

Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that only affects air traffic procedures and air navigation, it is certified that this rule, when promulgated, does not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

#### Environmental Review

The FAA has determined that this action qualifies for categorical exclusion under the National Environmental Policy Act in accordance with FAA Order 1050.1F, “Environmental Impacts: Policies and Procedures,” paragraph 5–6.5.a. This airspace action is not expected to cause any potentially significant environmental impacts, and no extraordinary circumstances exist that warrant preparation of an environmental assessment.

#### Lists of Subjects in 14 CFR 71

Airspace, Incorporation by reference, Navigation (air).

#### The Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

#### PART 71—DESIGNATION OF CLASS A, B, C, D, AND E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS

■ 1. The authority citation for 14 CFR part 71 continues to read as follows:

**Authority:** 49 U.S.C. 106(f), 106(g); 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

##### § 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of FAA Order JO 7400.11H, Airspace Designations and Reporting Points, dated August 11, 2023, and effective September 15, 2023, is amended as follows:

*Paragraph 6005 Class E Airspace Areas Extending Upward From 700 Feet or More Above the Surface of the Earth.*

\* \* \* \* \*

**AGL IL E5 Gibson City, IL [Removed]**

\* \* \* \* \*

Issued in Fort Worth, Texas, on July 22, 2024.

**Martin A. Skinner,**

*Acting Manager, Operations Support Group, ATO Central Service Center.*

[FR Doc. 2024–16346 Filed 7–25–24; 8:45 am]

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## DEPARTMENT OF COMMERCE

### Bureau of Industry and Security

#### 15 CFR Parts 734 and 746

[Docket No. 240723–0203]

RIN 0694–AJ75

#### Iran Foreign Direct Product Rule

**AGENCY:** Bureau of Industry and Security, Department of Commerce.

**ACTION:** Final rule.

**SUMMARY:** On April 24, 2024, President Biden signed “Making emergency supplemental appropriations for the fiscal year ending September 30, 2024, and for other purposes,” into law. The law requires the United States to regulate the export of certain foreign-produced items destined for Iran. This rule implements the law’s requirements by expanding the scope of the Export Administration Regulations’ (EAR) Foreign Direct Product rule for Iran and applicable license requirements, thereby increasing restrictions under the EAR.

**DATES:** This rule is effective July 23, 2024.

**FOR FURTHER INFORMATION CONTACT:** For general questions, contact Sharron Cook, Office of Exporter Services, Bureau of Industry and Security, U.S. Department of Commerce at 202–482–2440 or by email: [Sharron.Cook@bis.doc.gov](mailto:Sharron.Cook@bis.doc.gov).

#### SUPPLEMENTARY INFORMATION:

##### Background

Division N of Public Law 118–50, the No Technology for Terror Act (the Act), which is available at <https://www.congress.gov/bill/118th-congress/house-bill/815/text#>, establishes that certain foreign-produced items are subject to the Export Administration Regulations (15 CFR 730–774) (EAR) under the Export Control Reform Act (ECRA), 50 U.S.C. 4801–4852, if they are to be exported, reexported, or in-country transferred to Iran. Sponsors of H.R. 815 cited the need to restrict transfers of U.S. technology to Iran when that technology may be used for weapons systems, including drones, that threaten U.S. troops overseas or key allies. The Act is effective on July 23, 2024. Accordingly, this rule revises the Foreign-Direct Product (FDP) rule for Iran in § 734.9(j) of the EAR (Iran FDP rule).

Under the Iran FDP rule, prior to July 23, 2024, foreign-produced items were subject to the EAR when they were: (1) the direct product of U.S.-origin “software” or “technology” and

specified in an EAR supplement (Supp. No. 7 to part 746) or classified under an Export Control Classification Number (ECCN) in Categories 3 through 5 and 7 of the Commerce Control List, Supp. No. 1 to part 774 (CCL), or (2) were produced by a plant or major component of a plant that is itself the direct product of such CCL-controlled “software” or “technology”. Such items may have required a license from the Department of Commerce’s Bureau of Industry and Security (BIS) for export, reexport, or transfer (in-country) to Iran. See §§ 734.9(j) and 746.7(a)(iii) of the EAR.

Effective July 23, 2024, the Act expanded the scope of the EAR’s existing Iran FDP rule to require a license for additional foreign-produced items, while also providing certain exclusions from license requirements that would otherwise apply. This rule revises §§ 734.9 and 746.7 of the EAR to implement the Act’s requirements in four respects.

