

DEPARTMENT OF COMMERCE**Bureau of Industry and Security****15 CFR Part 744**

[Docket No. 180910826–8826–01]

RIN 0694–AH63

Addition of Certain Entities to the Entity List, Revision of an Entry on the Entity List and Removal of an Entity From the Entity List**AGENCY:** Bureau of Industry and Security, Commerce.**ACTION:** Final rule.

SUMMARY: This final rule amends the Export Administration Regulations (EAR) by adding fourteen entities to the Entity List. These fourteen entities have been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States and will be listed on the Entity List under the destinations of Belarus, Iran, Russia, and Singapore. This rule also modifies one entry on the Entity List under the destination of the United Arab Emirates. Lastly, this rule removes one entity under the destination of Hong Kong from the Entity List. The removal is made in connection with a request for removal BIS received pursuant to the EAR and a review of information provided in that request.

DATES: This rule is effective September 26, 2018.

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, Email: ERC@bis.doc.gov.

SUPPLEMENTARY INFORMATION:**Background**

The Entity List (15 CFR, Subchapter C, part 744, Supplement No. 4) identifies entities reasonably believed to be involved, or to pose a significant risk of being or becoming involved, in activities contrary to the national security or foreign policy interests of the United States. The Export Administration Regulations (EAR) (15 CFR, Subchapter C, parts 730–774) imposes additional license requirements on, and limits the availability of most license exceptions for, exports, reexports, and transfers (in-country) to listed entities. The license review policy for each listed entity is identified in the “License review policy” column on the Entity List, and the impact on the availability of license exceptions is

described in the relevant **Federal Register** notice adding entities to the Entity List. BIS places entities on the Entity List pursuant to 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 makes 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 fourteen entities to the Entity List. The addition of these fourteen entities involves sixteen Entity List entries, as one of the entities being added has locations in three destinations. The fourteen entities are being added based on § 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 sixteen entries consist of two entries located in Belarus, one entry located in Iran, twelve entries located in Russia and one entry located in Singapore.

The ERC reviewed § 744.11(b) (Criteria for revising the Entity List) in making the determination to add these fourteen entities to the Entity List. Under that paragraph, persons for whom there is reasonable cause to believe, based on specific and articulable facts, that they 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, along with those acting on behalf of such persons, may be added to the Entity List. Paragraphs (b)(1) through (b)(5) of § 744.11 provide an illustrative list of activities that could be contrary to the national security or foreign policy interests of the United States. For each of the fourteen entities described below, the ERC made the requisite determination under the standard set forth in § 744.11(b).

Pursuant to § 744.11(b) of the EAR, the ERC determined that Nilco Group, located in Belarus, Iran, and Russia, and Mohammad Najafi, located in Belarus, be added to the Entity List based on

their involvement in providing material support to Iranian missile programs.

The ERC also determined that four commercial companies—Joint Stock Company Scientific-Research Institute “Vektor”, Open Joint Stock Company Information Technology and Communication Systems, Federal State Unitary Enterprise Scientific Production Enterprise “GAMMA”, and Syrus Systems—located in Russia be added to the Entity List. These entities have enabled the activities of malicious Russian cyber actors. In addition, the ERC determined that two entities, Divetechnoservices and Oceanos, be added to the Entity List under the destination of Russia for providing equipment and support to the Russian Navy. The ERC also determined that five entities—AeroComposit; Obinsk Research and Production Enterprise (ORPE), Open Joint Stock Company Aviadvigatel, Open Joint Stock Company Scientific and Production Corporation of Precision Instruments Engineering (NPK–SPP), and Voronezh Scientific Research Institute “Vega”—be added to the Entity List for supporting Russian military aerospace production activities.

Under the destination of Singapore, the ERC determined that one entity, All Industrial Manufacturing (AIM) Pte Ltd., be added to the Entity List based on its involvement in the proliferation of unsafeguarded nuclear activities.

Pursuant to § 744.11(b) of the EAR, the ERC determined that the conduct of these fourteen entities raises sufficient concern that prior review of exports, reexports or transfers (in-country) of all items subject to the EAR involving these entities, 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 thirteen of the fourteen entities described above that are being added to the Entity List, BIS imposes a license requirement for all items subject to the EAR and a license review policy of presumption of denial. For All Industrial Manufacturing (AIM) Pte Ltd, the entity added under Singapore, BIS imposes a license requirement for all items subject to the EAR and will exercise the license review policy set forth in subpart (d) of EAR § 744.2, a nuclear end-user and end-use based provision. For all fourteen entities, the license requirements apply to any transaction in which items are to be exported, reexported, or transferred (in-country) to any of the entities or in which such entities 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 entities being added to the Entity List in this rule. The acronym “a.k.a.” (also known as) is used in entries on the Entity List to identify aliases, thereby assisting exporters, reexporters and transferors in identifying entities on the Entity List.

