

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 744

[Docket No. 150318286-5286-01]

RIN 0694-AG58

Addition of Certain Persons to the Entity List

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: This rule amends the Export Administration Regulations (EAR) by adding eight persons under nine entries to the Entity List. The eight persons who are added to the Entity List have been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States. These eight persons will be listed on the Entity List under the destinations of China, Iran, Taiwan, and Turkey.

There are nine entries for the eight persons because one person is listed in two locations, resulting in an additional entry. Specifically, the additional entry covers one person that will be listed on the Entity List under the destination of Iran and Turkey.

DATE: *Effective Date:* This rule is effective [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT:

Chair, End-User Review Committee, Office of the Assistant Secretary, Export Administration, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482-5991, Fax: (202) 482-3911, E-mail: ERC@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

The Entity List (Supplement No. 4 to Part 744 of the EAR) notifies the public about entities that have engaged in activities that could result in an increased risk of the diversion of exported, reexported or transferred (in-country) items to weapons of mass destruction (WMD) programs. Since its initial publication, grounds for inclusion on the Entity List have expanded to include activities sanctioned by the State Department and activities contrary to U.S. national security or foreign policy interests. Certain exports, reexports, and transfers (in-country) to entities identified on the Entity List require licenses from BIS and are usually subject to a policy of denial. The availability of license

exceptions in such transactions is very limited. The license review policy for each entity is identified in the license review policy column on the Entity List and the availability of license exceptions is noted in the Federal Register notices adding persons to the Entity List. BIS places entities on the Entity List based on certain sections of part 744 (Control Policy: End-User and End-Use Based) and part 746 (Embargoes and Other Special Controls) of the EAR.

The End-User Review Committee (ERC), composed of representatives of the Departments of Commerce (Chair), State, Defense, Energy and, where appropriate, the Treasury, makes all decisions regarding additions to, removals from, or other modifications to the Entity List. The ERC makes all decisions to add an entry to the Entity List by majority vote and all decisions to remove or modify an entry by unanimous vote.

ERC Entity List Decisions

Additions to the Entity List

This rule implements the decision of the ERC to add eight persons under nine entries to the Entity List. These eight persons are being added on the basis of § 744.11 (License requirements that apply to entities acting contrary to the national security or foreign policy interests of the United States) of the EAR. The nine entries added to the Entity List consist of one entry in China, four entries in Iran, two entries in Taiwan, and two entries in Turkey.

The ERC reviewed § 744.11(b) (Criteria for revising the Entity List) in making the determination to add these eight persons to the Entity List. Under that paragraph, persons for whom there is reasonable cause to believe, based on specific and articulable facts, have been involved, are involved, or pose a significant risk of being or becoming involved in, activities that are contrary to the national security or foreign policy interests of the United States and those acting on behalf of such persons may be added to the Entity List. Paragraphs (b)(1) through (b)(5) of § 744.11 include an illustrative list of activities that could be contrary to the national security or foreign policy interests of the United States.

Pursuant to § 744.11 of the EAR, the ERC determined that Shandong Sheenrun Optics & Electronics Co., Ltd. be added to the Entity List under the destination of China for actions contrary to the national security or foreign policy interests of the United States. Specifically, in April 2014, Shandong Sheenrun Optics & Electronics Co., Ltd. and related parties were indicted in the U.S. District Court for the District of Columbia for transshipping U.S.-origin items to Iran through China from 2009 through 2012 in violation of the Office of Foreign Assets Control's Iranian Transactions and Sanctions Regulations (ITSR) and the EAR.

In addition, the ERC determined the following seven persons being added to the Entity List under the destinations of Iran, Taiwan, and Turkey have been involved in activities contrary to the national security and foreign policy interests of the United States, and meet the criteria listed in § 744.11(b). Specifically, Faratel Company, Arash Servatian, Elaheh Siahpoush, Hosoda Taiwan Limited, Arthur Shyu, Golsad Istanbul Trading (a.k.a. Golsad Import-Export), and Abbas Goldoozan have been involved in

actions that could enhance the military capability of or the ability to support terrorism of governments that have been designated by the Secretary of State as having repeatedly provided support for acts of international terrorism. The seven persons described in this paragraph being added to the Entity List were identified during a U.S. Government investigation of a network of companies and individuals involved in the procurement and delivery of items subject to the EAR and the ITSR to Iran, in violation of the EAR and the ITSR. These persons undertook procurement and delivery activities, activities to conceal the procurement and delivery activities, activities to circumvent the EAR and the ITSR license requirements, and/or activities to facilitate the procurement of export restricted items for Iranian military-related and other governmental-related end uses.

