the rescission, BIS amends the EAR by removing Libya from the list of terrorist supporting countries in Country Group E:1, and by making other conforming amendments and related revisions throughout the EAR. In particular, Libya is added to Country Group D:1 and remains in Country Groups D:2, D:3, and D:4.

The specific amendments that implement this change in U.S. policy toward Libya and the revisions applicable to Iraq are described below.

Libya Overview

The new Libya export licensing policy significantly reduces the level of U.S. Government controls over commercial exports to Libya, which is consistent with Libya's removal from the list of Designated State Sponsors of Terrorism. BIS, however, retains restrictions on the export of multilaterally-controlled items and other sensitive items to Libya.

Revised License Requirements for Exports and Reexports to Libya

Items for Which Export License Requirements are Generally Lifted

Under this rule, items subject to the EAR but not listed on the Commerce Control List (15 CFR part 774) (CCL) (*i.e.*, EAR99 items) will generally not be subject to license requirements for export or reexport to Libya except pursuant to the end-user and end-use controls set forth in part 744 of the EAR. In addition, items controlled only for anti-terrorism (AT) reasons on the CCL will no longer be subject to a licensing requirement for export or reexport to Libya, except for the end-use and end-user requirements noted above.

Also, the *de minimis* rules applicable to Libya are amended to reflect Libya's removal from Country Group E:1. Reexports of items to Libya from abroad are subject to the EAR only when U.S.-origin controlled content in such items exceeds 25% instead of the 10% that applies to Country Group E:1 countries.

Items for Which Export License Requirements Will Be Retained

This rule retains license requirements for the export or reexport to Libya of items on the multilateral export control regime lists (the Wassenaar Arrangement, the Nuclear Suppliers' Group, the Australia Group and the Missile Technology Control Regime) and items controlled for Crime Control (CC) or Regional Stability (RS) reasons. These license requirements are set forth in part 742 of the EAR and are reflected in the relevant columns of the Country Chart in Supplement No. 1 to part 738 of the EAR. Certain categories of items that are controlled for reasons not included on the Country Chart (*e.g.*, encryption (EI), short supply (SS), and Chemical Weapons (CW)) also require a license for export or reexport to Libya.

Revised Licensing Policy for Libya

BIS will review license applications for exports or reexports to Libya on a case-by-case basis pursuant to applicable licensing policies set forth in parts 742, 744, or elsewhere in the EAR.

Items Controlled for Chemical and Biological Weapons (CB) Reasons

License applications for CB-controlled exports and reexports to Libya will be reviewed on a case-by-case basis consistent with the licensing policy set forth in part 742.2 of the EAR.

Items Controlled for Nuclear Nonproliferation (NP) Reasons

License applications for NP-controlled exports and reexports to Libya will be reviewed on a case-by-case basis consistent with the licensing policy set forth in part 742.3 of the EAR. Applications for exports and reexports to civil-end users and end-uses will generally be approved.

Items Controlled for National Security (NS) Reasons

License applications for NS-controlled exports and reexports to Libya will be reviewed on a case-by-case basis consistent with the licensing policy set forth in part 742.4 of the EAR. Applications for exports and reexports to civil end-users and end-uses will generally be approved.

Items Controlled for Missile Technology (MT) Reasons

License applications for MT-controlled exports and reexports to Libya will be reviewed on a case-by-case basis consistent with the licensing policy set forth in part 742.5 of the EAR.

Items Controlled for Regional Stability (RS) Reasons

License applications for RS-controlled exports and reexports to Libya will be reviewed on a case-by-case basis consistent with the licensing policy set forth in part 742.6 of the EAR.

Items Controlled for Crime Control (CC) Reasons

License applications for CC-controlled exports and reexports to Libya will be reviewed favorably on a case-by-case basis consistent with the licensing policy set forth in part 742.7 of the EAR.

As a result of the rescission of Libya's designation as a state sponsor of terrorism, Libya will also be an eligible destination for special comprehensive licenses as described in part 752 of the EAR.

License Exceptions Available for Libya

License Exceptions Available Generally to Group D Countries

This rule removes Libya from Country Group E:1, found in Supplement 1 to part 740 of the EAR. It adds Libya to Country Group D:1. Libya remains in Country Groups D:2, D:3, and D:4. As a result of Libya's inclusion in Country Groups D:1 through D:4, the following License Exceptions may be available, in whole or in part: CIV, APP, TMP, RPL, GOV, GFT, TSU, BAG, AVS, ENC and KMI. A specific transaction is eligible for a License Exception only if it satisfies all of the terms and conditions of the relevant License Exception and is not excluded by any of the restrictions that apply to all License Exceptions, as set forth in section 740.2 (Restrictions on all License Exceptions) and elsewhere in the EAR.

Expanded License Exception Availability

This rule adds Libya to Computer Tier 3 for exports or reexports of high performance computers under License Exception Computers (APP) in section 740.7 of the EAR. Additionally, foreign nationals from Libya are now eligible to receive without a license "development" and "production" technology and source code for computers with an adjusted peak performance (APP) of less than or equal to 0.1 Weighted TeraFLOPS (WT) and "use" technology and source code for computers with an APP of less than or equal to 0.75 WT under License Exception APP subject to the Foreign National Review requirements of section 740.7(d)(4).

This rule also removes License Exception USPL (section 740.19) from the EAR. This License Exception was

established to allow for the export or reexport of certain items controlled for AT reasons only to U.S. persons in Libya. With the lifting of AT controls on Libya, this License Exception has been rendered irrelevant.

Overview of Iraq Revisions

This rule also makes revisions to the EAR to reflect the October 2004 rescission of Iraq's designation as a state sponsor of terrorism. Under the terms of the revisions, items covered by eight export control classification numbers (ECCNs) which previously required a license for export or reexport to Iraq, or transfer within Iraq, for anti-terrorism (AT) reasons now require a license for export or reexport to Iraq, or transfer within Iraq, for regional stability (RS) reasons. This change affects the following ECCNs: 0B999 (Specific processing equipment such as hot cells and glove boxes suitable for use with radioactive materials), 0D999 (Specific software for neutronic calculations, radiation transport calculations and hydrodynamic calculations/modeling), 1B999 (Specific processing equipment such as electrolytic cells for fluorine production and particle accelerators), 1C992 (Commercial charges containing energetic materials, n.e.s.), 1C995 (Certain mixtures and testing kits), 1C997 (Ammonium Nitrate), 1C999 (Specific Materials, n.e.s.) and 6A992 (Optical Sensors, not controlled by 6A002). BIS has retained a licensing requirement for these items for RS reasons to reflect the U.S. Government's position that they could contribute to military capabilities within Iraq and in the region in a manner destabilizing to the region and contrary to the foreign policy interests of the United States. This rule also amends the EAR to delete all references to Iraq's former status as a Designated State Sponsor of Terrorism.

This action is taken after consultation with the Secretary of State. This rule imposes new export controls for foreign policy reasons. Consistent with section 6 of the Export Administration Act of 1979, as amended, 50 U.S.C. app. §§ 2401–2420 (2000) (the Act), a foreign policy report was submitted to Congress on August 17, 2006, notifying Congress of the imposition of new controls.

Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 CFR, 2001 Comp. 783 (2002)), as extended most recently by the Notice of August 3, 2006, (71 Fed. Reg. 44551 (August 7, 2006)), has continued the EAR in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701–1706 (2000)) (IEEPA). 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. This interim rule has been determined to be not significant for the purposes of Executive Order 12866.

2. Notwithstanding any other provision of law, no person is required to respond to nor 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 regulation involves collections previously approved by the OMB under control numbers 0694–0088, "Multi-Purpose Application," which carries a burden hour estimate of 58 minutes to prepare and submit form BIS–748. This rule is expected to result in a decrease in license applications. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden to David Rostker, Office of Management and Budget (OMB), and to the Regulatory Policy Division, Bureau of Industry and Security, Department of Commerce, as indicated in the **ADDRESSES** section of this rule.

3. This rule does not contain policies with Federalism implications sufficient to warrant preparation of a Federalism assessment under Executive Order 13132.

4. The provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, the opportunity for public participation, and a delay in effective date, are inapplicable because this regulation involves a military or foreign affairs function of the United States (*see* 5 U.S.C. 553(a)(1)). Further, no other law requires that a notice of proposed rulemaking and an opportunity for public comment be given for this rule. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by 5 U.S.C. 553, or by any other law, the analytical requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, are not applicable.

However, because of the importance of the issues raised by these regulations, this rule is being issued in interim form and BIS will consider comments in the development of the final regulations. Accordingly, the Department of

Commerce (the Department) encourages interested persons who wish to comment to do so at the earliest possible time to permit the fullest consideration of their views.

The period for submission of comments will close October 2, 2006. The Department will consider all comments received before the close of the comment period in developing final regulations. Comments received after the end of the comment period will be considered if possible, but their consideration cannot be assured. The Department will not accept public comments accompanied by a request that a part or all of the material be treated confidentially because of its business proprietary nature or for any other reason. The Department will return such comments and materials to the persons submitting the comments and will not consider them in the development of final regulations. All public comments on these regulations will be a matter of public record and will be available for public inspection and copying. In the interest of accuracy and completeness, the Department requires comments in written form.

Oral comments must be followed by written memoranda, which will also be a matter of public record and will be available for public review and copying. Communications from agencies of the United States Government or foreign governments will not be available for public inspection.

The Office of Administration, Bureau of Industry and Security, U.S. Department of Commerce, displays these public comments on BIS's Freedom of Information Act (FOIA) Web site at <http://www.bis.doc.gov/foia>. This office does not maintain a separate public inspection facility. If you have technical difficulties accessing this Web site, please call BIS's Office of Administration at (202) 482–0637 for assistance.

List of Subjects

15 CFR Part 734, 740, 748, 750 and 752

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

15 CFR Parts 738 and 772

Exports.

15 CFR Part 746

Exports, Reporting and recordkeeping requirements.

15 CFR Parts 742 and 774

Exports, Foreign trade.

15 CFR Part 764

Administrative practice and procedure, Exports, Law enforcement, Penalties.

■ Accordingly, parts 734, 738, 740, 742, 746, 748, 750, 752, 764, 772 and 774 of the Export Administration Regulations (15 CFR parts 730–799) are amended as follows:

PART 734—[AMENDED]

■ 1. The authority citation for 15 CFR part 734 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; 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. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of October 25, 2005, 70 FR 62027 (October 27, 2005); Notice of August 3, 2006, 71 FR 44551 (August 7, 2006).

§ 734.4 [Amended]

■ 2. Section 734.4 is amended by revising the phrase “Cuba, Iran, Libya, North Korea, Sudan, and Syria” in paragraph (a)(1) to read “Cuba, Iran, North Korea, Sudan, and Syria.”

PART 738—[AMENDED]

■ 3. The authority citation for 15 CFR part 738 is revised 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); 18 U.S.C. 2510 *et seq.*; 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; 46 U.S.C. app. 466c; 50 U.S.C. app. 5; Sec. 901–911, Pub. L. 106–387; Sec. 221, Pub. L. 107–56; 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 3, 2006, 71 FR 44551 (August 7, 2006).

- 4. Supplement No. 1 to part 738 is amended
 - A. By removing the “X” in AT column 1 in the entry for ‘Libya’; and
 - B. By revising the footnote to the Country Chart to read as follows:

* * * * *

Supplement No. 1 to Part 738—Commerce Country Chart

1 This country is subject to sanctions implemented by the United Nations Security Council. See § 746.3 for license requirements for exports and reexports to Iraq or transfer within Iraq, as well as regional stability licensing requirements not included in the Country Chart. See § 746.8 for license requirements for exports and reexports to Rwanda.

PART 740—[AMENDED]

■ 5. The authority citation for 15 CFR part 740 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; Sec. 901–911, Pub. L. 106–387; 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 3, 2006, 71 FR 44551 (August 7, 2006).

- 6. Section 740.7 is amended
 - A. By revising the phrase “Cuba, Iran, Libya, North Korea, Sudan, or Syria,” in paragraph (b)(2)(i) to read “Cuba, Iran, North Korea, Sudan, or Syria.”;
 - B. By removing the phrase “Libya,” in paragraph (b)(2)(ii); and
 - C. By revising paragraph (d)(1) to read as follows:

§ 740.7 Computers (APP).

* * * * *

COUNTRY GROUP D

Country	[D:1] Na-tional Se-cu-ri-ty	[D:2] Nu-clear	[D:3] Chem-ical and biolog-ical	[D:4] Mis-sile tech-nol-o-gy
Libya	*	*	*	*
	*	*	*	*

PART 742—[AMENDED]

■ 10. The authority citation for 15 CFR part 742 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 18 U.S.C. 2510 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; Sec. 901–911, Pub. L. 106–387; Sec. 221, Pub. L. 107–56; Sec. 1503, Pub. L. 108–11,117 Stat. 559; 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. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Presidential Determination 2003–23 of May 7, 2003, 68 FR 26459, May 16, 2003; Notice of October 25, 2005, 70 FR 62027 (October 27, 2005); Notice of August 3, 2006, 71 FR 44551 (August 7, 2006).

- 11. Section 742.1 is amended by revising paragraph (d) to read as follows:

(d) Computer Tier 3 destinations—(1) Eligible destinations. Eligible destinations under paragraph (d) of this section are Afghanistan, Albania, Algeria, Andorra, Angola, Armenia, Azerbaijan, Bahrain, Belarus, Bosnia & Herzegovina, Cambodia, China (People’s Republic of), Comoros, Croatia, Djibouti, Egypt, Georgia, India, Iraq, Israel, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Laos, Lebanon, Libya, Macau, Macedonia (The Former Yugoslav Republic of), Mauritania, Moldova, Mongolia, Morocco, Oman, Pakistan, Qatar, Russia, Serbia and Montenegro, Saudi Arabia, Tajikistan, Tunisia, Turkmenistan, Ukraine, United Arab Emirates, Uzbekistan, Vanuatu, Vietnam, and Yemen.