This final rule adds the following fourteen entities to the Entity List, including one entity listed under three entries:

Belarus

(1) *Mohammad Ghassem Najafi*, Unit 705, No. 103, Potbediteley Ave., Minsk, Belarus; and

(2) *Nilco Group*, a.k.a., the following one alias:

—Nilfam Khazar Co.

Unit 705, No. 103, Potbediteley Ave., Minsk, Belarus (see alternate addresses under Iran and Russia).

Iran

(1) *Nilco Group*, a.k.a., the following one alias:

—Nilfam Khazar Co.

Unit 6, No. 1, Mehr Alley, Gilan St., Boostan 2, Pasdaran Ave., Tehran, Iran (see alternate addresses under Belarus and Russia).

Russia

(1) *AeroComposit*, Antonova Prospekt 1, Zavolzhsy District, Ulyanovsk, 432072, Russia;

(2) *Divetechnoservices*, a.k.a., the following five aliases:

—OOO Divetechnoservice;

—OOO Daivtekhnoservis;

—OOO Dayvtekhnoservis;

—OOO NPP DTS; and

—OOO DTS.

Ulitsa Zheleznovodskaya, 18/2 Litera A, Saint Petersburg, 199155, Russia;

(3) *Federal State Unitary Enterprise Scientific Production Enterprise “GAMMA”*,

Ul. Profsoyuznaya d. 78 str. 4, Moscow, 117393, Russia;

(4) *Joint Stock Company Scientific-Research Institute “Vektor”*,

Ul. Akademika Pavlova, d. 14–A, Saint Petersburg, 197376, Russia;

(5) *Nilco Group*, a.k.a., the following one alias:

—Nilfam Khazar Co.

Unit 439, 2 Mozhayskoe Road, Moscow, Russia (see alternate addresses under Belarus and Iran);

(6) *Obinsk Research and Production Enterprise (ORPE)*, a.k.a., the following three aliases:

—ORPE Technologiya;

—ONPP Technologiya; and

—Obinsk Composite Materials Plant.

Kievskoe Shosse 15, Obinsk, 249031, Russia;

(7) *Oceanos*,

19/2 Esenina Street, Saint Petersburg, 194295, Russia; and 16/2 A–H Engelsa Prospekt, Saint Petersburg, 195156, Russia;

(8) *Open Joint Stock Company Aviadvigatel*, a.k.a., the following one alias:

—AVI.

Komsomolsky Prospekt 93, Perm, 614990, Russia;

(9) *Open Joint Stock Company Information Technology and Communication Systems*, a.k.a., the following two aliases:

—OJSC Infoteks; and

—OJSC Infotecs.

Proezd Petrovsko-Razumovski Star, d. 1/23 str. 1 Business Center “Vympel,” Moscow, 127287, Russia;

(10) *Open Joint Stock Company Scientific and Production Corporation of Precision Instruments Engineering (NPK–SPP)*, a.k.a., the following one alias:

—OJC RPC PSI.

Aviamotornaya Ulitsa 53, Moscow, 111024, Russia;

(11) *Syrus Systems*,

3–Y Novyy Pereulok, 5, Moscow, 107140, Russia; and

(12) *Voronezh Scientific Research Institute “Vega”*, a.k.a., the following two aliases:

—Voronezhskiy Nauchno-

Issledovatel'skiy Institut “Vega”; and

—VNII “Vega”.

Moskovskiy Prospekt 7B, Voronezh,

394026, Russia.

Singapore

(1) *All Industrial Manufacturing (AIM) Pte Ltd.*,

4 Kaki Bukit Ave 1, #02–05, 417939, Singapore.

Modifications to the Entity List

This final rule implements the decision of the ERC to modify one existing entry, AdCom Systems, which was added to the Entity List under the destination of the United Arab Emirates on March 21, 2016 (81 FR 14958) for attempting to export Missile Technology Control Regime (MTCR) Category I unmanned aerial vehicles to countries that are not MTCR members. The ERC determined that AdCom Systems has been using two aliases, Sky Global Communications and Sky Global Communications Systems. Consequently, BIS is revising the entry for AdCom Systems by adding two aliases and a new address.

