



# EIB World Trade Headlines

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## U.S Department of State Concludes Settlements of Alleged Export Violations by Ryan Adams, Marc Baier, and Daniel Gericke

The U.S. Department of State has concluded administrative settlements with Ryan Adams, Marc Baier, and Daniel Gericke, respectively, to resolve alleged violations of the Arms Export Control Act (AECA), 22 U.S.C. § 2751 *et seq.*, and the International Traffic in Arms Regulations (ITAR), 22 C.F.R. Parts 120-130. The Department of State and Mr. Adams, Mr. Baier, and Mr. Gericke have reached these settlements following an extensive compliance review by the Office of Defense Trade Controls Compliance in the Department's Bureau of Political-Military Affairs.

The administrative settlements between the Department of State and Mr. Adams, Mr. Baier, and Mr. Gericke, pursuant to ITAR § 128.11, address the charge of unauthorized furnishing of defense services involving electronic systems, equipment, and software that were specially designed for intelligence purposes that collect, survey, monitor, exploit, analyze, or produce information from the electromagnetic spectrum to foreign persons in the United Arab Emirates.

The settlements demonstrate the Department's role in furthering world peace and the security and foreign policy of the United States by controlling the export of defense services and preventing the proliferation of offensive cyber capabilities. The settlements also highlight the importance of U.S. persons providing defense services only pursuant to appropriate authorization from the Department.

Under the terms of the Consent Agreements, Mr. Adams, Mr. Baier, and Mr. Gericke will be administratively debarred and thereby prohibited from participating directly or indirectly in any activities subject to the ITAR for three years.

The Consent Agreements and related documents will be available for public inspection in the [Public Reading Room of the Department of State](#) and on the [Penalties and Oversight Agreements](#) section of the Directorate of Defense Trade Controls' website.

### NEWSLETTER NOTES

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## VAMPIRE: A Pallet Kit That Makes any Pickup Truck a Rocket Launcher in Two Hours

The rocket launcher is an upgrade over previous munitions, yet affordable and sustainable.

Created: Aug 26, 2022 1:33 PM

The VAMPIRE system fitted on a non-tactical vehicle

As part of its \$3 billion aid announced on Wednesday, the U.S. is sending Vehicle-Agnostic Modular Palletized ISR Rocket Equipment (VAMPIRE) system, a portable rocket launcher that can be installed on a pickup truck, [Defense News has reported](#).

Since the beginning of the conflict in Ukraine, Western allies such as U.S. and U.K. have been providing military aid. Earlier, we reported how the U.S. aid included Switchblade drones, one of which also caused damage that was [captured on camera](#).

With the conflict now having crossed the six-month mark and showing no signs of abating, Ukraine needs long-term support, which is affordable and sustainable in the long run, and the VAMPIRE system is part of that plan.

How does the VAMPIRE System work?

Developed by Melbourne, Florida based L3 Harris, the VAMPIRE weapon is a small four-barreled rocket launcher that also includes a sensor ball. The whole assembly can be put together by a two-man crew on the cargo bed of a standard pickup truck in just a couple of hours.

To operate, though, it just needs a single person who can use it for targets on the ground or in the air. According to the information available on L3 Harris' webpage, everything needed to operate the weapon is available on the pallet which negates the need for a 24-volt alternator on the vehicle. Therefore, the weapon can be mounted even on non-tactical vehicles (NTV).

The weapon can be used to launch advanced precision kill weapons systems (APKWS) or other laser-guided munitions. After speculation was rife about which system was being sent to Ukraine, L3 Harris clarified that its rocket-based system was to be sent. The decision to send the VAMPIRE system has been taken after considering the changing landscape of the conflict. Over the past few months, the balance has shifted in Russian favor as it has consolidated its air defenses. Ukrainian drones that were once wreaking havoc behind Russian lines have become easy targets, while Russia has stepped up its use of drones in the conflict.

## Establishing an Ambassador-at-Large for the Arctic Region

Press Statement

Vedant Patel, Principal Deputy Spokesperson  
Bureau of Global Public Affairs  
August 26, 2022

An Arctic region that is peaceful, stable, prosperous, and cooperative is of critical strategic importance to the United States and a priority for Secretary Blinken. As one of eight Arctic nations, the United States has long been committed to protecting our national security and economic interests in the region, combating climate change, fostering sustainable development and investment, and promoting cooperation with Arctic States, Allies, and partners. To further American interests and cooperation with Allies and partners in the Arctic, and after extensive consultations with Members of Congress, local and federal government officials, and external stakeholders, the President plans to elevate the Arctic Coordinator position by appointing an Ambassador-at-Large for the Arctic Region, subject to the advice and consent of the Senate.

The Ambassador-at-Large for the Arctic Region will advance U.S. policy in the Arctic, engage with counterparts in Arctic and non-Arctic nations as well as Indigenous groups, and work closely with domestic stakeholders, including state, local, and Tribal governments, businesses, academic institutions, non-profit organizations, other federal government agencies and Congress. The United States remains committed to constructive cooperation in the Arctic, foremost through the Arctic Council, and the Ambassador-at-Large will work in close partnership with the U.S. Senior Arctic Official, the federal Arctic science community, and the Arctic Executive Steering Committee.

We look forward to continuing our strong partnership with the Congress to swiftly confirm the Ambassador-at-Large, once a nomination is sent to the Senate.