Pursuant to § 744.11(b)(5) of the EAR, the ERC determined that the conduct of these eight persons raises sufficient concern that prior review of exports, reexports, or transfers (in-country) of items subject to the EAR involving these persons, and the possible imposition of license conditions or license denials on shipments to the persons, will enhance BIS's ability to prevent violations of the EAR.

For the eight persons added to the Entity List, the ERC specified a license requirement for all items subject to the EAR and a license review policy of presumption of denial. The license requirements apply to any transaction in which items are to be exported, reexported, or transferred (in-country) to any of the persons or in which such persons act as purchaser, intermediate consignee, ultimate consignee, or end-user. In addition, no license exceptions are available for exports, reexports, or transfers (in-country) to the persons being added to the Entity List in this rule.

This final rule adds the following eight persons under nine entries to the Entity

List:

China

(1) Shandong Sheenrun Optics & Electronics Co., Ltd., a.k.a., the following two aliases:

-China Sheenrun Optics and Electronics Co. Ltd.; *and*

-Jinan Sheenrun Electronics Company Ltd.

Room A312, Tower F1 Qilu Software Park, Hi-tech Zone, Jinan, China 250101.

Iran

(1) Abbas Goldoozan,

No. 86 Negin Tower, Farmaniyeh St.,

1937944633 Tehran, Iran (See also alternate address under Turkey);

(2) Arash Servatian,

12 Kandovan Alley Enghelab Ave., Opp. Villa (Ostad Nejatollahi) 1131834914 Tehran,

Iran;

(3) Elaheh Siahpoush,

12 Kandovan Alley Enghelab Ave., Opp. Villa (Ostad Nejatollahi) 1131834914 Tehran,

Iran; *and*

(4) Faratel Company,

12 Kandovan Alley Enghelab Ave., Opp. Villa (Ostad Nejatollahi) 1131834914 Tehran,
Iran.

Taiwan

(1) Arthur Shyu,

3F-1 No. 52, SEC 2, Chung Shan N. Road, Taipei 104 Taiwan; and

(2) Hosoda Taiwan Limited,

3F-1 No. 52, SEC 2, Chung Shan N. Road, Taipei 104 Taiwan.

Turkey

(1) Abbas Goldoozan,

Kimya IC VE Dis Ticaret Ltd., 2nd Floor, No. 2, Istanbul, Turkey; and

Yesil Tulumba A, Istanbul, Turkey 34134 (See also alternate address under Iran); and

(2) Golsad Istanbul Trading, a.k.a., the following one alias:

-Golsad Import-Export.

Kimya IC VE Dis Ticaret Ltd., 2nd Floor, No. 2, Istanbul, Turkey; and

Yesil Tulumba A, Istanbul, Turkey 34134.

Savings Clause

Shipments of items removed from eligibility for a License Exception or export or reexport without a license (NLR) as a result of this regulatory action that were en route aboard a carrier to a port of export or reexport, on [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER], pursuant to actual orders for export or reexport to a foreign destination, may proceed to that destination under the previous eligibility for a License Exception or export or reexport without a license (NLR).

Export Administration Act

Although the Export Administration Act expired on August 20, 2001, the President, through Executive Order 13222 of August 17, 2001, 3 CFR, 2001 Comp., p. 783 (2002), as amended by Executive Order 13637 of March 8, 2013, 78 FR 16129 (March 13, 2013) and as extended by the Notice of August 7, 2014, 79 FR 46959 (August 11, 2014), has continued the Export Administration Regulations 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, of reducing costs, of

harmonizing rules, and of promoting flexibility. This rule has been determined to be not significant for purposes of Executive Order 12866.

2. 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 OMB under control number 0694–0088, Simplified Network Application Processing System, which includes, among other things, license applications and carries a burden estimate of 43.8 minutes for a manual or electronic submission. Total burden hours associated with the PRA and OMB control number 0694–0088 are not expected to increase as a result of this rule. You may send comments regarding the collection of information associated with this rule, including suggestions for reducing the burden, to Jasmeet K. Seehra, Office of Management and Budget (OMB), by e-mail to Jasmeet_K_Seehra@omb.eop.gov, or by fax to (202) 395-7285.