This final rule makes the following modifications to one entry on the Entity List:

United Arab Emirates

(1) *AdCom Systems*, a.k.a., the following two aliases:

—Sky Global Communications; and

—Sky Global Communication Systems.

Industrial City of Abu Dhabi—ICAD1, Mussafah, Abu Dhabi, UAE; and #2 Mezzanine Level, Block 19, Sharq 40 Al Morour Street, Abu Dhabi Island, Abu Dhabi, UAE.

Removal From the Entity List

This rule implements a decision of the ERC to remove Antony Emmanuel, an entity located in Hong Kong, from the Entity List on the basis of a removal request. The entry for Antony Emmanuel was added to the Entity List on October 22, 2008 (73 FR 54505). The ERC decided to remove this entry based on information BIS received pursuant to § 744.16 of the EAR and the review the ERC conducted in accordance with procedures described in Supplement No. 5 to part 744.

This final rule implements the decision to remove the following entity located in Hong Kong from the Entity List:

Hong Kong

(1) *Antony Emmanuel*, No. 3 & 4, 12F Commercial VIP Building, 112–116 Canton Rd., Tsim Sha Tsui, Hong Kong.

Savings Clause

Shipments of items removed from eligibility for a License Exception or for 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 September 26, 2018, 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 Control Reform Act of 2018

On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which included the Export Control Reform Act of 2018 (ECRA) (Title XVII, Subtitle B of Pub. L. 115–232), which provides the legal basis for BIS’s principal authorities and serves as the authority under which BIS issues this rule. As set forth in § 1768 of ECRA, all delegations, rules, regulations, orders, determinations, licenses, or other forms of

administrative action that have been made, issued, conducted, or allowed to become effective under the Export Administration Act of 1979 (50 U.S.C. 4601 *et seq.*) (as in effect prior to August 13, 2018 and as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) and 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 8, 2018, 83 FR 39871 (August 13, 2018)), or the Export Administration Regulations, and are in effect as of August 13, 2018, shall continue in effect according to their terms until modified, superseded, set aside, or revoked under the authority of ECRA.

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. This rule is not an Executive Order 13771 regulatory action because this rule is not significant under Executive Order 12866.

2. Notwithstanding any other provision of law, no person is required to respond to or 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 email 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. Pursuant to § 1762 of the Export Control Reform Act of 2018 (Title XVII, Subtitle B of Pub. L. 115–232), which was included in the John S. McCain National Defense Authorization Act for Fiscal Year 2019, this action is exempt from the Administrative Procedure Act (5 U.S.C. 553) requirements for notice of proposed rulemaking, opportunity for public participation, and delay in effective date.

5. This action involves the removal of an entity from the Entity List. Removals from the Entity List involve interagency deliberation and result from review of public and non-public sources, including, where applicable, sensitive law enforcement information and classified information, and the measurement of such information against the Entity List removal criteria. This information is reviewed according to the procedures and criteria for evaluating removal requests from the Entity List, as set forth in 15 CFR 744.11, 15 CFR 744.16, and 15 CFR part 744, Supplement No. 5. For reasons of national security, BIS is not at liberty to provide to the public detailed information on which the ERC relies to make the decisions to remove these entities. In addition, the information included in a removal request is exchanged between the applicant and the ERC, which by law (§ 1761(h) of the ECRA), BIS is restricted from sharing with the public. Moreover, removal requests from the Entity List may contain confidential business information that is necessary for the extensive review conducted by the ERC.

6. 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 Subjects 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: Pub. L. 115–232, Title XVII, Subtitle B. 50 U.S.C. 4601 *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 September 18, 2017, 82 FR 43825 (September 19, 2017); Notice of November 6, 2017, 82 FR 51971 (November 8, 2017); Notice of January 17, 2018, 83 FR 2731 (January 18, 2018); Notice of August 8, 2018, 83 FR 39871 (August 13, 2018).

