



EIB World Trade Headlines

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www.bis.gov - OCPA@bis.doc.gov

BIS Issues Guidance on Addressing Export Diversion Risks

WASHINGTON, D.C. – Today, the Department of Commerce’s Bureau of Industry and Security (BIS) published guidance outlining the different actions that BIS takes to inform industry and academia about parties – beyond those identified on public screening lists like the Entity List – that present risks of diversion of items subject to BIS export controls to countries or entities of concern. The guidance also outlines certain responsibilities companies and universities have to comply with BIS regulations, as well as additional steps they should take to mitigate diversion risks.

“Partnering with industry and academia to identify diversion risks is a cornerstone of our enforcement strategy to safeguard U.S. exports,” said Assistant Secretary for Export Enforcement Matthew S. Axelrod. “By sharing information in these different ways – from supplier lists made available by BIS or the Trade Integrity Project, to parties identified in ‘red flag’ letters or ‘is informed’ letters, to persons identified on the Entity List – we are helping U.S. exporters to better screen their customers and protect U.S. national security.”

Today’s guidance also contains a new recommended best practice asking that exporters, reexporters, and transferors of Common High Priority List (CHPL) items screen transaction parties using online resources made newly available by the Trade Integrity Project (TIP). Specifically, the TIP identifies third-country suppliers with a history of exporting CHPL items to Russia since its full-scale invasion of Ukraine. The TIP screening tool can enable companies and universities around the globe to identify possible red flags prior to proceeding with an export transaction that risks diversion to Russia.

BIS generally administers controls on end users by designating them on one of its public screening lists – e.g., the Unverified List, Entity List, Military End-User List, and Denied Persons List – each of which imposes its own specific set of requirements under the Export Administration Regulations (EAR) involving listed parties. BIS uses a variety of additional mechanisms to alert or notify companies or universities about other parties of national security concern, such as those that present a risk of diverting EAR items to restricted end uses or end users in Russia. These mechanisms are “Supplier List” letters, Project Guardian Requests (where BIS asks companies and universities to be on the lookout for specific transactions and take certain actions), Red Flag Letters, and “Is Informed” letters. The guidance document issued today, which can be found here, explains these different mechanisms and identifies associated due-diligence responsibilities and best practices under the EAR.

Since February 24, 2022, BIS has implemented a series of stringent export controls that restrict Russia’s access to the technologies and other items that it needs to sustain its brutal war against Ukraine. These restrictions also apply to Belarus in response to its substantial enabling of Russia’s destabilizing conduct.

For more information, visit: www.bis.gov.

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FOR IMMEDIATE RELEASE

July 2, 2024

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Department of Commerce Announces Additions to Entity List to Safeguard National Security

WASHINGTON, D.C. – Today, the U.S. Commerce Department’s Bureau of Industry and Security (BIS) published a final rule that expands the Entity List by adding six entities in the People’s Republic of China (PRC), South Africa, the United Arab Emirates (UAE), and the United Kingdom. These additions, available here and effective upon publication, are designed to prevent entities that threaten U.S. national security and foreign policy interests from accessing items subject to the Export Administration Regulations (EAR). This final rule also modifies entries for two existing Entity Listed parties – one in the PRC and one in Russia – in order to ensure that restrictions on exports to these entities are more targeted and effective.

“As the national security threat environment continues to evolve, it’s critical to pinpoint and curb the activities of specific entities that pose a clear danger,” said Alan Estevez, Under Secretary for the Bureau of Industry and Security. “The additions to the Entity List, such as Global Training Solutions Limited and Smartech Future Limited, directly respond to their roles in training military personnel and supporting unauthorized military advancements. These targeted measures are crucial to prevent these entities from exploiting our most cutting-edge technologies against our national security interests.”

The additions under the destination of the PRC include Global Training Solutions Limited and Smartech Future Limited due to their connections with an Entity List party and the training of the PRC military. Additionally, two entities have been added under the destination of the UAE for their evasive conduct during end-use checks attempted by BIS to ensure that exports are consistent with national security and foreign policy interests.

“The actions taken today support our mission to protect U.S. national security and foreign policy interests by preventing sensitive U.S. technologies from being exploited,” said Thea D. Rozman Kendler, Assistant Secretary for Export Administration.

“Preventing American know-how from training PRC military pilots and U.S. technology from aiding Russia enhances U.S. national security,” said Assistant Secretary for Export Enforcement Matthew S. Axelrod. “As today’s actions reaffirm, parties that support destabilizing military modernization and evade our controls will face the consequences of Entity List restrictions.”

