

expected to inform taxing authorities of Federal requirements for use of aviation fuel tax revenues and to take reasonable action within their power to influence State and local tax laws to conform to those requirements.

3. The Federal limits on use of aviation fuel tax proceeds apply at an airport that is the subject of Federal assistance (as defined in Section II.b.2 of this Policy), whether or not the airport is currently subject to the terms of an AIP grant agreement, and regardless of the State or local jurisdiction imposing the tax.

4. The limits on use of aviation fuel tax revenues established by section 47107(b) and section 47133:

a. Apply to any tax imposed on aviation fuel by either a State government or a local government taxing authority whether or not acting as a sponsor or airport owner or operator;

b. Apply to any tax on aviation fuel, whether the tax is imposed only on aviation fuel or is imposed on other products as well as aviation fuel. However, the limits on use of revenues apply only to the amounts of tax collected specifically for the sale, use, purchase or storage of aviation fuel, and not to the amounts collected for transactions involving products other than aviation fuel under the same general tax law;

c. apply to taxes on all aviation fuel dispensed at an airport, regardless of where the taxes on the sale of fuel at the airport are collected; and

d. apply to a new assessment or imposition of a tax on aviation fuel, even if the tax could have been imposed earlier under a statute enacted before December 30, 1987.

3. In Section IX, Monitoring and Compliance, add a new paragraph h. to E.1 to read as follows:

h. For a non-sponsor State or local government that fails to comply with requirements for use of proceeds from a tax on aviation fuel, the Secretary may assess a civil penalty as described in E.1.g. or apply to a U.S. district court for a compliance order. In addition, for a State government that participates in the State Block Grant Program under 49 U.S.C. 47128, the FAA may have additional sanctions for violation of the State's commitments in its application for participation in the program.

Issued in Washington, DC, on November 3, 2014.

Randall S. Fiertz,

Director, Office of Airport Compliance and Management Analysis.

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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 744

[Docket No. 141029906-4906-01]

RIN 0694-AG31

Venezuela: Implementation of Certain Military End Uses and End Users License Requirements Under the Export Administration Regulations

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: In response to the Venezuelan military's violent repression of the Venezuelan people, the Bureau of Industry and Security (BIS) amends the Export Administration Regulations (EAR) in this final rule to impose license requirements on the export, reexport, or transfer (in-country) of certain items to or within Venezuela when intended for a military end use or end user. This change complements an existing U.S. arms embargo against Venezuela for its failure to cooperate in areas of counterterrorism.

DATES: *Effective date:* This rule is effective November 7, 2014

FOR FURTHER INFORMATION CONTACT: Foreign Policy Division, Office of Nonproliferation and Treaty Compliance, Bureau of Industry and Security, Phone: (202) 482-4252.

SUPPLEMENTARY INFORMATION:

Background

Starting in February 2014, the Venezuelan military was instrumental in implementing a violent crackdown on anti-government protests. The government's repression included direct violence against protesters, detentions of protesters and political leaders, and acts of intimidation, resulting in numerous deaths and injuries. On July 30, 2014, the Department of State imposed visa restrictions against Venezuelan government officials, including members of the Venezuelan military, who participated or were complicit in human rights violations and undermined democratic processes.

The actions and policies of the Venezuelan military undermine democratic processes and institutions and thereby constitute an unusual and extraordinary threat to the national security and foreign policy of the United States.

In response to abuses committed by the Venezuelan military on the Venezuelan people, the U.S. Government is imposing "military end

use" and "military end user" license requirements on Venezuela.

Military End Use and End User Restrictions

It is generally the policy of the United States Government to facilitate U.S. exports for civilian end uses, while preventing exports that would enhance the military capability of certain destinations and thereby threaten the national security and foreign policy of the United States and its allies. In furtherance of this policy, the Bureau of Industry and Security (BIS) established a license requirement for certain items intended for "military end uses" in a final rule published June 19, 2007 (72 FR 33646). Specifically, that final rule established a control, based on knowledge of a "military end use," on exports and reexports of certain items on the Commerce Control List (CCL) that otherwise would not require a license to a specified destination. The "military end use" control initially applied to certain items exported, reexported or transferred (in country) to the People's Republic of China. Subsequently, BIS applied "military end use" and "military end user" controls to Russia in a final rule published September 17, 2014 (79 FR 55608).