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

■ a. Under Belarus, by adding in alphabetical order, two Belarusian entities, “Mohammad Ghassem Najafi” and “Nilco Group”;

■ b. Under Hong Kong, by removing one Hong Kong entity, “Antony Emmanuel, No. 3 & 4, 12F Commercial VIP Building, 112–116 Canton Rd., Tsim Sha Tsui, Hong Kong”;

■ c. Under Iran, by adding in alphabetical order, one Iranian entity, “Nilco Group”;

■ d. Under Russia, by adding in alphabetical order, twelve Russian entities, “AeroComposit,” “Divetechnoservices,” “Federal State Unitary Enterprise Scientific Production Enterprise “GAMMA,” “Joint Stock Company Scientific-Research Institute “Vektor,” “Nilco Group,” “Obinsk Research and Production Enterprise (ORPE),” “Oceanos,” “Open Joint Stock Company Aviadvigatel,” “Open Joint Stock Company Information Technology and Communication Systems,” “Open Joint Stock Company Scientific and Production Corporation of Precision Instruments Engineering (NPK–SPP),” “Syrus Systems,” and “Voronezh Scientific Research Institute “Vega””;

■ e. Under Singapore, by adding in alphabetical order, one Singaporean entity, “All Industrial Manufacturing (AIM) Pte Ltd.”;

■ f. Under the United Arab Emirates, by revising Emirati entity, “AdCom Systems”.

The additions and revisions read as follows:

SUPPLEMENT NO. 4 TO PART 744—ENTITY LIST

| Country | Entity | License requirement | License review policy | Federal Register citation |
|---------------|--|---|--|---|
| * | * | * | * | * |
| BELARUS | <p>Mohammad Ghassem Najafi, Unit 705, No. 103, Potbediteley Ave., Minsk, Belarus.</p> <p>Nilco Group, a.k.a., the following one alias: —Nilfam Khazar Co. Unit 705, No. 103, Potbediteley Ave., Minsk, Belarus (see alternate addresses under Iran and Russia.)</p> | <p>For all items subject to the EAR. (See § 744.11 of the EAR.)</p> <p>For all items subject to the EAR. (See § 744.11 of the EAR.)</p> | <p>Presumption of denial</p> <p>Presumption of denial</p> | <p>83 FR [INSERT FR PAGE NUMBER 9/26/2018].</p> <p>83 FR [INSERT FR PAGE NUMBER 9/26/2018].</p> |
| * | * | * | * | * |
| IRAN | <p>Nilco Group, a.k.a., the following one alias: —Nilfam Khazar Co. Unit 6, No. 1, Mehr Alley, Gilan St., Boostan 2, Pasdaran Ave., Tehran, Iran (see alternate addresses under Belarus and Russia).</p> | <p>For all items subject to the EAR. (See § 744.11 of the EAR.)</p> | <p>Presumption of denial</p> | <p>83 FR [INSERT FR PAGE NUMBER 9/26/2018].</p> |
| * | * | * | * | * |
| RUSSIA | <p>AeroComposit, Antonova Prospekt 1, Zavolzhsy District, Ulyanovsk, 432072, Russia.</p> <p>Divotechnoservices, a.k.a., the following five aliases: —OOO Divotechnoservice; —OOO Daivtekhnoservis; —OOO Dayvtekhnoservis; —OOO NPP DTS; and —OOO DTS. Ulitsa Zheleznovodskaya, 18/2 Litera A, Saint Petersburg, 199155, Russia.</p> <p>Federal State Unitary Enterprise Scientific Production Enterprise “GAMMA”, Ul. Profsoyuznaya d. 78 str. 4, Moscow, 117393, Russia.</p> <p>Joint Stock Company Scientific-Research Institute “Vektor”, Ul. Akademika Pavlova, d. 14–A, Saint Petersburg, 197376, Russia.</p> <p>Nilco Group, a.k.a., the following one alias: —Nilfam Khazar Co. Unit 439, 2 Mozhayskoe Road, Moscow, Russia (see alternate addresses under Belarus and Iran).</p> | <p>For all items subject to the EAR. (See § 744.11 of the EAR.)</p> <p>For all items subject to the EAR. (See § 744.11 of the EAR.)</p> <p>For all items subject to the EAR. (See § 744.11 of the EAR.)</p> <p>For all items subject to the EAR. (See § 744.11 of the EAR.)</p> <p>For all items subject to the EAR. (See § 744.11 of the EAR.)</p> | <p>Presumption of denial</p> <p>Presumption of denial</p> <p>Presumption of denial</p> <p>Presumption of denial</p> <p>Presumption of denial</p> | <p>83 FR [INSERT FR PAGE NUMBER 9/26/2018].</p> <p>83 FR [INSERT FR PAGE NUMBER 9/26/2018].</p> <p>83 FR [INSERT FR PAGE NUMBER 9/26/2018].</p> <p>83 FR [INSERT FR PAGE NUMBER 9/26/2018].</p> <p>83 FR [INSERT FR PAGE NUMBER 9/26/2018].</p> |