A license requirement for all items subject to the EAR that are to be exported, re-exported, or transferred is now imposed on each of these entities. BIS will review license applications for these entities with a presumption of denial.

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Additional Background on the Entity List Process

These BIS actions were taken under the authority of the Export Control Reform Act of 2018 and its implementing regulations, the EAR.

The Entity List (supplement no. 4 to part 744 of the EAR) identifies entities for which there is reasonable cause to believe, based on specific and articulable facts, that the entities—including businesses, research institutions, government and private organizations, individuals, and other types of legal persons—have been involved, are involved, or pose a significant risk of being or becoming involved in activities contrary to the national security or foreign policy interests of the United States. Parties on the Entity List are subject to individual licensing requirements and policies supplemental to those found elsewhere in the EAR.

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

Additional information on the Entity List is available on BIS’s website at: [Entity List | Bureau of Industry and Security \(bis.gov\)](https://www.bis.gov).

10th Anniversary of the Downing of Malaysia Airlines Flight 17

July 17, 2024

Ten years ago today, Malaysia Airlines Flight 17 was shot down over eastern Ukraine in territory controlled by Russian and Russia-led forces, taking the lives of 298 innocent people, including 80 children. A Joint Investigation Team in 2018 found that the aircraft was shot down by a Russian-made BUK surface-to-air missile fired from that territory, and that the missile launcher used to shoot down MH17 originated from the 53rd Anti-aircraft Brigade of the Russian Federation, stationed in Kursk, Russia. Our thoughts remain with those who perished, and we join with their friends, families, and loved ones in honoring their memory.

Our commemoration of the tenth anniversary of this tragedy takes place under the shadow of Russia’s war of aggression against Ukraine, which continues to impose brutal costs on the Ukrainian people. The United States remains committed to holding Russia accountable for war crimes committed during its war against Ukraine and supporting Ukraine in its defense of its territory.

Today we reaffirm our commitment to justice for the passengers of flight MH-17 whose lives were senselessly cut short. In 2022, the District Court of The Hague found three members of Russia’s proxy forces in eastern Ukraine guilty for their roles in the downing of the plane. While this is an important step, more work lies ahead to ensure that all those responsible for the downing of MH17 are held to account and some measure of justice is achieved for those 298 innocent passengers and crew who lost their lives on July 17, 2014.

FOR IMMEDIATE RELEASE

Tuesday, July 9, 2024

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Office of Public Affairs, publicaffairs@doc.gov

Biden-Harris Administration to Invest Up to \$1.6 Billion to Establish and Accelerate Domestic Capacity Advanced Packaging

Today, as part of President Biden's Investing in America agenda, the U.S. Department of Commerce issued a Notice of Intent (NOI) to open a competition for new research and development (R&D) activities that will establish and accelerate domestic capacity for semiconductor advanced packaging. The CHIPS for America program anticipates up to \$1.6 billion in funding innovation across five R&D areas, as outlined in the vision for the National Advanced Packaging Manufacturing Program (NAPMP). Through potential cooperative agreements, CHIPS for America would make several awards of approximately \$150 million federal funding available per award in each research area. These awards will leverage private sector investments from industry and academia.

"President Biden was clear that we need to build a vibrant domestic semiconductor ecosystem here in the U.S., and advanced packaging is a huge part of that. Now, thanks to the Biden-Harris Administration's commitment to investing in America, the U.S. will have multiple advanced packaging options across the country and push the envelope in new packaging technologies. This announcement is just the most recent example of our commitment to investing in cutting edge R&D that is critical to creating quality jobs in the U.S. and making our country a leader in advanced semiconductor manufacturing," said U.S. Secretary of Commerce Gina Raimondo.

Advanced packaging capacity and R&D has never been in higher demand or more important to advances in semiconductor technology. Emerging artificial intelligence (AI)-driven applications are pushing the boundaries of current technologies like high performance computing and low power electronics, requiring leap-ahead advances in microelectronics capabilities, especially advanced packaging. Advanced packaging allows manufacturers to make improvements in all aspects of system performance and function and to shorten time to market. Additional benefits include a reduced physical footprint, lower power, decreased costs, as well as increased chiplet reuse. Achieving these goals requires coordinated investments to support integrated R&D activities to establish leading-edge domestic capacity for semiconductor advanced packaging.