Imposition of Military Restrictions on Venezuela

To implement the U.S. Government's response to the abuses by the Venezuelan military, in this rule, BIS amends § 744.21 of the EAR to apply "military end use" and "military end user" license requirements to Venezuela. Specifically, BIS amends § 744.21 by adding "or Venezuela" after "Russia," wherever that name appears, including in the heading of the section. Items subject to these license requirements are those listed in Supplement No. 2 to Part 744.

This final rule also adds a paragraph (h) to address the effects of these new license requirements on transactions under contract prior to the effective date of this rule.

Saving Clause

Shipments of items removed from eligibility for export or reexport under a license exception or without a license (i.e., under the designator "NLR") as a result of this regulatory action that were on dock for loading, on lighter, laden aboard an exporting carrier, or en route aboard a carrier to a port of export, on November 7, 2014, pursuant to actual orders for export or reexport to a foreign destination, may proceed to that destination under the previously applicable license exception or without

a license (NLR) so long as they are exported or reexported before December 8, 2014. Any such items not actually exported or reexported before midnight, on December 8, 2014, require a license in accordance with this regulation.

Foreign Policy Report

The extension of the military end use and end user controls to Venezuela in this rule is the imposition of a foreign policy control. Section 6(f) of the Export Administration Act requires that a report be delivered to Congress before imposing such controls. The report was delivered to Congress on November 6, 2014.

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 significantly 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. 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 also implements this rule to protect U.S. national security or foreign policy objectives from being undermined by immediately restricting the export, reexport or transfer (in-country) of certain items to Venezuela for a military end use or end-user. 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 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 is amended 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, 2013, 78 FR 67289 (November 12, 2013); Notice of January 21, 2014, 79 FR 3721 (January 22, 2014).

■ 2. Section 744.21 is revised to read as follows:

§ 744.21 Restrictions on Certain ‘Military end uses’ in the People’s Republic of China (PRC) or for a ‘Military end use’ or ‘Military end user’ in Russia or Venezuela.

(a)(1) *General prohibition.* In addition to the license requirements for items specified on the Commerce Control List (CCL), you may not export, reexport, or transfer (in-country) any item subject to the EAR listed in Supplement No. 2 to Part 744 to the PRC, Russia or Venezuela without a license if, at the time of the export, reexport, or transfer (in-country), either:

(i) You have “knowledge,” as defined in § 772.1 of the EAR, that the item is intended, entirely or in part, for a ‘military end use,’ as defined in paragraph (f) of this section, in the PRC or for a ‘military end use’ or ‘military end user’ in Russia or Venezuela; or

(ii) You have been informed by BIS, as described in paragraph (b) of this section, that the item is or may be intended, entirely or in part, for a ‘military end use’ in the PRC or for a ‘military end use’ or ‘military end-user’ in Russia or Venezuela.

(2) *General prohibition.* In addition to the license requirements for 9x515 and “600 series” items specified on the Commerce Control List (CCL), you may not export, reexport, or transfer (in-country) any 9x515 or “600 series” item, including items described in a .y paragraph of a 9x515 or “600 series” ECCN, to the PRC, Russia or Venezuela without a license.

(b) *Additional prohibition on those informed by BIS.* BIS may inform you either individually by specific notice, through amendment to the EAR published in the **Federal Register**, or through a separate notice published in the **Federal Register**, that a license is required for specific exports, reexports, or transfers (in-country) of any item because there is an unacceptable risk of use in or diversion to ‘military end use’ activities in the PRC or for a ‘military end use’ or ‘military end user’ in Russia or Venezuela. Specific notice will be given only by, or at the direction of, the Deputy Assistant Secretary for Export Administration. When such notice is

provided orally, it will be followed by written notice within two working days signed by the Deputy Assistant Secretary for Export Administration or the Deputy Assistant Secretary's designee. The absence of BIS notification does not excuse the exporter from compliance with the license requirements of paragraph (a) of this section.

(c) *License exception.* Despite the prohibitions described in paragraphs (a) and (b) of this section, you may export, reexport, or transfer (in-country) items subject to the EAR under the provisions of License Exception GOV set forth in § 740.11(b)(2)(i) and (ii) of the EAR.

(d) *License application procedure.* When submitting a license application pursuant to this section, you must state in the "additional information" block of the application that "this application is submitted because of the license requirement in § 744.21 of the EAR (Restrictions on Certain Military End Uses in the People's Republic of China or for a 'Military End Use' or 'Military End User' in Russia or Venezuela)." In addition, either in the additional information block of the application or in an attachment to the application, you must include for the PRC all known information concerning the military end use of the item(s) and for Russia or Venezuela, all known information concerning the 'military end use' and 'military end users' of the item(s). If you submit an attachment with your license application, you must reference the attachment in the "additional information" block of the application.