SUPPLEMENT NO. 4 TO PART 744—ENTITY LIST—Continued

| Country | Entity | License requirement | License review policy | Federal Register citation |
|-----------------------|--|--|-----------------------------|--|
| | Obinsk Research and Production Enterprise (ORPE), a.k.a., the following three aliases: —ORPE <i>Technologiya</i> ; —ONPP <i>Technologiya</i> ; <i>and</i> —Obinsk Composite Materials Plant. Kievskoe Shosse 15, Obinsk, 249031, Russia. | For all items subject to the EAR. (See § 744.11 of the EAR.) | Presumption of denial | 83 FR [INSERT FR PAGE NUMBER 9/26/2018]. |
| | * | * | * | * |
| | Oceanos, 19/2 Esenina Street, Saint Petersburg, 194295, Russia; <i>and</i> 16/2 A–H Engelsa Prospekt, Saint Petersburg, 195156, Russia. | For all items subject to the EAR. (See § 744.11 of the EAR.) | Presumption of denial | 83 FR [INSERT FR PAGE NUMBER 9/26/2018]. |
| | * | * | * | * |
| | Open Joint Stock Company Aviadvigatel, a.k.a., the following one alias: —AVI. Komsomolsky Prospekt 93, Perm, 614990, Russia. | For all items subject to the EAR. (See § 744.11 of the EAR.) | Presumption of denial | 83 FR [INSERT FR PAGE NUMBER 9/26/2018]. |
| | * | * | * | * |
| | Open Joint Stock Company Information Technology and Communication Systems, a.k.a., the following two aliases: —OJSC <i>Infoteks</i> ; <i>and</i> —OJSC <i>Infotecs</i> . Proezd Petrovsko-Razumovski Star, d. 1/23 str. 1 Business Center “Vympel,” Moscow, 127287, Russia. | For all items subject to the EAR. (See § 744.11 of the EAR.) | Presumption of denial | 83 FR [INSERT FR PAGE NUMBER 9/26/2018]. |
| | * | * | * | * |
| | Open Joint Stock Company Scientific and Production Corporation of Precision Instruments Engineering (NPK–SPP), a.k.a., the following one alias: —OJC RPC PSI. Aviamotornaya Ulitsa 53, Moscow, 111024, Russia. | For all items subject to the EAR. (See § 744.11 of the EAR.) | Presumption of denial | 83 FR [INSERT FR PAGE NUMBER 9/26/2018]. |
| | * | * | * | * |
| | Syrus Systems, 3–Y Novyy Pereulok, 5, Moscow, 107140, Russia. | For all items subject to the EAR. (See § 744.11 of the EAR.) | Presumption of denial | 83 FR [INSERT FR PAGE NUMBER 9/26/2018]. |
| | * | * | * | * |
| | Voronezh Scientific Research Institute “Vega”, a.k.a., the following two aliases: —Voronezhskiy Nauchno-Issledovatel'skiy Institut “Vega”; <i>and</i> —VNII Vega. Moskovskiy Prospekt 7B, Voronezh, 394026, Russia. | For all items subject to the EAR. (See § 744.11 of the EAR.) | Presumption of denial | 83 FR [INSERT FR PAGE NUMBER 9/26/2018]. |
| | * | * | * | * |
| SINGAPORE | All Industrial Manufacturing (AIM) Pte Ltd., 4 Kaki Bukit Ave 1, #02–05, 417939, Singapore. | For all items subject to the EAR. (See § 744.11 of the EAR.) | See 744.2(d) of the EAR | 83 FR [INSERT FR PAGE NUMBER 9/26/2018]. |
| | * | * | * | * |
| UNITED ARAB EMIRATES. | * | * | * | * |

SUPPLEMENT NO. 4 TO PART 744—ENTITY LIST—Continued

| Country | Entity | License requirement | License review policy | Federal Register citation |
|---------|---|--|-----------------------------|---|
| | AdCom Systems, a.k.a. the following two aliases: —Sky Global Communications; and —Sky Global Communication Systems. Industrial City of Abu Dhabi—ICAD1, Mussafah, Abu Dhabi, UAE; and #2 Mezzanine Level, Block 19, Sharq 40 Al Morour Street, Abu Dhabi Island, Abu Dhabi, UAE. | For all items subject to the EAR. (See § 744.11 of the EAR.) | Presumption of denial | 81 FR 14958, 3/21/16. 83 FR [INSERT FR PAGE NUMBER 9/26/2018]. |
| * | * | * | * | * |

Dated: September 21, 2018.
Richard E. Ashooh,
Assistant Secretary for Export Administration.
 [FR Doc. 2018–20954 Filed 9–25–18; 8:45 am]
BILLING CODE 3510–33–P

DEPARTMENT OF LABOR

Office of the Secretary

29 CFR Part 10

RIN 1235–AA27

Minimum Wage for Contractors; Updating Regulations To Reflect Executive Order 13838

AGENCY: Wage and Hour Division, Department of Labor.
ACTION: Final rule.