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

4. For the eight persons added under nine entries to the Entity List in this final rule, the provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, the opportunity for public comment 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)). BIS implements this rule to protect U.S. national security or foreign policy interests by preventing items from being exported, reexported, or transferred (in-country) to the persons being added to the Entity List. If this rule were delayed to allow for notice and comment and a delay in effective date, then entities being added to the Entity List by this action would continue to be able to receive items without a license and to conduct activities contrary to the national security or foreign policy interests of the United States. In addition, because these parties may receive notice of the U.S. Government's intention to place these entities on the Entity List if a proposed rule is published, doing so would create an incentive for these persons to either accelerate receiving items subject to the EAR to conduct activities that are contrary to the national security or foreign policy interests of the United States, or to take steps to set up additional aliases, change addresses, and other measures to try to limit the impact of the listing on the Entity List once a final rule was published. 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. Accordingly, no regulatory flexibility analysis is required and none has been prepared.

List of Subject in 15 CFR Part 744

Exports, Reporting and recordkeeping requirements, Terrorism.

Accordingly, part 744 of the Export Administration Regulations (15 CFR parts 730–774) is amended as follows:

PART 744—[AMENDED]

1. The authority citation for 15 CFR part 744 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; 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. 12947, 60 FR 5079, 3 CFR, 1995 Comp., p. 356; 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; Notice of August 7, 2014, 79 FR 46959 (August 11, 2014); Notice of September 17, 2014, 79 FR 56475 (September 19, 2014); Notice of November 7, 2014, 79 FR 67035 (November 12, 2014); Notice of January 21, 2015, 80 FR 3461 (January 22, 2015).

2. Supplement No. 4 to part 744 is amended:

- a. By adding under China, in alphabetical order, one Chinese entity;
- b. By adding under Iran, in alphabetical order, four Iranian entities;
- c. By adding under Taiwan, in alphabetical order, two Taiwanese entities; *and*
- d. By adding under Turkey, in alphabetical order, two Turkish entities.

The additions read as follows:

Supplement No. 4 to Part 744 – Entity List

Country	Entity	License requirement	License review policy	Federal Register citation

CHINA, PEOPLE'S REPUBLIC OF	***** Shandong Sheenrun Optics & Electronics Co., Ltd., a.k.a., the following two aliases: -China Sheenrun Optics and Electronics Co. Ltd.; <i>and</i> -Jinan Sheenrun Electronics Company Ltd. Room A312, Tower F1 Qilu Software Park, Hi-tech Zone, Jinan, China 250101.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

IRAN	***** Abbas Goldoozan, No. 86 Negin Tower, Farmaniyeh St., 1937944633 Tehran, Iran (See also alternate address under Turkey).	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Arash Servatian, 12 Kandovan Alley Enghelab Ave., Opp. Villa (Ostad Nejatollahi) 1131834914 Tehran, Iran.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Elaheh Siahpoush, 12 Kandovan Alley Enghelab Ave., Opp. Villa (Ostad Nejatollahi) 1131834914 Tehran, Iran.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Faratel Company, 12 Kandovan Alley Enghelab Ave., Opp. Villa (Ostad Nejatollahi) 1131834914 Tehran, Iran.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

TAIWAN	Arthur Shyu, 3F-1 No. 52, SEC 2, Chung Shan N. Road, Taipei 104 Taiwan.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
	Hosoda Taiwan Limited, 3F-1 No. 52, SEC 2, Chung Shan N. Road, Taipei 104 Taiwan.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

TURKEY	*****			

	Abbas Goldoozan, Kimya IC VE Dis Ticaret Ltd., 2nd Floor, No. 2, Istanbul, Turkey; <u>and</u> Yesil Tulumba A, Istanbul, Turkey 34134 (See also alternate address under Iran).	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Golsad Istanbul Trading, a.k.a., the following one alias: -Golsad Import-Export. Kimya IC VE Dis Ticaret Ltd., 2nd Floor, No. 2, Istanbul, Turkey; <u>and</u> Yesil Tulumba A, Istanbul, Turkey 34134.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	80 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Dated:

April 17, 2015



Kevin J. Wolf

Assistant Secretary for Export Administration