"The National Advanced Packaging Manufacturing Program will enable a packaging sector within the United States that outpaces the world through innovation driven by robust R&D," said Under Secretary of Commerce for Standards and Technology and National Institute of Standards and Technology (NIST) Director Laurie E. Locascio. "Within a decade, through R&D funded by CHIPS for America, we will create a domestic packaging industry where advanced node chips manufactured in the U.S. and abroad can be packaged within the United States and where innovative designs and architectures are enabled through leading-edge packaging capabilities.

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"Under President Biden's leadership, we're bringing semiconductor manufacturing back to the United States, teaming with industry to build factories, supply chains, and jobs in communities across the country. That's how we win today, and CHIPS R&D is how we win tomorrow," said Arati Prabhakar, Assistant to the President for Science and Technology and Director of the White House Office of Science and Technology Policy. "Investing in research to accelerate new advanced semiconductor packaging approaches will help this pivotal and fast-changing industry thrive here at home now and into the future."

Funded activities are expected to be relevant to one or more of five R&D areas:

1. Equipment, tools, processes, and process integration;
2. Power delivery and thermal management;
3. Connector technology, including photonics and radio frequency (RF);
4. Chiplets ecosystem;
5. and co-design/electronic design automation (EDA).

In addition to the R&D areas, the funding opportunity is expected to include opportunities for prototype developments.

More information about the NOI will be shared in an upcoming webinar. Follow CHIPS.gov for updates.

About CHIPS for America

CHIPS for America is part of President Biden's economic plan to invest in America, stimulate private sector investment, create good-paying jobs, make more in the United States, and revitalize communities left behind. CHIPS for America includes the CHIPS Program Office, responsible for manufacturing incentives, and the CHIPS Research and Development (R&D) Office, responsible for R&D programs. Both offices sit within the National Institute of Standards and Technology (NIST) at the Department of Commerce. NIST promotes U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that enhance economic security and improve our quality of life. NIST is uniquely positioned to successfully administer the CHIPS for America program because of the bureau's strong relationships with U.S. industries, its deep understanding of the semiconductor ecosystem, and its reputation as fair and trusted.

CHIPS R&D released the first funding opportunity for the National Advanced Packaging Manufacturing Program (NAPMP) in February 2024. That funding opportunity requested applications for R&D activities that will establish and accelerate domestic capacity for advanced packaging substrates and substrate materials, a key technology for manufacturing semiconductors.

Applicants submitted over 100 concept papers representing 28 states, and on May 22, 2024, the Department of Commerce announced that eight teams have been selected to submit full applications for the NAPMP funding opportunity for materials and substrate materials.

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Final projects will play a vital role in helping to ensure that American innovation drives cutting-edge developments in semiconductor R&D and manufacturing. The CHIPS for America program anticipates awarding approximately \$300 million in amounts up to approximately \$100 million over up to 5 years per award. Program awards may be leveraged by voluntary co-investment. Full applications for the first NAPMP funding opportunity were due on July 3, 2024.

Steward Health Care is under federal investigation for potential foreign corruption violations

By Jessica Bartlett, Elizabeth Koh and Hanna Krueger Globe Staff, Updated July 11, 2024, 7:09 p.m.

The Department of Justice is investigating Steward Health Care for potential corruption in its international business dealings, the company confirmed Thursday, the latest development in a high-stakes drama surrounding the Boston-born health care system.

The focus of the investigation is potential violations of the Foreign Corrupt Practices Act, a law that prohibits US companies or citizens — as well as foreign entities doing business on US soil — from engaging in bribery and other corruption overseas. The law also sets requirements for accounting practices abroad.

When asked about a pending foreign corruption probe, Steward spokesperson Josephine Martin confirmed in an e-mailed statement that the company is cooperating with an ongoing investigation by the DOJ. “As a matter of policy, Steward will have no further comment on this investigation as it remains ongoing.”

A spokesperson for the Justice Department declined to comment, and a spokesperson for US Attorney of Massachusetts Joshua S. Levy did not respond to a request. CBS News, citing sources, first reported news of the investigation Thursday.

<https://www.bis.gov/press-release/statement-export-controls-and-restrictions-against-russia>

Brussels – As part of our regular consultations on export control cooperation, the European Commission hosted a meeting with counterparts from Japan, the United Kingdom and the United States on 10 July 2024, to discuss ongoing efforts to align and enhance our export restriction measures imposed in response to Russia’s illegal invasion of Ukraine.