First, BIS revises the introduction to paragraph (j) to identify the two circumstances in which foreign-produced items that meet the product scope of paragraph (j)(1) are subject to the EAR: if they fall within either the destination and end-use scope paragraphs of paragraph (j)(2) or the end-user scope set forth in new paragraph (j)(3).

Second, this rule expands the range of items in the product scope of the Iran FDP rule. Specifically, this rule revises the product scope in § 734.9(j)(1) by expanding the CCL category range of items in paragraphs (j)(1)(i) and (j)(1)(ii) from “any ECCN in product group D or E in Categories 3 through 5 or 7” of the CCL to include Categories 3 through 9 of the CCL. The expanded product scope now includes “technology” and “software” for Category 6—Lasers and Sensors, Category 8—Marine, and Category 9—Aerospace and Propulsion.

Third, BIS has revised paragraph (j)(2) and has made structural changes, including by breaking the revised paragraph into separate paragraphs (j)(2)(i) and (j)(2)(ii) to assist the reader in applying the scope of this paragraph correctly. As revised, the scope of paragraph (j)(2) is satisfied if there is “knowledge” that the foreign-produced item meets the destination scope in paragraph (j)(2)(i) or meets the combined end-use and destination scope in paragraph (j)(2)(ii). The paragraph title is accordingly expanded by adding “and end-use” so that it will refer to both destination and end-use scope.

Finally, BIS has added a new end-user scope in new paragraph (j)(3). This new

end-user scope applies if there is “knowledge” that the Government of Iran is a party to any transaction involving the foreign-produced item, e.g., as a “purchaser,” “intermediate consignee,” “ultimate consignee,” or “end-user.” This “knowledge” standard and reference to transaction parties is consistent with language used in the Entity List FDP rule set forth in § 734.9(e) of the EAR.

#### Section 746.7 (Iran)

In addition to expanding the EAR’s Iran FDP rule set forth in § 734.9(j), the Act made changes to the license requirements for Iran set forth in § 746.7(a)(1)(iii) of the EAR. Accordingly, this rule expands the license requirement in paragraph (a)(1)(iii), which applies to items subject to the EAR pursuant to the Iran FDP rule, to apply to in-country transfers of such items within Iran.

This rule also makes a correction to paragraph (a)(1)(iv)(A) by removing an inadvertent duplicative reference to the phrase “from the countries described in supplement no. 3”.

This rule also redesignates paragraph (a)(1)(iv) as paragraph (a)(1)(iv)(A) and adds a new paragraph (a)(1)(iv)(B) to list exclusions from the license requirements of paragraph (a)(1)(iii). Section 2(d)(2) of the Act added certain exclusions to the Iran restrictions specified in paragraph (a)(1)(iii) for food, “medicine,” or “medical devices” designated as EAR99, and certain items necessary and ordinarily incident to communications that are specified in ECCN 5A992.c or 5D992.c and classified in accordance with § 740.17 of the EAR or designated as EAR99.

#### Savings Clause

Shipments of items removed from license exception eligibility or eligibility for export, reexport or transfer (in-country) without a license 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 July 26, 2024, pursuant to actual orders for exports, reexports and transfers (in-country) to a foreign destination, may proceed to that destination under the previous license exception eligibility or without a license so long as they have been exported, reexported or transferred (in-country) before August 26, 2024. Any such items not actually exported, reexported or transferred (in-country) before midnight, on August 26, 2024, require a license in accordance with this final rule.

#### 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 (ECRA), 50 U.S.C. 4801–4852. ECRA, as amended, provides the legal basis for BIS’s principal authorities and serves as the authority under which BIS issues this rule.

#### Rulemaking Requirements

1. Executive Orders 12866, 13563, and 14094 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 and distributive impacts and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits and of reducing costs, harmonizing rules, and promoting flexibility.

This final rule has been designated a “significant regulatory action” under section 3(f) of Executive Order 12866, as amended by Executive Order 14094. This rule does not contain policies with Federalism implications as that term is defined under Executive Order 13132.

2. Notwithstanding any other provision of law, no person is required to respond to, nor shall any person 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. Although this rule makes important changes to the EAR for items controlled for national security reasons, BIS believes that the overall increases in burdens and costs associated with the following information collections due to this rule will be minimal.