(e) *License review standards.* (1) Applications to export, reexport, or transfer items described in paragraph (a) of this section will be reviewed on a case-by-case basis to determine whether the export, reexport, or transfer would make a material contribution to the military capabilities of the PRC, Russia, or Venezuela, and would result in advancing the country's military activities contrary to the national security interests of the United States. When it is determined that an export, reexport, or transfer would make such a contribution, the license will be denied.

(2) Applications may be reviewed under chemical and biological weapons, nuclear nonproliferation, or missile technology review policies, as set forth in §§ 742.2(b)(4), 742.3(b)(4) and 742.5(b)(4) of the EAR, if the end use may involve certain proliferation activities.

(3) Applications for items requiring a license for other reasons that are destined to the PRC for a 'military end use' or that are destined to Russia or Venezuela for a 'military end use' or

'military end user' also will be subject to the review policy stated in paragraph (e)(1) of this section.

(f) *Military end use.* In this section, 'military end use' means: incorporation into a military item described on the U.S. Munitions List (USML) (22 CFR part 121, International Traffic in Arms Regulations); incorporation into a military item described on the Wassenaar Arrangement Munitions List (as set out on the Wassenaar Arrangement Web site at <http://www.wassenaar.org>); incorporation into items classified under ECCNs ending in "A018" or under "600 series" ECCNs; or for the "use," "development," or "production" of military items described on the USML or the Wassenaar Arrangement Munitions List, or items classified under ECCNs ending in "A018" or under "600 series" ECCNs.

Note to paragraph (f) of this section: (1) As defined in Part 772 of the EAR, "use" means operation, installation (including on-site installation), maintenance (checking), repair, overhaul and refurbishing; "development" is related to all stages prior to serial production, such as: design, design research, design analyses, design concepts, assembly and testing of prototypes, pilot production schemes, design data, process of transforming design data into a product, configuration design, integration design, layouts; and "production" means all production stages, such as: product engineering, manufacturing, integration, assembly (mounting), inspection, testing, quality assurance.

(2) For purposes of this section, "operation" means to cause to function as intended; "installation" means to make ready for use, and includes connecting, integrating, incorporating, loading software, and testing; "maintenance" means performing work to bring an item to its original or designed capacity and efficiency for its intended purpose, and includes testing, measuring, adjusting, inspecting, replacing parts, restoring, calibrating, overhauling; and "deployment" means placing in battle formation or appropriate strategic position.

(g) *Military end user.* In this section, the term 'military end user' means the national armed services (army, navy, marine, air force, or coast guard), as well as the national guard and national police, government intelligence or reconnaissance organizations, or any person or entity whose actions or functions are intended to support 'military end uses' as defined in paragraph (f) of this section.

(h) *Effects on contracts.* *Venezuela:* Transactions involving the export, reexport or transfer (in country) of items to or within Venezuela are not subject to the provisions of § 744.21 if the contracts for such transactions were signed prior to November 7, 2014.

Dated: November 3, 2014.

Kevin J. Wolf,

Assistant Secretary for Export Administration.

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DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 311

[Docket ID: DoD-2014-OS-0145]

Privacy Act of 1974; Implementation

AGENCY: Office of the Secretary, DoD.

ACTION: Direct final rule with request for comments.

SUMMARY: The Office of the Secretary of Defense (OSD) is exempting records maintained in DMDC 17 DoD, entitled "Continuous Evaluation Records for Personnel Security," from pertinent provisions of 5 U.S.C. 552a. In the course of carrying out records checks for continuous evaluation, exempt records received from other systems of records may become part of this system. To the extent that copies of exempt records from those 'other' systems of records are maintained in this system, OSD claims the same exemptions for the records from those 'other' systems that are maintained in this system, as claimed for the original primary system of which they are a part.

DATES: The rule is effective on January 16, 2015 unless adverse comments are received by January 6, 2015. If adverse comment is received, the Department of Defense will publish a timely withdrawal of the rule in the **Federal Register**.

ADDRESSES: You may submit comments, identified by docket number and title, by any of the following methods:

- *Federal Rulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *Mail:* Federal Docket Management System Office, 4800 Mark Center Drive, Suite 02G09, Alexandria, VA 22350-3100.

Instructions: All submissions received must include the agency name and docket number for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the Internet at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.