



Appendix B: Regulatory Changes in Fiscal Year 2002

Entity List

On December 21, 2001, BIS published a rule removing two Russian entities from the Entity List found in Supplement No. 4 to Part 744 of the Export Administration Regulations (EAR). These entities were added to the Entity List on July 29, 1998.

Wassenaar Arrangement

On January 3, 2002, BIS published a final rule revising certain entries on the Commerce Control List (CCL) controlled for national security reasons in Categories 1, 2, 3, 4, 5-Part I (Telecommunications), 6, 7, and 9 to conform with changes in the List of Dual-Use Goods and Technologies maintained and agreed upon by governments participating in the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies (Wassenaar Arrangement). The Wassenaar Arrangement controls strategic items with the objective of improving regional and international security and stability.

On March 8, 2002, BIS published a rule revising certain national security control parameters in Category 4 (Computers) of the CCL to conform with changes in the Wassenaar Control List agreed upon in December 2000.

On June 6, 2002, BIS published a rule revising encryption controls (Category 5 – Part 2, Information Security), completing implementation of the December 2000 Wassenaar changes.

High Performance Computers and Microprocessors

On March 8, 2002, BIS published a rule implementing the President's decision to revise U.S. export controls on high performance computers (HPCs), announced January 2, 2002. HPCs controlled by ECCN 4A003 with a composite theoretical performance (CTP) up to 190,000 Millions of Theoretical Operations per Second (MTOPS) may be exported to most destinations under License Exception CTP without advance notification.

On March 21, 2002, BIS published a rule liberalizing controls on exports and reexports of microprocessors with a CTP up to 12,000 MTOPS to certain civil end-users under License Exception CIV, completing implementation of the announcement made by President Bush on January 2, 2002. Neither rule liberalized controls on items destined to terrorist-supporting countries.

Czech Republic, Hungary, and Poland

On March 18, 2002, BIS published a rule removing the licensing requirements for certain regional stability items and certain crime control items destined to the Czech Republic, Hungary and Poland to correctly reflect the status of those countries as NATO members.

Agency Name Change

On April 26, 2002, BIS published a rule changing the Bureau's name from Bureau of Export Administration to "Bureau of Industry and Security" to reflect more accurately the breadth of the Bureau's activities. In addition, on July 10, 2002, BIS published a rule changing the name of the Office of Chief Counsel for Export Administration to the Office of Chief Counsel for Industry and Security to conform with the agency's name change.

Missile Technology

On May 20, 2002, BIS published a rule implementing the changes agreed upon at the September 2001 Missile Technology Control Regime (MTCR) Plenary Meeting held in Ottawa, Canada. These revisions include several changes to two entries on the CCL: Export Control Classification Numbers (ECCNs) 1C107 and 9A101.

On September 18, 2002, BIS published a rule clarifying that production equipment for missile technology items covered under ECCNs 1B115, 1B117, 9B115, and 9B116 are subject to the EAR and controlled on the CCL. Previously, these ECCNs had been controlled by the Department of State under the International Traffic in Arms Regulations.

Australia Group (AG) and Chemical Weapons Convention (CWC) Controls

On May 31, 2002, BIS published a rule implementing agreements reached at the October 2001 plenary meeting of the AG and AG intersessional decisions. This rule also clarified controls on mixtures and certain reexports of CWC-controlled items, and harmonized anti-terrorism controls affecting a number of CCL entries that describe controlled chemicals and mixtures containing these chemicals. Finally, this rule updated the list of countries that are currently States Parties to the CWC by adding Nauru and Uganda.

Unverified List

On June 14, 2002, BIS published a list of selected firms for which BIS was unable to perform either a pre-license check or a post-shipment verification. BIS considers the involvement of any Unverified List firm in a transaction as a “red flag” for purposes of the “Know Your Customer” guidance set forth in Supplement No. 3 to Part 732 of the EAR. Such a “red flag” imposes an affirmative duty to inquire further into facts surrounding the proposed transaction.

Denied Persons List

On August 27, 2002, BIS published a rule removing references to a “Denied Persons List” from the EAR. BIS publishes notices of orders denying the exporting privileges of persons named in such orders in the *Federal Register* to provide notice to all persons of the provisions of the order. BIS maintains an unofficial compilation of such denial orders, for the convenience of the public, in a “Denied Persons List” included in the unofficial version of the EAR and on a Web site. Because these compilations are not included in the Code of Federal Regulations, the rule removes references to a “Denied Persons List” from the EAR.

Nuclear Suppliers Group

On August 29, 2002, BIS published a rule reformatting approximately 50 ECCNs on the CCL to make them conform more closely to the language used to identify such items on the European Union (EU) and Nuclear Suppliers Group (NSG) dual-use lists. In addition, the rule revised the types of controls and the scope of the controls that apply to a number of ECCNs on the CCL (most of these revisions involved clarifications concerning the scope of NP controls). Finally, the rule removed certain licensing requirements for Belarus, Cyprus, Slovenia, and Turkey in conformance with the licensing policy that applies to other NSG member countries.

“Space Qualified” Items

On September 23, 2002, BIS published a rule clarifying which “space qualified” items identified under certain ECCNs on the CCL are subject to the EAR (i.e., subject to the licensing jurisdiction of BIS). A separate rule published concurrently by the U.S. Department of State clarified which space qualified items are on the U.S. Munitions List and, therefore, subject to the International Traffic in Arms Regulations (i.e., subject to the licensing jurisdiction of the Office of Defense Trade Controls, U.S. Department of State). This rule also removed certain space qualified items on the CCL from License Exception eligibility.