SUMMARY: In this final rule, the Department of Labor (the Department) implements Executive Order (E.O.) 13838, issued on May 25, 2018. E.O. 13838 exempts certain contracts with the Federal Government from the requirements of E.O. 13658. In particular, the E.O. exempts contracts in connection with both seasonal recreational services and also seasonal recreational equipment rental when such services and equipment are offered to the general public on Federal lands. E.O. 13838 amends E.O. 13658 by inserting two sentences into that order and also directs executive departments and agencies to promptly implement the exemption. In order to carry out that directive, this rule inserts the same two sentences into the Department’s regulations.

DATES: Effective September 26, 2018.

FOR FURTHER INFORMATION CONTACT: Melissa Smith, Director, Division of Regulations, Legislation, and Interpretation, Wage and Hour Division,

U.S. Department of Labor, Room S–3502, 200 Constitution Avenue NW, Washington, DC 20210, telephone: (202) 693–0406 (this is not a toll-free number) or email: *WHDPRAComments@dol.gov*.

SUPPLEMENTARY INFORMATION:

I. Background

E.O. 13658, titled “Establishing a Minimum Wage for Contractors,” was issued on February 12, 2014. *See* 79 FR 9849. E.O. 13658 raised the hourly minimum wage for certain workers performing work on covered Federal contracts to \$10.10 per hour in 2015, with annual inflation-based adjustments thereafter as determined by the Secretary of Labor (Secretary). *Id.* As of January 1, 2018, the E.O. 13658 minimum wage rate is \$10.35 per hour. As of January 1, 2019, the E.O. 13658 minimum wage will be \$10.60 per hour. *See* 83 FR 44906.¹

E.O. 13658 and its implementing regulations established that this minimum wage requirement applies only to a “new contract” that qualifies as: (A) A procurement contract for construction covered under the Davis-Bacon Act (DBA); (B) a contract for services covered under the McNamara-O’Hara Service Contract Act (SCA); (C) a contract for concessions, including any concessions contract that the Department’s regulations at 29 CFR 4.133(b) exclude from the SCA; or (D) a contract with the Federal Government in connection with Federal property or lands and related to offering services for Federal employees, their dependents, or the general public. Further, this minimum wage requirement applies only when the Fair Labor Standards Act (FLSA), the SCA, or the DBA governs

¹ For tipped employees performing work on or in connection with covered contracts, E.O. 13658 established a different minimum wage, which is currently \$7.25 per hour and will increase to \$7.40 per hour beginning January 1, 2019. *Id.*

the workers’ wages. The October 7, 2014 final rule implementing E.O. 13658 applied to covered workers of contractors providing seasonal recreational services or seasonal recreational equipment rental on Federal lands under covered contracts.

On May 25, 2018, President Donald J. Trump issued E.O. 13838, titled “Exemption from Executive Order 13658 for Recreational Services on Federal Lands.” *See* 83 FR 25341. Section 2 of E.O. 13838 amended E.O. 13658 to add language providing that the provisions of E.O. 13658 do “not apply to federal contracts or contract-like instruments” entered into “in connection with seasonal recreational services or seasonal recreational equipment rental.” The E.O. additionally stated that seasonal recreational services include “river running, hunting, fishing, horseback riding, camping, mountaineering activities, recreational ski services, and youth camps.” E.O. 13838 further specified that this exemption does not apply to “lodging and food services associated with seasonal recreational activities.”

E.O. 13838 explained that because of the nature of the industry, seasonal recreational workers have “irregular work schedules, a high incidence of overtime pay, and an unusually high turnover rate.” The order further explained that implementing E.O. 13658, therefore, threatened to significantly increase the cost of seasonal recreational services on Federal lands, while limiting the hours that recreational-service workers would be available to work. Thus, exempting these services from E.O. 13658 would help prevent job losses and ensure affordable guided tours for visitors to Federal lands.

E.O. 13838 requires executive departments and agencies to “promptly