* * * * *

- 7. Section 740.15 is amended by revising paragraph (d)(5) to read as follows:

§ 740.15 Aircraft and vessels (AVS).

* * * * *

(d) * * *

(5) No vessels may be exported or reexported under this License Exception to a country in Country Group E:1.

§ 740.19 [Removed]

- 8. Section 740.19 is removed.
- 9. Supplement No. 1 to part 740 is amended:
 - A. By revising the entry for Libya in the table to Country Group D; and
 - B. By removing Libya from Country Group E.

Supplement No. 1 to Part 740—Country Groups

* * * * *

§ 742.1 Introduction.

* * * * *

(d) *Anti-terrorism Controls on Cuba, Iran, North Korea, Sudan and Syria.* Commerce maintains anti-terrorism controls on Cuba, Iran, North Korea, Syria and Sudan under section 6(a) of the Export Administration Act. Items controlled under section 6(a) to Iran, Syria, Sudan, and North Korea are described in §§ 742.8, 742.9, 742.10, and

742.19, respectively, and in Supplement No. 2 to part 742. Commerce also maintains controls under section 6(j) of the EAA to Cuba, Iran, North Korea, Sudan and Syria. Items controlled to these countries under EAA section 6(j) are also described in Supplement 2 to part 742. The Secretaries of Commerce and State are required to notify appropriate Committees of the Congress 30 days before issuing a license for an item controlled under section 6(j) to Cuba, North Korea, Iran, Sudan or Syria. As noted in paragraph (c) of this section, if you are exporting or reexporting to Cuba or Iran you should review part 746 of the EAR, Embargoes and Other Special Controls.

- * * * * *
- 12. Section 742.6 is amended by adding paragraphs (a)(3) and (b)(4) to read as follows:

§ 742.6 Regional stability.

(a) * * *

(3) As indicated on the CCL, a license is required for the export or reexport to Iraq or transfer within Iraq of the following items controlled for RS reasons on the CCL: 0B999, 0D999, 1B999, 1C992, 1C995, 1C997, 1C999 and 6A992. The Commerce Country Chart is not designed to determine RS licensing requirements for these ECCNs.

(b) * * *

(4) See § 746.3(b) of the EAR for the applicable licensing policies for items controlled for RS reasons to Iraq.

* * * * *

§ 742.20 [Removed]

- 13–14. Section 742.20 is removed.
- 15. Supplement No. 1 to part 742 is amended by revising paragraphs (5), (7), (8) and (11) to read as follows:

Supplement No. 1 to Part 742—Nonproliferation of Chemical and Biological Weapons

* * * * *

(5) The contract sanctity date for exports to Iran or Syria of potassium hydrogen fluoride, ammonium hydrogen fluoride, sodium fluoride, sodium bifluoride, phosphorus pentasulfide, sodium cyanide, triethanolamine, diisopropylamine, sodium sulfide, and N,N-diethylethanolamine is December 12, 1989.

* * * * *

(7) The contract sanctity date for exports to all destinations (except Iran or Syria) of 2-chloroethanol and triethanolamine is January 15, 1991. For exports of 2-chloroethanol to Iran or Syria, paragraph (1) of this Supplement applies. For exports of triethanolamine to Iran or Syria, paragraph (5) of this Supplement applies.

* * * * *

(8) The contract sanctity date for exports to all destinations (except Iran or Syria) of

chemicals controlled by ECCN 1C350 is March 7, 1991, except for applications to export the following chemicals: 2-chloroethanol, dimethyl methylphosphonate, dimethyl phosphite (dimethyl hydrogen phosphite), phosphorus oxychloride, phosphorous trichloride, thioglycol, thionyl chloride triethanolamine, and trimethyl phosphite. (See also paragraphs (6) and (7) of this Supplement.) For exports to Iran or Syria, see paragraphs (1) through (6) of this Supplement.

* * * * *

(11) The contract sanctity date for reexports of chemicals controlled under ECCN 1C350 is March 7, 1991, except that the contract sanctity date for reexports of these chemicals to Iran or Syria is December 12, 1989.

* * * * *

■ 16. Supplement No. 2 to part 742 is amended;

■ A. By removing the Note to Paragraph (b)(1);

■ B. By removing paragraphs (c)(1)(v), (4)(v), (5)(v), (6)(v), (7)(v), (8)(v), (10)(v), (11)(v), (12)(v), (13)(v), (14)(v), (15)(iii), (16)(v), (17)(v), (18)(v), (19)(v), (22)(v), (23)(v), (24)(v), (25)(vi), (26)(i)(D), (27)(v), (28)(v), (29)(v), (30)(v), (31)(v), (32)(v), (33)(v), (34)(v), (35)(v), (36)(v), (37)(v), (38)(v), (39)(i)(E), (39)(ii)(E), (40)(v), (41)(v), (42)(v), (43)(v), and (44)(v);

■ C. By removing the phrase, “Libya,” in paragraph (c)(2);

■ D. By removing the phrase, “Libya,” in paragraph (c)(3); and

■ E. By revising paragraph (a), paragraph (b)(1), paragraph (b)(3) introductory text, and paragraph (b)(3)(ii) to read as set forth below; and

■ F. By revising the first two sentences of paragraph (c) introductory text to read as set forth below.

Supplement No. 2 to Part 742—Anti-Terrorism Controls: Iran, North Korea, Syria and Sudan: Contract Sanctity Dates and Related Policies

* * * * *

(a) *Terrorist-supporting countries.* The Secretary of State has designated Cuba, Iran, North Korea, Sudan and Syria as countries whose governments have repeatedly provided support for acts of international terrorism under section 6(j) of the Export Administration Act (EAA).

(b) * * *

(1) On December 28, 1993, the Secretary of State determined that the export to Cuba, Iran, North Korea, Sudan, or Syria of items described in paragraphs (c)(1) through (c)(5) of this Supplement, if destined to military, police, intelligence or other sensitive end-users, are controlled under EAA section 6(j). Therefore, the 30-day advance Congressional notification requirement applies to the export or reexport of these items to sensitive end-users in any of these countries.

* * * * *

(3) Items controlled for anti-terrorism reasons under section 6(a) to Iran, North Korea, Sudan and Syria are:

* * * * *

(ii) The following items to all end-users: for Iran, items in paragraphs (c)(6) through (c)(44) of this Supplement; for North Korea, items in paragraph (c)(6) through (c)(45) of this Supplement; for Sudan, items in paragraphs (c)(6) through (c)(14) and (c)(16) through (c)(44) of this Supplement; and for Syria, items in paragraphs (c)(6) through (c)(8), (c)(10) through (c)(14), (c)(16) through (c)(19), and (c)(22) through (c)(44) of this Supplement.

(c) The license requirements and licensing policies for items controlled for anti-terrorism reasons to Iran, Syria, Sudan, and North Korea are generally described in §§ 742.8, 742.9, 742.10, and 742.19 of this part, respectively. This Supplement provides guidance on licensing policies for Iran, North Korea, Syria, and Sudan and related contract sanctity dates that may be available for transactions benefiting from pre-existing contracts involving Iran, Syria, and Sudan.