- 0694–0088, “Simplified Network Application Processing System,” which carries a burden- hour estimate of 29.6 minutes for a manual or electronic submission;
- 0694–0137 “License Exceptions and Exclusions,” which carries a burden-hour estimate average of 1.5 hours per submission (Note: submissions for License Exceptions are rarely required);
- 0694–0096 “Five Year Records Retention Period,” which carries a burden-hour estimate of less than 1 minute; and
- 0607–0152 “Automated Export System (AES) Program,” which carries a

burden-hour estimate of 3 minutes per electronic submission.

Additional information regarding these collections of information—including all background materials—can be found at <https://www.reginfo.gov/public/do/PRAMain> and using the search function to enter either the title of the collection or the OMB Control Number.

3. Pursuant to Section 1762 of ECRA (50 U.S.C. 4821), this action is exempt from the Administrative Procedure Act (APA) (5 U.S.C. 553) requirements for notice of proposed rulemaking, opportunity for public participation and delay in effective date.

#### List of Subjects

##### 15 CFR Part 734

Administrative practice and procedure, Exports, Inventions and patents, Research, Science and technology

##### 15 CFR Part 746

Exports, Reporting and recordkeeping requirements.

Accordingly, parts 734 and 746 of the Export Administration Regulations (15 CFR parts 730 to 774) are amended as follows:

#### PART 734—SCOPE OF THE EXPORT ADMINISTRATION REGULATIONS

- 1. The authority citation for part 734 is revised to read as follows:

**Authority:** 50 U.S.C. 4801–4852; 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13020, 61 FR 54079, 3 CFR, 1996 Comp., p. 219; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13637, 78 FR 16129, 3 CFR, 2014 Comp., p. 223; Notice of November 1, 2023, 88 FR 75475 (November 3, 2023); Pub. L. 118–50.

- 2. Section 734.9 is amended by revising paragraph (j) to read as follows:

#### § 734.9 Foreign-Direct Product (FDP) Rules.

\* \* \* \* \*

(j) *Iran FDP rule.* A foreign-produced item is subject to the EAR if it meets both the product scope in paragraph (j)(1) of this section and the destination and end-use scope in paragraph (j)(2) of this section or meets both the product scope in paragraph (j)(1) of this section and the end-user scope in paragraph (j)(3) of this section. See § 746.7 of the EAR for license requirements and license application review policy applicable to foreign-produced items that are subject to the EAR pursuant to this paragraph, as well as certain

exclusions from those license requirements.

(1) *Product scope of the Iran FDP rule.* The product scope applies if a foreign-produced item meets the conditions of either paragraph (j)(1)(i) or (ii) of this section.

(i) “*Direct product*” of “*technology*” or “*software*.” A foreign-produced item meets the product scope of this paragraph (j)(1)(i) if the foreign-produced item meets both of the following conditions:

(A) The foreign-produced item is the “direct product” of U.S.-origin “technology” or “software” subject to the EAR that is specified in any ECCN in product groups D or E in Categories 3 through 9 of the CCL; and

(B) The foreign-produced item is identified in supplement no. 7 to part 746 of the EAR or is specified in any ECCN on the CCL in Categories 3 through 9 of the CCL; or

(ii) *Product of a complete plant or ‘major component’ of a plant that is a ‘direct product.’* A foreign-produced item meets the product scope of this paragraph (j)(1)(ii) if it meets both of the following conditions:

(A) The foreign-produced item is produced by any plant or ‘major component’ of a plant that is located outside the United States, when the plant or ‘major component’ of a plant, whether made in the United States or a foreign country, itself is a “direct product” of U.S.-origin “technology” or “software” subject to the EAR that is specified in any ECCN in product groups D or E in Categories 3 through 9 of the CCL; and

(B) The foreign-produced item is identified in supplement no. 7 to part 746 of the EAR or is specified in any ECCN on the CCL in Categories 3 through 9 of the CCL.

(2) *Destination and end-use scope of the Iran FDP rule.* A foreign-produced item meets the scope of this paragraph (j)(2) if there is “knowledge” that the foreign-produced item:

(i) Is destined to Iran; or

(ii) Will be incorporated into or used in the “production” or “development” of any “part,” “component,” or “equipment,” including any modified or designed “components,” “parts,” “accessories,” and “attachments” therefor, identified in supplement no. 7 to part 746 of the EAR or specified in any ECCN in Categories 3 through 9 of the CCL, and located in or destined to Iran.