The swift, unprecedented and massive export restrictions we have collectively imposed since February 2022 have been calculated and continuously adjusted over time to maximise their effect on Russia’s military industrial base. As Russia intensifies illicit procurement attempts, it must not be given access to those items needed to manufacture its weapons and supply its military —either directly from the coalition of partner nations, or indirectly through transshipment networks often involving non-sanctioning third countries. Companies that seek to profit from selling coalition commodities, software and technology into Russia do so at our collective expense.

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Our services will continue enhancing and expanding, as appropriate, regulatory requirements in light of information from the battlefield, in order to maintain the effectiveness of our measures. Our national competent authorities will continue to hold those who violate our laws accountable.

We are grateful for the efforts of industry to devote appropriate resources to know their customers and counter the risks of illegal transshipment. We have collectively developed specific tools to support industry compliance, such as the Common High Priority List (CHPL) of battlefield items. We are also actively identifying companies associated with Russia’s military-industrial complex and involved in the circumvention of our measures. We will continue issuing public guidance to improve the reach and effect of our export restrictions imposed in response to Russia’s illegal invasion of Ukraine.

We encourage industry to take advantage of the very significant information and guidance issued to improve its compliance screening. We call on responsible traders to improve export compliance systems and exercise enhanced due diligence. This includes making efficient use of sources such as public business registries, commercially available trade databases, and information collected by non-profit organizations to identify companies that present a high risk of future diversion. These would notably include companies with a prior record of diverting controlled items from our substantially aligned export control systems to Russia. The ability of industry to identify high-risk transactions can make a difference. Our collective actions will be both complementary and coordinated so that we continue to effectively address this ongoing threat to international security.

FOR IMMEDIATE RELEASE

July 18, 2024
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BUREAU OF INDUSTRY AND SECURITY
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Department of Commerce Announces Major Update to U.S. Leadership in Global Standards Development

New Rule Provides More Clarity to Industry, Ensures Export Controls Enable Effective U.S. Participation in International Standards Setting Activities

WASHINGTON, D.C. – Today, the U.S. Commerce Department’s Bureau of Industry and Security (BIS) published an interim final rule (IFR) amending the Export Administration Regulations (EAR) to reinforce the United States’ leadership and participation in global standards development, while continuing to prevent transfers of technology that harm our national security. This IFR ensures that U.S. companies can actively participate in the development of international standards without being unreasonably hindered by export controls and associated compliance concerns. Without the revisions to the EAR announced today, there is greater risk that standards would be developed without the participation and input of U.S. companies, which harms U.S. national security.

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“As the national security threat environment continues to evolve, today’s rulemaking represents a pivotal step towards ensuring that the United States remains at the forefront of technology standards that shape the future,” said Alan Estevez, Under Secretary for Industry and Security. “Today’s rule will facilitate innovation and participation in a way that reflects our national security interests.”

“U.S. participation in international standards development is vital to our national security,” said Thea D. Rozman Kendler, Assistant Secretary for Export Administration. “Today’s action will empower U.S. participation and leadership in legitimate standards-related activities by removing unnecessary barriers to participation.”

Key updates include:

Revising the definition of standards-related activities to accurately reflect the U.S. model of public-private cooperation in standards to further global innovation and trade.

Clarifying the applicability of export controls to specific “software” and “technology” for “standards-related activity” to promote transparency and effectiveness in U.S. contributions to global standards.

In addition, this rule is essential in supporting ongoing efforts under the U.S. Government National Standards Strategy for Critical and Emerging Technology (USG NSSCET), which aims to enhance U.S. leadership in the development of standards for critical technologies. By facilitating easier participation, the rule advances U.S. interests in global technology standards, which are pivotal in shaping the future of industries and ensuring security benefits derived from technological advancements.

Additional Information:

The text of the rule is available on BIS’s website [here](http://www.regulations.gov). This rule is effective immediately upon publication in the Federal Register. BIS is inviting public comments on this interim final rule, and the deadline for public comments is 60 days after publication. Stakeholders are encouraged to submit their feedback by the deadline to ensure that the final provisions reflect broad industry and public input. You may submit comments, identified by docket number BIS-2020-0017 or RIN 0694-AI06, through the Federal eRulemaking Portal: <http://www.regulations.gov>.



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MISSION STATEMENT:

Given the geopolitical state of affairs with China, Russia, and Crimea, the Occupied territories of UKRAINE, Donetsk and Luhansk Oblast, embargoed countries and other specific threatening end users and entities, located in the United States and around the globe;

Evolutions in Business and the companies we serve, armed with robust compliance to the Export Administration Regulations, will adhere to best practices to protect our revenue and yours, and ensure the national security interests of the United States.

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