* * * *

* * * * *

PART 746—[AMENDED]

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

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 287c; Sec 1503, Pub. L. 108–11,117 Stat. 559; 22 U.S.C. 6004; Sec. 901–911, Pub. L. 106–387; Sec. 221, Pub. L. 107–56; E.O. 12854, 58 FR 36587, 3 CFR 1993 Comp., p. 614; E.O. 12918, 59 FR 28205, 3 CFR, 1994 Comp., p. 899; E.O. 13222, 3 CFR, 2001 Comp., p. 783; Presidential Determination 2003–23 of May 7, 2003, 68 FR 26459, May 16, 2003; Notice of August 3, 2005, 71 FR 44551 (August 7, 2006).

- 18. Section 746.3 is amended by revising paragraph (a)(3) to read as follows:

§ 746.3 Iraq.

* * * * *

(a) * * *

(3) A license is required for the export or reexport to Iraq or transfer within Iraq of items on the Commerce Control List controlled for RS reasons under the following ECCNs: 0B999, 0D999, 1B999, 1C992, 1C995, 1C997, 1C999 and 6A992.

* * * * *

PART 748—[AMENDED]

- 19. The authority citation for 15 CFR part 748 is revised 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 3, 2006, 71 FR 44551 (August 7, 2006).

Supplement No. 2 to Part 748 [Amended]

- 20. Supplement No. 2 to part 748 is amended by revising the phrase “Cuba, Iran, Libya, North Korea, Sudan, and Syria” in paragraph (c)(2) to read “Cuba, Iran, North Korea, Sudan, and Syria.”

PART 750—[AMENDED]

- 21. The authority citation for 15 CFR part 750 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; Sec. 1503, Pub.L. 108-11, 117 Stat. 559; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Presidential Determination 2003-23 of May 7, 2003, 68 FR 26459, May 16, 2003; Notice of August 3, 2006, 71 FR 44551 (August 7, 2006).

- 22. Section 750.4 is amended by revising paragraph (b)(6)(i) to read as follows:

§ 750.4 Procedures for processing license applications.

* * * * *

(b) * * *

(6) * * *

(i) *Designated countries.* The following countries have been designated by the Secretary of State as terrorist-supporting countries: Cuba, Iran, North Korea, Sudan, and Syria.

* * * * *

PART 752—[AMENDED]

- 23. The authority citation for 15 CFR part 752 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13020, 61 FR 54079, 3 CFR, 1996 Comp., p. 219; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 3, 2006, 71 FR 44551 (August 7, 2006).

- 24. Section 752.4 is amended by revising paragraph (a)(1) to read as follows:

§ 752.4 Eligible countries.

(a) * * *

(1) Cuba, Iran, Iraq, North Korea, Sudan, and Syria.

* * * * *

PART 764—[AMENDED]

- 25. The authority citation for 15 CFR part 764 is revised 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 3, 2006, 71 FR 44551 (August 7, 2006).

§ 764.7 [Amended]

- 26. Section 764.7 is amended by removing the parenthetical phrase “(e.g. § 742.20 of the EAR)” from paragraph (b)(4).

PART 772—[AMENDED]

- 27. The authority citation for 15 CFR part 772 is revised 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 3, 2006, 71 FR 44551 (August 7, 2006).

- 28. The definition of *Countries supporting international terrorism* in § 772.1 and paragraph (a) introductory text of the definition for *U.S. Person* in § 772.1 are revised to read as follows:

§ 772.1 Definitions of terms as used in the Export Administration Regulations (EAR).

* * * * *

Countries supporting international terrorism. In accordance with § 6(j) of the Export Administration Act of 1979, as amended (EAA), the Secretary of State has determined that the following countries' governments have repeatedly provided support for acts of international terrorism: Cuba, Iran, North Korea, Sudan, and Syria.

* * * * *

U.S. Person. (a) For purposes of §§ 744.6, 744.10, 744.11, 744.12, 744.13 and 744.14 of the EAR, the term U.S. person includes:

* * * * *

PART 774—[AMENDED]

- 29. The authority citation for 15 CFR part 774 is revised 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); 18 U.S.C. 2510 *et seq.*; 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; 46 U.S.C. app. 466c; 50 U.S.C. app. 5; Sec. 901-911, Pub. L. 106-387; Sec. 221, Pub. L. 107-56; 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 3, 2006, 71 FR 44551 (August 7, 2006).

- 30. In Supplement No. 1 to part 774 (the Commerce Control List), Category 0—Nuclear Materials, Facilities, and Equipment (and Misc. Items), Export Control Classification Number (ECCN) 0B999 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 0—Nuclear Materials, Facilities, and Equipment (and Miscellaneous Items)

* * * * *

0B999 Specific processing equipment, as follows (see List of Items Controlled).

License Requirements

Reason for Control: AT, RS

Control(s) Country Chart

AT applies to entire entry. A license is required for items controlled by this entry to North Korea for anti-terrorism reasons. The Commerce Country Chart is not designed to determine AT license requirements for this entry. See § 742.19 of the EAR for additional information. RS applies to entire entry. A license is required for items controlled by this entry for export or reexport to Iraq or transfer within Iraq for regional stability reasons. The Commerce Country Chart is not designed to determine RS license requirements for this entry. See §§ 742.6 and 746.3 of the EAR for additional information.

* * * * *

- 31. In Supplement No. 1 to part 774 (the Commerce Control List), Category 0 “Nuclear Materials, Facilities, and Equipment (and Misc. Items), Export Control Classification Number (ECCN) 0D999 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

Category 0—Nuclear Materials, Facilities, and Equipment (and Miscellaneous Items)

* * * * *

0D999 Specific Software, as follows (see List of Items Controlled)

License Requirements

Reason for Control: AT, RS

Control(s) Country Chart

AT applies to entire entry. A license is required for items controlled by this entry to North Korea for anti-terrorism reasons. The Commerce Country Chart is not designed to determine AT license requirements for this entry. See § 742.19 of the EAR for additional information. RS applies to entire entry. A license is required for items controlled by this entry for export or reexport to Iraq or transfer within Iraq for regional stability reasons. The Commerce Country Chart is not designed to determine RS license requirements for this entry. See §§ 742.6 and 746.3 of the EAR for additional information.

* * * * *

- 32. In Supplement No. 1 to part 774 (the Commerce Control List), Category 1—Materials, Chemicals, Microorganisms and Toxins, Export Control Classification Number (ECCN) 1B999 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 1—Materials, Chemicals, Microorganisms and Toxins

* * * * *

1B999 Specific processing equipment, n.e.s., as follows (see List of Items Controlled)**License Requirements***Reason for Control: AT, RS***Control(s) Country Chart**

AT applies to entire entry. A license is required for items controlled by this entry to North Korea for anti-terrorism reasons. The Commerce Country Chart is not designed to determine AT license requirements for this entry. See § 742.19 of the EAR for additional information. RS applies to entire entry. A license is required for items controlled by this entry for export or reexport to Iraq or transfer within Iraq for regional stability reasons. The Commerce Country Chart is not designed to determine RS license requirements for this entry. See §§ 742.6 and 746.3 of the EAR for additional information.