(3) *End-user scope of the Iran FDP rule.* A transaction meets the end-user scope of this paragraph (j)(3) if the reexporter or transferor has “knowledge” that the Government of

Iran is a party to any transaction involving the foreign-produced item, e.g., as a “purchaser,” “intermediate consignee,” “ultimate consignee,” or “end-user.”

\* \* \* \* \*

## PART 746—EMBARGOS AND OTHER SPECIAL CONTROLS

■ 3. The authority citation for part 746 is revised to read as follows:

**Authority:** 50 U.S.C. 4801–4852; 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 287c; Sec 1503, Pub. L. 108–11, 117 Stat. 559; 22 U.S.C. 2151 note; 22 U.S.C. 6004; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 12854, 58 FR 36587, 3 CFR, 1993 Comp., p. 614; E.O. 12918, 59 FR 28205, 3 CFR, 1994 Comp., p. 899; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13338, 69 FR 26751, 3 CFR, 2004 Comp., p. 168; Presidential Determination 2003–23, 68 FR 26459, 3 CFR, 2004 Comp., p. 320; Presidential Determination 2007–7, 72 FR 1899, 3 CFR, 2006 Comp., p. 325; Notice of May 8, 2024, 89 FR 40355 (May 9, 2024); Pub. L. 118–50.

■ 4. Section 746.7 is amended by revising paragraphs (a)(1)(iii) and (iv) to read as follows:

### § 746.7 Iran.

\* \* \* \* \*

(a) \* \* \*

(1) \* \* \*

(iii) *Foreign-produced items subject to the EAR under § 734.9(j) of the EAR (Iran FDP rule).* Except as described in paragraph (a)(1)(iv) of this section, a license is required to reexport or export from abroad to, or transfer (in-country) within Iran any foreign-produced item subject to the EAR under the Iran FDP rule that is located in or destined to Iran. A Department of Commerce license is not required for transactions described in this paragraph (a)(1)(iii) that would have otherwise met all of the terms and conditions of an OFAC general license or other authorization if the transactions had been subject to OFAC jurisdiction.

(iv) *Exclusion from license requirements under paragraph (a)(1)(iii) of this section.* (A) Exports from abroad or reexports from the countries described in supplement no. 3 to this part are not subject to the license requirements described in paragraph (a)(1)(iii) of this section, unless a limit to the exclusion is described in the “Scope” column in supplement no. 3 to this part.

(B) An item is excluded from license requirements under paragraph (a)(1)(iii) of this section if the item is any of the following:

(1) Food, “medicine,” or “medical devices” designated as EAR99;

(2) Necessary and ordinarily incident to communications, designated as EAR99 or specified in ECCN 5A992.c or 5D992.c, and classified in accordance with § 740.17 of the EAR; and would otherwise meet all of the terms and conditions of an OFAC general license or other authorization if the transaction were subject to OFAC jurisdiction.

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**Thea D. Rozman Kendler,**

*Assistant Secretary for Export Administration.*

[FR Doc. 2024–16566 Filed 7–24–24; 11:15 am]

**BILLING CODE 3510–33–P**

## DEPARTMENT OF STATE

### 22 CFR Part 42

[Public Notice: 12462]

RIN 1400–AF53

### Visas: Immigrant Visas; Correction

**AGENCY:** Department of State.

**ACTION:** Correcting amendment.

**SUMMARY:** The Department of State (the Department) is correcting a regulation that was amended by a final rule published in the **Federal Register** on July 14, 2023. This final rule made a typographical error in the immigrant visa classification symbols and incorrectly listed the IB1 classification for “Self-petition Spouse of U.S. Citizen” as “IBI” rather than “IB1.” This mistake could cause confusion.

**DATES:** Effective on July 26, 2024.

**FOR FURTHER INFORMATION CONTACT:** Jami Thompson, Senior Regulatory Coordinator, Visa Services, Bureau of Consular Affairs, 600 19th St. NW, Washington, DC 20522, (202) 485–7586, [VisaRegs@state.gov](mailto:VisaRegs@state.gov).

**SUPPLEMENTARY INFORMATION:** In FR Doc. 2023–14538, at 88 FR 45072 in the **Federal Register** of Friday, July 14, 2023, in table 1 to § 42.11, the symbol for the class “Self-petition Spouse of U.S. Citizen” is changed from “IBI” to “IB1.”

### List of Subjects in 22 CFR Part 42

Administrative practice and procedure, Aliens, Fees, Foreign officials, Immigration passports and visas.

Accordingly, 22 CFR part 42 is corrected by making the following correcting amendment: