DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Parts 730, 738, 740, 742, 746, 750, 752, and 774

[Docket No. 050428118–5118–01]

RIN 0694–AC82

Imposition of Foreign Policy Controls on Surreptitious Communications Interception Devices

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: The Bureau of Industry and Security (BIS) is amending the Export Administration Regulations (EAR) by imposing new foreign policy controls ("SL" for surreptitious listening) on devices primarily useful for the surreptitious interception of wire, oral, or electronic communications classified under Export Control Classification Number (ECCN) 5A980. In this rule, BIS also imposes controls on related software and technology by creating ECCNs 5D980 and 5E980. BIS is taking this action in order to prevent the unlawful interception of oral, wire, or electronic communications by terrorists and others who may put the information gained through intercepted communications to an unlawful use; to promote the protection of privacy of oral, wire, or electronic communications; and to protect against threats of terrorism around the world.

DATES: This rule is effective November 20, 2006.

ADDRESSES: Although there is no formal comment period, public comments on this regulation are welcome and should be directed to publiccomments@bis.doc.gov, by fax (202) 482–3355 or by mail or hand delivery to Sheila Quarterman, Office of Exporters Services, Regulatory Policy Division, Bureau of Industry and Security, Department of Commerce, 14th Street & Pennsylvania Avenue, NW., Room 2705, Washington, DC 20230. Please refer to regulatory identification number (RIN) 0694–AC82 in all comments, and in the subject line of e-mail comments. Comments on the collection of information should be sent to David Rostker, Office of Management and Budget (OMB), by e-mail to David_Roster@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

This rule amends the Export Administration Regulations (EAR) by imposing new foreign policy controls ("SL" for surreptitious listening) on devices primarily useful for the surreptitious interception of wire, oral, or electronic communications, as well as related software and technology. The Bureau of Industry and Security (BIS) is taking this action in order to prevent the unlawful interception of oral, wire, or electronic communications by terrorists and others who may put the information gained through intercepted communications to an unlawful use; to promote the protection of privacy of oral, wire, or electronic communications; and to protect against threats of terrorism around the world. This rule amends the EAR by imposing a license requirement for SL reasons to all destinations on devices primarily useful for surreptitious interception of wire, oral or electronic communications classified under Export Control Classification Number (ECCN) 5A980. This rule also imposes controls on related software and technology by creating ECCN 5D980 for software primarily useful for the surreptitious interception of wire, oral, or electronic communications, and software primarily useful for the “development”, “production”, or “use” of devices controlled under ECCN 5A980; and by creating ECCN 5E980 for technology primarily useful for the “development”, “production”, or “use” of devices controlled under ECCN 5A980.

This rule also imposes a license requirement for AT reasons on exports and reexports of items controlled under 5A980, 5D980, or 5E980 to Cuba, Iran, North Korea, Sudan, and Syria. BIS will generally deny all applications involving terrorist supporting countries and those involving a material contribution to certain proliferation activities as set forth in part 744 of the EAR.

BIS will generally approve applications for the export and reexport of items classified under 5A980, 5D980, or 5E980 to all other destinations, except for destinations for which a license is required for AT reasons, by providers of wire or electronic communication service acting in the normal course of business; or officers, agents, or employees of, or persons under contract with, the United States, a State, or a political subdivision thereof in the normal course of activities of any of the governmental entities listed. License applications from other parties will generally be denied.

The license requirement for 5A980, 5D980, and 5E980 items is not reflected on the Commerce Country Chart (Supplement No. 1 to Part 738 of the EAR). The requirement is set forth at the entries for ECCNs 5A980, 5D980, and 5E980 on the Commerce Control List (CCL) in part 774 of the EAR and also in section 742.13(a) of the EAR. Section 742.13(b) of the EAR sets forth the licensing policy for surreptitious communications intercepting devices controlled under 5A980, as well as related software and technology controlled under newly created ECCNs 5D980 and 5E980.

The license requirements set forth in the EAR are independent of the requirements of section 2512 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (18 U.S.C. 2512). These controls do not supersede, nor do they implement, construe, or limit the scope of any of the statutory restrictions of section 2512 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, that are enforced by the U.S. Department of Justice.

This rule maintains the restriction on License Exception availability for the export or reexport of items primarily useful for surreptitious interception of wire, oral, or electronic communications, or related software, controlled under ECCNs 5A980, as set forth in section 740.2(a), Restrictions on all License Exceptions, of the EAR. Only License Exception Governments, international organizations, and international inspections under the Chemical Weapons Convention (GOV) is available to export or reexport such items if consigned to and for the official use of a national of the U.S. Government, as set forth in section 740.11(b)(2)(ii) of the EAR. This rule places the same restrictions on License Exception availability for software controlled under new ECCN 5D980. No License Exceptions are available for the export or reexport of technology useful for surreptitious interception of wire, oral, or electronic communications covered under new ECCN 5E980.

This action has been reviewed in consultation with the Secretary of State. BIS submitted a foreign policy report to the
Congress indicating the imposition of new foreign policy controls on September 22, 2006.


Rulemaking Requirements

1. This final 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 56 minutes to prepare and submit form BIS–748. Burden hours associated with the Paperwork Reduction Act and Office and Management and Budget control number 0694–0088 are not impacted by this regulation. 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), by e-mail to David_Rostker@omb.eop.gov, or by fax to (202) 395–7285.

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.

Therefore, this regulation is issued in final form. Although there is no formal comment period, public comments on this regulation are welcome on a continuing basis. Comments should be submitted to Sheila Quarterman, Office of Exporter Services, Regulatory Policy Division, Bureau of Industry and Security, Department of Commerce, 14th Street & Pennsylvania Avenue, NW., Room 2705, Washington, DC 20230.

List of Subjects

15 CFR Part 730

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

15 CFR Part 738

Exports.

15 CFR Part 740, 750, 752

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

15 CFR Part 742

Exports, Terrorism.

15 CFR Part 746

Exports, Reporting and recordkeeping requirements.

15 CFR Part 774

Exports, Reporting and recordkeeping requirements.

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

PART 730—[AMENDED]

1. The authority citation for 15 CFR part 730 is revised to read as follows:


PART 738—[AMENDED]

2. The authority citation for 15 CFR part 738 is revised to read as follows:

PART 740—[AMENDED]

§740.2 Restrictions on all license exceptions.

(a) * * *

(3) The item is primarily useful for surreptitious interception of wire, oral, or electronic communications, or related software, controlled under ECCNs 5A980 or 5D980, unless the item is consigned to and for the official use of an agency of the U.S. Government (see §740.11(b)(2)(ii) of this part, Governments (GOV)).

PART 742—[AMENDED]

§742.13 Communications intercepting devices; software and technology for communications intercepting devices.

(a) License requirement. (1) In support of U.S. foreign policy to prohibit the export of items that may be used for the surreptitious interception of wire, oral, or electronic communications, a license is required for all destinations, including Canada, for ECCNs having an “SL” under the “Reason for Control” paragraph. These items include any electronic, mechanical, or other device primarily useful for the surreptitious interception of wire, oral, or electronic communications (ECCN 5A980); and for related software primarily useful for the surreptitious interception of wire, oral, or electronic communications, and software primarily useful for the “development”, “production”, or “use” of devices controlled under ECCN 5A980 (ECCN 5D980); and technology primarily useful for the “development”, “production”, or “use” of devices controlled under ECCN 5A980 (ECCN 5E9890). These licensing requirements do not supersede the requirements contained in the Omnibus Crime Control and Safe Streets Act of 1968, as amended (16 U.S.C. Section 2512). This license requirement is not reflected on the Commerce Country Chart (Supplement No. 1 to Part 738 of the EAR).

(b) “Communications intercepting devices” are electronic, mechanical, or other devices that can be used for interception of wire, oral, or electronic communications if their design renders them primarily useful for surreptitious listening even though they may also have innocent uses. A device is not restricted merely because it is small or may be adapted to wiretapping or eavesdropping. Some examples of devices to which these restrictions apply are: the martini olive transmitter; the infinity transmitter; the spike mike; and the disguised microphone appearing as a wristwatch, cufflink, or cigarette pack; etc. The restrictions do not apply to devices such as the parabolic microphone or other directional microphones ordinarily used by broadcasters at sports events, since these devices are not primarily useful for surreptitious listening.

(Licensing policy. (1) License applications, except for those applications for which a license is required for both SL and AT reasons, will generally be approved for exports or reexports requiring a license for SL reasons when the exporter or reexporter is:

(i) A provider of wire or electronic communication services or an officer, agent, or employee of, or person under contract with such a provider, in the normal course of the business of providing that wire or electronic communication service; or

(ii) An officer, agent, or employee of, or a person under contract with, the United States, one of the 50 States, or a political subdivision thereof, when engaged in the normal course of government activities.

Note to Paragraph (b)(1): For SL reasons, license applications will generally be denied to countries that are subject to controls for AT reasons.

Note to Paragraph (b)(1)(i): The normal course of the business of providing a wire or electronic communications service includes any activity which is a necessary incident to the rendition of the service or to the protection of the rights and property of the provider of that service.

(2) Other license applications will generally be denied for exports or reexports requiring a license for SL reasons.

(d) U.S. controls. Controls on items classified under ECCNs 5A980, 5D980, and 5E9890 are maintained by the United States government for foreign policy purposes.

PART 746—[AMENDED]

§746.3 [Amended]

10. Section 746.3 is amended by revising the phrase “for NS, MT, NP, CW, CB, RS, CC, EI, or SI reasons.” in paragraph (a)(1) to read “for NS, MT, NP, CW, CB, RS, CC, EI, SI, or SL reasons.”

§746.7 [Amended]

11. Section 746.7 is amended in paragraph (a)(2)(i) by adding the phrase “5D980, 5E9890,” after “5A9890.”

§746.8 [Amended]

12. Section 746.8 is amended in paragraph (b)(1)(ii) by adding the phrase “5D980, 5E9890,” after “5A9890.”

PART 750—[AMENDED]

13. The authority citation for 15 CFR part 750 continues to read as follows:

§ 750.3 Review of license applications by BIS and other government agencies and departments.

(a) * * * * *
(b) * * *
(c) * * *
(d) * * *
(e) * * *

15. The authority citation for 15 CFR parts 752 continues to read as follows:


16. Section 752.3 is amended by revising paragraph (a)(7) to read as follows:

§ 752.3 Eligible items.

(a) * * *

(7) Communications intercepting devices and related software and technology controlled by ECCN 5A980, 5D980, or 5E980 on the CCL.

* * * * *

PART 774—[AMENDED]

17. The authority citation for 15 CFR part 774 is revised to read as follows:


18. In Supplement No. 1 to Part 774, the Commerce Control List, Category 5 (Telecommunications), is amended by revising the “License Requirements” section for Export Control Classification Number (ECCN) 5A980 to read as follows:

5A980 Devices primarily useful for the surreptitious interception of wire, oral, or electronic communications; and parts and accessories therefor.

License Requirements

Reason for Control: SL, AT.

Control(s): SL and AT apply to entire entry. A license is required for all destinations, as specified in §742.13 of the EAR. Accordingly, a column specific to this control does not appear on the Commerce Country Chart (Supplement No. 1 to Part 738 of the EAR).

Note: This licensing requirement does not supersede, nor does it implement, construe or limit the scope of any criminal statute, including, but not limited to the Omnibus Safe Streets Act of 1968, as amended.

Note: These items are subject to the United Nations Security Council arms embargo against Rwanda described in §746.8 of the EAR.

* * * * * * * *

19. In Supplement No. 1 to Part 774, the Commerce Control List, Category 5 (Telecommunications), is amended by adding a new Export Control Classification Number (ECCN) 5D980 to read as follows:

5D980 Other “software”, as follows (see List of Items Controlled).

License Requirements

Reason for Control: SL, AT.

Control(s): SL and AT apply to entire entry. A license is required for all destinations, as specified in §742.13 of the EAR.

Note: This licensing requirement does not supersede, nor does it implement, construe or limit the scope of any criminal statute, including, but not limited to the Omnibus Safe Streets Act of 1968, as amended.

Note: These items are subject to the United Nations Security Council arms embargo against Rwanda described in §746.8 of the EAR.

* * * * * * * *