* * * * *

■ 33. In Supplement No. 1 to part 774 (the Commerce Control List), Category 1—Materials, Chemicals, Microorganisms and Toxins, Export Control Classification Number (ECCN) 1C350 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 1—Materials, Chemicals, Microorganisms and Toxins

* * * * *

1C350 Chemicals that may be used as precursors for toxic chemical agents.**License Requirements***Reason for Control: CB, CW, AT*

Control(s)	Country chart
CB applies to entire entry ...	CB Column 2.

CW applies to 1C350 .b, and .c. The Commerce Country Chart is not designed to determine licensing requirements for items controlled for CW reasons. A license is required, for CW reasons, to export or reexport Schedule 2 chemicals and mixtures identified in 1C350.b to States not Party to the CWC (destinations not listed in Supplement No. 2 to part 745 of the EAR). A license is required, for CW reasons, to export Schedule 3 chemicals and mixtures identified in 1C350.c to States not Party to the CWC, unless an End-Use Certificate issued by the government of the importing country has been obtained by the exporter prior to export. A license is required, for CW reasons, to reexport Schedule 3 chemicals and mixtures identified in 1C350.c from a State not Party to the CWC to any other State not Party to the CWC. (See § 742.18 of the EAR for license requirements and policies for toxic and precursor chemicals controlled for CW reasons. See § 745.2 of the EAR for End-Use Certificate requirements that apply to exports of Schedule 3 chemicals to countries not listed in Supplement No. 2 to part 745 of the EAR.)

AT applies to entire entry. The Commerce Country Chart is not designed to determine licensing requirements for items controlled for AT reasons in 1C350. A license is required, for AT reasons, to export or reexport items controlled by 1C350 to a country in Country Group E:1 of Supplement No. 1 to part 740 of the EAR. (See part 742 of the EAR for additional information on the AT controls that apply to Iran, North Korea, Sudan, and Syria. See part 746 of the EAR for additional information on the comprehensive trade sanctions that apply to Cuba and Iran. See Supplement No. 1 to part 736 of the EAR for export controls on Syria.)

License Requirement Notes

1. *Sample Shipments:* Subject to the following requirements and restrictions, a license is not required for sample shipments when the cumulative total of these shipments does not exceed a 55-gallon container or 200 kg of a single chemical to any one consignee during a calendar year. A consignee that receives a sample shipment under this exclusion may not resell, transfer, or reexport the sample shipment, but may use the sample shipment for any other legal purpose unrelated to chemical weapons.

*a. Chemicals Not Eligible:**A. [RESERVED]*

B. *CWC Schedule 2 chemicals (States not Party to the CWC):* No CWC Schedule 2 chemical or mixture identified in 1C350.b is eligible for sample shipment to *States not Party to the CWC* (destinations not listed in Supplement No. 2 to part 745 of the EAR) without a license.

b. *Countries Not Eligible:* Countries in Country Group E:1 of Supplement No. 1 to part 740 of the EAR are not eligible to receive sample shipments of any chemicals controlled by this ECCN without a license.

c. *Sample shipments that require an End-Use Certificate for CW reasons:* No CWC Schedule 3 chemical or mixture identified in 1C350.c is eligible for sample shipment to *States not Party to the CWC* (destinations not listed in Supplement No. 2 to part 745 of the EAR) without a license, unless an End-Use Certificate issued by the government of the importing country is obtained by the exporter prior to export (see § 745.2 of the EAR for End-Use Certificate requirements).

d. *Sample shipments that require a license for reasons set forth elsewhere in the EAR:* Sample shipments, as described in this Note 1, may require a license for reasons set forth elsewhere in the EAR. See, in particular, the end-use/end-user restrictions in part 744 of the EAR, and the restrictions that apply to embargoed countries in part 746 of the EAR.

e. *Quarterly report requirement:* The exporter is required to submit a quarterly written report for shipments of samples made under this Note 1. The report must be on company letterhead stationery (titled “Report of Sample Shipments of Chemical Precursors” at the top of the first page) and identify the chemical(s), Chemical Abstract Service Registry (C.A.S.) number(s), quantity(ies), the ultimate consignee’s name and address, and the date exported. The report must be sent to the U.S. Department of Commerce, Bureau of Industry and Security, P.O. Box 273, Washington, DC

20044, Attn: “Report of Sample Shipments of Chemical Precursors”.

2. Mixtures:

a. Mixtures that contain precursor chemicals identified in ECCN 1C350, in concentrations that are below the levels indicated in 1C350.b through .d, are controlled by ECCN 1C395 or 1C995 and are subject to the licensing requirements specified in those ECCNs.

b. A license is not required for mixtures controlled under this ECCN when the controlled chemical in the mixture is a normal ingredient in consumer goods packaged for retail sale for personal use. Such consumer goods are classified as EAR99.

Note To Mixtures: Calculation of concentrations of AG-controlled chemicals:

a. *Exclusion:* No chemical may be added to the mixture (solution) for the sole purpose of circumventing the Export Administration Regulations;

b. *Percent Weight Calculation:* When calculating the percentage, by weight, of components in a chemical mixture, include all components of the mixture, including those that act as solvents.

3. *Compounds:* Compounds created with any chemicals identified in this ECCN 1C350 may be shipped NLR (No License Required), without obtaining an End-Use Certificate, unless those compounds are also identified in this entry or require a license for reasons set forth elsewhere in the EAR.

4. *Testing Kits:* Certain medical, analytical, diagnostic, and food testing kits containing small quantities of chemicals identified in this ECCN 1C350, are excluded from the scope of this ECCN and are controlled under ECCN 1C395 or 1C995. (Note that replacement reagents for such kits are controlled by this ECCN 1C350 if the reagents contain one or more of the precursor chemicals identified in 1C350 in concentrations equal to or greater than the control levels for mixtures indicated in 1C350.)

Technical Notes: 1. For purposes of this entry, a “mixture” is defined as a solid, liquid or gaseous product made up of two or more components that do not react together under normal storage conditions.

2. The scope of this control applicable to Hydrogen Fluoride (see 1C350.d.7 in the List of Items Controlled) includes its liquid, gaseous, and aqueous phases, and hydrates.

* * * * *

■ 34. In Supplement No. 1 to part 774 (the Commerce Control List), Category 1—Materials, Chemicals, Microorganisms and Toxins, Export Control Classification Number (ECCN) 1C355 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 1—Materials, Chemicals, Microorganisms and Toxins

* * * * *

1C355 Chemical Weapons Convention (CWC) Schedule 2 and 3 chemicals and families of chemicals not controlled by ECCN 1C350 or by the Department of State under the ITAR.

License Requirements

Reason for Control: CW, AT Control(s).

CW applies to entire entry. The Commerce Country Chart is not designed to determine licensing requirements for items controlled for CW reasons. A license is required to export or reexport CWC Schedule 2 chemicals and mixtures identified in 1C355.a to States not Party to the CWC (destinations not listed in Supplement No. 2 to part 745 of the EAR). A license is required to export CWC Schedule 3 chemicals and mixtures identified in 1C355.b to States not Party to the CWC, unless an End-Use Certificate issued by the government of the importing country is obtained by the exporter, prior to export. A license is required to reexport CWC Schedule 3 chemicals and mixtures identified in 1C355.b from a State not Party to the CWC to any other State not Party to the CWC. (See § 742.18 of the EAR for license requirements and policies for toxic and precursor chemicals controlled for CW reasons.) AT applies to entire entry. The Commerce Country Chart is not designed to determine licensing requirements for items controlled for AT reasons in 1C355. A license is required, for AT reasons, to export or reexport items controlled by 1C355 to a country in Country Group E:1 of Supplement No. 1 to part 740 of the EAR. (See part 742 of the EAR for additional information on the AT controls that apply to Iran, North Korea, Sudan, and Syria. See part 746 of the EAR for additional information on the comprehensive trade sanctions that apply to Cuba and Iran. See Supplement No. 1 to part 736 of the EAR for export controls on Syria.)

License Requirements Notes

1. Mixtures:

a. Mixtures containing toxic and precursor chemicals identified in ECCN 1C355, in concentrations that are below the control levels indicated in 1C355.a and .b, are controlled by ECCN 1C995 and are subject to the license requirements specified in that ECCN.

b. Mixtures containing chemicals identified in this entry are not controlled by ECCN 1C355 when the controlled chemical is a normal ingredient in consumer goods packaged for retail sale for personal use or packaged for individual use. Such consumer goods are classified as EAR99.

Note to mixtures: Calculation of concentrations of CW-controlled chemicals:

a. *Exclusion.* No chemical may be added to the mixture (solution) for the sole purpose of circumventing the Export Administration Regulations;

b. *Percent Weight Calculation.* When calculating the percentage, by weight, of components in a chemical mixture, include all components of the mixture, including those that act as solvents.

2. *Compounds:* Compounds created with any chemicals identified in this ECCN 1C355, may be shipped NLR (No License Required), without obtaining an End-Use Certificate,

unless those compounds are also identified in this entry or require a license for reasons set forth elsewhere in the EAR.

Technical Notes: For purposes of this entry, a “mixture” is defined as a solid, liquid or gaseous product made up of two or more components that do not react together under normal storage conditions.

* * * * *

■ 35. In Supplement No. 1 to part 774 (the Commerce Control List), Category 1—Materials, Chemicals, Microorganisms and Toxins, Export Control Classification Number (ECCN) 1C395 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 1—Materials, Chemicals, Microorganisms and Toxins

* * * * *

1C395 Mixtures and medical, analytical, diagnostic, and food testing kits not controlled by ECCN 1C350, as follows (See List of Items Controlled).

License Requirements

Reason for Control: CB, CW, AT Control(s).

CB applies to entire entry. The Commerce Country Chart is not designed to determine licensing requirements for items controlled for CB reasons in 1C395. A license is required, for CB reasons, to export or reexport mixtures controlled by 1C395.a and test kits controlled by 1C395.b to States not Party to the CWC (destinations not listed in Supplement No. 2 to part 745 of the EAR).

CW applies to entire entry. The Commerce Country Chart is not designed to determine licensing requirements for items controlled for CW reasons. A license is required for CW reasons, as follows, to States not Party to the CWC (destinations not listed in Supplement No. 2 to part 745 of the EAR): (1) Exports and reexports of mixtures controlled by 1C395.a, (2) exports and reexports of test kits controlled by 1C395.b that contain CWC Schedule 2 chemicals controlled by ECCN 1C350, (3) exports of test kits controlled by 1C395.b that contain CWC Schedule 3 chemicals controlled by ECCN 1C350, except that a license is not required, for CW reasons, to export test kits containing CWC Schedule 3 chemicals if an End-Use Certificate issued by the government of the importing country is obtained by the exporter prior to export, and (4) reexports from States not Party to the CWC of test kits controlled by 1C395.b that contain CWC Schedule 3 chemicals. (See § 742.18 of the EAR for license requirements and policies for toxic and precursor chemicals controlled for CW reasons.)

AT applies to entire entry. The Commerce Country Chart is not designed to determine licensing requirements for items controlled for AT reasons in 1C395. A license is required, for AT reasons, to export or reexport items controlled by 1C395 to a country in Country Group E:1 of Supplement No. 1 to part 740 of the EAR. (See part 742

of the EAR for additional information on the AT controls that apply to Iran, North Korea, Sudan, and Syria. See part 746 of the EAR for additional information on the comprehensive trade sanctions that apply to Cuba and Iran. See Supplement No. 1 to part 736 of the EAR for information on export controls that apply to Syria.)

License Requirements Notes

1. 1C395.b does not control mixtures that contain precursor chemicals identified in ECCN 1C350.b or .c in concentrations below the control levels for mixtures indicated in 1C350.b or .c. 1C395.a and 1C995.a.1 and a.2.a control such mixtures, unless they are consumer goods, as described in License Requirements Note 2 of this ECCN.

2. This ECCN does not control mixtures when the controlled chemicals are normal ingredients in consumer goods packaged for retail sale for personal use. Such consumer goods are classified as EAR99.

* * * * *

■ 36. In Supplement No. 1 to part 774 (the Commerce Control List), Category 1—Materials, Chemicals, Microorganisms and Toxins, Export Control Classification Number (ECCN) 1C992 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 1—Materials, Chemicals, Microorganisms and Toxins

* * * * *

1C992 Commercial charges and devices containing energetic materials, n.e.s. and nitrogen trifluoride in a gaseous state.

License Requirements

Reason for Control: AT, RS

<i>Control(s)</i>	<i>Country chart</i>
AT applies to entire entry	AT Column 1.

RS applies to entire entry. A license is required for items controlled by this entry for export or reexport to Iraq and transfer within Iraq for regional stability reasons. The Commerce Country Chart is not designed to determine RS license requirements for this entry. See §§ 742.6 and 746.3 of the EAR for additional information.

* * * * *

■ 37. In Supplement No. 1 to part 774 (the Commerce Control List), Category 1—Materials, Chemicals, Microorganisms and Toxins, Export Control Classification Number (ECCN) 1C995 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 1—Materials, Chemicals, Microorganisms and Toxins

* * * * *

1C995 Mixtures not controlled by ECCN 1C350, ECCN 1C355 or ECCN 1C395 that contain chemicals controlled by ECCN 1C350 or ECCN 1C355 and medical, analytical, diagnostic, and food testing kits not controlled by ECCN 1C350 or ECCN 1C395 that contain chemicals controlled by ECCN 1C350.d, as follows (see List of Items Controlled).

License Requirements

Reason for Control: AT, RS

<i>Control(s)</i>	<i>Country chart</i>
AT applies to entire entry	AT Column 1.

RS applies to entire entry. A license is required for items controlled by this entry for export or reexport to Iraq or transfer within Iraq for regional stability reasons. The Commerce Country Chart is not designed to determine RS license requirements for this entry. See §§ 742.6 and 746.3 of the EAR for additional information.

License Requirement Notes

1. This ECCN does not control mixtures containing less than 0.5% of any single toxic or precursor chemical controlled by ECCN 1C350.b, .c, or .d or ECCN 1C355 as unavoidable by-products or impurities. Such mixtures are classified as EAR99.

2. 1C995.c does not control mixtures that contain precursor chemicals identified in 1C350.d in concentrations below the levels for mixtures indicated in 1C350.d. 1C995.a.2.b controls such mixtures, unless they are consumer goods as described in License Requirements Note 3 of this ECCN.

3. This ECCN does not control mixtures when the controlled chemicals are normal ingredients in consumer goods packaged for retail sale for personal use. Such consumer goods are classified as EAR99.

* * * * *

■ 38. In Supplement No. 1 to part 774 (the Commerce Control List), Category 1—Materials, Chemicals, Microorganisms and Toxins, Export Control Classification Number (ECCN) 1C997 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 1—Materials, Chemicals, Microorganisms and Toxins

* * * * *

1C997 Ammonium nitrate, including fertilizers and fertilizer blends containing more than 15% by weight ammonium nitrate, except liquid fertilizers (containing any amount of ammonium nitrate) or dry fertilizers containing less than 15% by weight ammonium nitrate.

License Requirements

Reason for Control: AT, RS

<i>Control(s)</i>	<i>Country chart</i>
AT applies to entire entry	AT Column 1.

RS applies to entire entry. A license is required for items controlled by this entry for export or reexport to Iraq or transfer within Iraq for regional stability reasons. The Commerce Country Chart is not designed to determine RS license requirements for this entry. See §§ 742.6 and 746.3 of the EAR for additional information.

* * * * *

■ 39. In Supplement No. 1 to part 774 (the Commerce Control List), Category 1—Materials, Chemicals, Microorganisms and Toxins, Export Control Classification Number (ECCN) 1C999 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 1—Materials, Chemicals, Microorganisms and Toxins

* * * * *

1C999 Specific materials, n.e.s., as follows (see List of Items Controlled).

License Requirements

Reason for Control: AT, RS

AT applies to entire entry. A license is required for items controlled by this entry to North Korea for anti-terrorism reasons. The Commerce Country Chart is not designed to determine AT license requirements for this entry. See § 742.19 of the EAR for additional information. RS applies to entire entry. A license is required for items controlled by this entry for export or reexport to Iraq or transfer within Iraq for regional stability reasons. The Commerce Country Chart is not designed to determine RS license requirements for this entry. See §§ 742.6 and 746.3 of the EAR for additional information.

* * * * *

■ 40. In Supplement No. 1 to part 774 (the Commerce Control List), Category 2—Materials Processing, Export Control Classification Number (ECCN) 2A994 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 2—Materials Processing

* * * * *

2A994 Portable electric generators and specially designed parts.

License Requirements

Reason for Control: AT
Control(s):

AT applies to entire entry. A license is required for items controlled by this entry to Cuba, Iran and North Korea. The Commerce Country Chart is not designed to determine licensing requirements for this entry. See part 746 of the EAR for additional information on Cuba and Iran. See § 742.19 of the EAR for additional information on North Korea.

746 of the EAR for additional information on Cuba and Iran. See § 742.19 of the EAR for additional information on North Korea.

* * * * *

■ 41. In Supplement No. 1 to part 774 (the Commerce Control List), Category 2—Materials Processing, Export Control Classification Number (ECCN) 2D994 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 2—Materials Processing

* * * * *

2D994 “Software” specially designed for the “development” or “production” of portable electric generators controlled by 2A994.

License Requirements

Reason for Control: AT
Control(s):

AT applies to entire entry. A license is required for items controlled by this entry to Cuba, Iran and North Korea for anti-terrorism reasons. The Commerce Country Chart is not designed to determine licensing requirements for this entry. See part 746 of the EAR for additional information on Cuba and Iran. See § 742.19 of the EAR for additional information on North Korea.

* * * * *

■ 42. In Supplement No. 1 to part 774 (the Commerce Control List), Category 2—Materials Processing, Export Control Classification Number (ECCN) 2E994 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 2—Materials Processing

* * * * *

2E994 “Technology” for the “use” of portable electric generators controlled by 2A994.

License Requirements

Reason for Control: AT
Control(s):

AT applies to entire entry. A license is required for items controlled by this entry to Cuba, Iran and North Korea for anti-terrorism reasons. The Commerce Country Chart is not designed to determine licensing requirements for this entry. See part 746 of the EAR for additional information on Cuba and Iran. See § 742.19 of the EAR for additional information on North Korea.

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■ 43. In Supplement No. 1 to part 774 (the Commerce Control List), Category 3—Electronics, Export Control Classification Number (ECCN) 3A991 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 3—Electronics

* * * * *

3A991 Electronic devices and components not controlled by 3A001.**License Requirements***Reason for Control:* AT

Control(s)	Country chart
AT applies to entire entry	AT Column 1.

License Requirements Notes

1. Microprocessors with a “Composite Theoretical Performance” (“CTP”) below 550 MTOPS listed in subparagraphs (a)(2) or (a)(3) of this entry may be shipped NLR (No License Required) when destined to North Korea, provided restrictions set forth in other sections of the EAR (e.g., end-use restrictions), do not apply. See “Information on How to Calculate “Composite Theoretical Performance” (“CTP”)” at the end of Category 3.

2. See 744.17 of the EAR for additional license requirements for commodities classified as 3A991.a.1.

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■ 44. In Supplement No. 1 to part 774 (the Commerce Control List), Category 3—Electronics, Export Control Classification Number (ECCN) 3A992 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 3—Electronics

* * * * *

3A992 General purpose electronic equipment not controlled by 3A002.**License Requirements***Reason for Control:* AT

Control(s)	Country chart
AT applies to entire entry	AT Column 1.

* * * * *

■ 45. In Supplement No. 1 to part 774 (the Commerce Control List), Category 3—Electronics, Export Control Classification Number (ECCN) 3B992 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 3—Electronics

* * * * *

3B992 Equipment not controlled by 3B002 for the inspection or testing of electronic components and materials, and specially designed components and accessories therefor.**License Requirements***Reason for Control:* AT

Control(s)	Country chart
AT applies to entire entry	AT Column 1.

* * * * *

■ 46. In Supplement No. 1 to part 774 (the Commerce Control List), Category 4—Computers, Export Control Classification Number (ECCN) 4A994 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 4—Computers

* * * * *

4A994 Computers, “electronic assemblies”, and related equipment not controlled by 4A001 or 4A003, and specially designed components therefore.**License Requirements***Reason for Control:* AT

Control(s)	Country chart
AT applies to entire entry	AT Column 1.

* * * * *

■ 47. In Supplement No. 1 to part 774 (the Commerce Control List), Category 5—Telecommunications and “Information Security”—

Telecommunications, Export Control Classification Number (ECCN) 5A991 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 5—Telecommunications and “Information Security”

* * * * *

5A991 Telecommunication equipment, not controlled by 5A001.**License Requirements***Reason for Control:* AT

Control(s)	Country chart
AT applies to entire entry	AT Column 1.

* * * * *

■ 48. In Supplement No. 1 to part 774 (the Commerce Control List), Category 5—Telecommunications and “Information Security”—

Information Security, Export Control Classification Number (ECCN) 5A992 is amended by

revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 5—Telecommunications and “Information Security”

* * * * *

5A992 Equipment not controlled by 5A002.**License Requirements***Reason for Control:* AT

Control(s)	Country chart
AT applies to 5A992.a	AT Column 1.
AT applies to 5A992.b	AT Column 2.

* * * * *

■ 49. In Supplement No. 1 to part 774 (the Commerce Control List), Category 5—Telecommunications and “Information Security”—Information Security, Export Control Classification Number (ECCN) 5D992 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

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Category 5—Telecommunications and “Information Security”

* * * * *

5D992 “Information Security” “software” not controlled by 5D002.**License Requirements***Reason for Control:* AT

Control(s)	Country chart
AT applies to 5D992.a.1 and .b.1.	AT Column 1.
AT applies to 5D992.a.2, b.2 and c.	AT Column 2.

* * * * *

■ 50. In Supplement No. 1 to part 774 (the Commerce Control List), Category 6—Sensors and Lasers, Export Control Classification Number (ECCN) 6A992 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 6—Sensors and Lasers

* * * * *

6A992 Optical Sensors, not controlled by 6A002**License Requirements***Reason for Control:* AT, RS

Control(s)	Country chart
AT applies to entire entry	AT Column 1.

RS applies to entire entry. A license is required for items controlled by this entry for export or reexport to Iraq or transfer within Iraq for regional stability reasons. The Commerce Country Chart is not designed to determine RS license requirements for this entry. See §§ 742.6 and 746.3 of the EAR for additional information.

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■ 51. In Supplement No. 1 to part 774 (the Commerce Control List), Category 9—Propulsion Systems, Space Vehicles and Related Equipment, Export Control Classification Number (ECCN) 9A990 is amended by revising the License Requirements section to read as follows:

Supplement No. 1 to Part 774—The Commerce Control List

* * * * *

Category 9—Propulsion Systems, Space Vehicles and Related Equipment

* * * * *

9A990 Diesel engines, n.e.s., and tractors and specially designed parts therefore, n.e.s.

License Requirements

Reason for Control: AT

<i>Control(s)</i>	<i>Country chart</i>
AT applies to entire entry except 9A990.a.	AT Column 1.
AT applies to 9A990.a only	AT Column 2.

* * * * *

Dated: August 25, 2006.

Matthew S. Borman,

Deputy Assistant Secretary for Export Administration.

[FR Doc. 06-7255 Filed 8-30-06; 8:45 am]

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DEPARTMENT OF HOMELAND SECURITY

Bureau of Customs and Border Protection

DEPARTMENT OF THE TREASURY

19 CFR Part 12

[CBP Dec. 06-22]

RIN 1505-AB72

Import Restrictions on Byzantine Ecclesiastical and Ritual Ethnological Material From Cyprus

AGENCY: Customs and Border Protection, Department of Homeland Security; Treasury.

ACTION: Final rule.

SUMMARY: This document amends the Bureau of Customs and Border Protection (CBP) regulations by reflecting that the bilateral agreement

between Cyprus and the U.S. to impose certain import restrictions on archaeological material from Cyprus has been amended to include import restrictions which had been previously imposed on an emergency basis for certain Byzantine period ecclesiastical and ritual ethnological material.

DATES: Effective Date: These regulations are effective on September 4, 2006.

FOR FURTHER INFORMATION CONTACT: For legal aspects, George F. McCray, Esq., Chief, Intellectual Property Rights and Restricted Merchandise Branch, (202) 572-8710. For operational aspects, Michael Craig, Chief, Other Government Agencies Branch, (202) 344-1684.

SUPPLEMENTARY INFORMATION:

Background

Since the passage of the Cultural Property Implementation Act (19 U.S.C. 2601 *et seq.*), import restrictions have been imposed on archaeological and ethnological artifacts of a number of signatory nations. These restrictions have been imposed either as a result of requests for emergency protection received from those nations or pursuant to bilateral agreements between the U.S. and other countries.

Pursuant to Article 9 of the 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property, and Sec. 303(a)(3) of the Convention on Cultural Property Implementation Act (19 U.S.C. 2602(a)(3)), a State Party to the 1970 UNESCO Convention, may request that the U.S. Government impose import restrictions on certain categories of archaeological and/or ethnological material the pillage of which, if alleged, jeopardizes the national cultural patrimony.

Import Restrictions Imposed on an Emergency Basis

On March 4, 1999, and in response to the determination that an emergency condition applies with respect to certain Byzantine ecclesiastical and ritual ethnological material from Cyprus, the U.S. Government made the determination that emergency import restrictions be imposed. Accordingly, on April 12, 1999, the former United States Customs Service published Treasury Decision (T.D.) 99-35 in the **Federal Register** (64 FR 17529), which amended 19 CFR 12.104g(b) to indicate the imposition of these emergency import restrictions. In that Treasury Decision, a list designating the types of ethnological materials covered by these restrictions for a five-year period, is set forth.

These emergency import restrictions were later extended by CBP Dec. 03-25 for an additional three-year period. (See 68 FR 51903, August 29, 2003). These emergency import restrictions are scheduled to expire on September 4, 2006.

Import Restrictions Imposed Pursuant to Bilateral Agreement

Pursuant to the provisions of the 1970 United Nations Educational, Scientific and Cultural Organization (UNESCO) Convention, codified into U.S. law as the Convention on Cultural Property Implementation Act (Pub. L. 97-446, 19 U.S.C. 2601 *et seq.*), the United States entered into a bilateral agreement with Cyprus on July 16, 2002, concerning the imposition of import restrictions on archeological material originating in Cyprus and representing the pre-Classical and Classical periods. On July 19, 2002, the former United States Customs Service published T.D. 02-37 in the **Federal Register** (67 FR 47447), which amended 19 CFR 12.104g(a) to indicate the imposition of these restrictions and included a list designating the types of archaeological material covered by the restrictions. The articles that were subject to emergency restrictions in 1999 were not included in the original list designated pursuant to the bilateral agreement.

Amended Bilateral Agreement

Since the emergency import restrictions on the Byzantine materials is due to expire on September 4, 2006, the Republic of Cyprus requested, through diplomatic channels, that the Byzantine materials that have been protected by the emergency action continue to be protected in the future by amending the existing bilateral agreement.

After reviewing the findings and recommendations of the Cultural Property Advisory Committee, the Assistant Secretary for Educational and Cultural Affairs, United States Department of State, concluded that the cultural heritage of Cyprus continues to be in jeopardy from the pillage of certain Byzantine ecclesiastical and ritual ethnological materials ranging in date from approximately the 4th century A.D. through approximately the 15th century A.D. from Cyprus.

On August 11, 2006, the Republic of Cyprus and the U.S. Government amended the bilateral agreement of July 16, 2002, pursuant to the provisions of 19 U.S.C. 2602 and Article 4(b) of the agreement, by including the list of Byzantine ecclesiastical and ritual ethnological material that were protected pursuant to the emergency