## Over 1,000 Companies Have Curtailed Operations in Russia But Some Remain

See the info and lists here:

<https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

## Navy Ready to Christen New Overlord USV ‘Mariner’

ANNAPOLIS, Md. — The U.S. Navy’s newest Overlord medium unmanned surface vessel (MUSV) is moored at the U.S. Naval Academy in Annapolis, Maryland, for its Aug. 23 christening ceremony after a period of tours by dignitaries, Navy officials, academy midshipmen and media reporters.

The MUSV, produced by prime contractor Leidos, with Gulf Craft of Franklin, Louisiana, as the builder, is to be christened “Mariner” by Stacy Small, wife of Capt. Pete Small, program manager for Unmanned Maritime Systems in the Program Executive Office, Unmanned and Small Combatants (PEO-USC).

The Mariner is the fourth Overlord MUSV to be acquired by the Navy, although the third vessel, Vanguard, is still under construction. The first two Overlord MUSVs, Ranger and Nomad, were built under the auspices of the Defense Advanced Research Projects Agency and transferred to the Navy early in 2022. They are assigned to Unmanned Surface Vessel Division One in San Diego, California and participated in the Rim-of-the-Pacific Exercise off Hawaii this summer.

The Mariner, delivered to the Navy in March, recently completed a period at Little Creek, Virginia, for installation of some government-furnished equipment, said Brian Fitzpatrick, principal assistant program manager. Eventually it will be transferred to USV Division One via a transit of the Panama Canal.

Rear Adm. Casey Moton, program executive officer, PEO-USC, said the Overlord program is leveraging both at-sea and land-based testing. The at-sea testing is used to evaluate the performance of the MUSV in a corrosive salt-water environment.

Casey pointed out that each of the four Overlord vessels is different, with a variety of different hull, mechanical, and engineering systems and mission systems. Each MUSV also is evaluated with different mission systems that are changed out.

The Mariner, halfway built when the Navy bought it, is based on a fast supply vessel designed to service offshore oil rigs. The vessels are already significantly automated.

The MUSV is equipped with satellite communications; three radars of different bands; a mast-mounted electro-optical sensor, an electro-optical/infrared system camera system on six sides of the ship; Link 16; and several radios.

The Mariner, for example, can carry two 20-foot containers and four 40-foot containers on its aft section.

The containers can contain mission systems, spare parts, weapons and other systems.

The Mariner can accommodate a small crew — including two merchant marine captains — as needed while the technology and concepts of operation for the MUSVs are evaluated. Fitzpatrick showed reporters the “red button” at the bridge control panel that allows a captain to take control of the ship if needed.

The Mariner is powered by five 2,000-horsepower diesel engines that drive five water jets. The ship also is equipped with bow thrusters. The ship was built with two generators but a third was installed by the Navy to provide power for the expected needs of the payloads, some of which may be deployed on the ship with their own power and cooling systems.

Redundancy is necessary on an unmanned ship more than a manned ship, and for each of its diesel engines the Mariner is equipped with three oil filters instead of one.

### ‘Pushing Boundaries’

The admiral said the Overlord vessels are designed to deploy in open oceans but declined to say they would be deployed to the Western Pacific, noting that the Ranger and Nomad deployed to Hawaii for RIMPAC.

Fitzpatrick said the Overlord MUSVs will need to be able to be refueled at sea, currently conducted by an onboard crew.

“We have to work through that,” he said.

Fitzpatrick said the program is collecting massive amounts of data — 400 terabytes so far — and has started to process it.

Moton said the Overlord program will influence the discussion in Congress and the Navy on the value and operation of MUSVs and that the program will have an impact beyond the U.S. Navy into the international maritime market, including commercial operations.

The Vanguard will be longer than the Mariner — 205 feet vice 19 feet — with a wider beam and greater capacity for payloads. Fitzpatrick said the program is “purposely pushing boundaries” with the Vanguard.

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## Nuclear Non-Proliferation Treaty Remains Strong Despite Russian Obstructionism

Vedant Patel, Principal Deputy Spokesperson Bureau of Global Public Affairs

After weeks of intensive but productive negotiations, the Russian Federation alone decided to block consensus on a final document at the conclusion of the Tenth Review Conference of the Nuclear Non-Proliferation Treaty (NPT). Russia did so in order to block language that merely acknowledged the grave radiological risk at the Zaporizhzhia Nuclear Power Plant in Ukraine, the very kind of challenge the conference is called upon to address. For the Russian Federation to not accept such language in the face of overwhelming international consensus underscores the need for the United States and others to continue urging Russia to end its military activity near ZNPP and return control of the plant to Ukraine.

Despite Russia's cynical obstructionism, the fact that all the other remaining States Parties were able to support the final document speaks to the Treaty's essential role in preventing nuclear proliferation and averting the danger of nuclear war. Over the course of the conference, NPT Parties affirmed the need for action on arms control, proliferation crises, and expanded access to peaceful nuclear energy, science, and technologies, especially among states of the global south. Amid a challenging international political and security environment, the extent to which NPT States Parties found common ground in support of strengthening the nuclear nonproliferation regime is remarkable.

The United States will continue to work alongside the international community to achieve the peace and security of a world without nuclear weapons. The NPT remains and will remain the fundamental cornerstone of the nuclear nonproliferation regime and essential to advancing nuclear disarmament and the peaceful uses of nuclear energy. We are proud to have worked constructively and in good faith with all Parties toward a consensus. Russia's actions reflect only on Russia. It is clear that the rest of the NPT's States Parties recognize the Treaty's role as an essential pillar of the international rules-based order.

## Breakthroughs for All: Delivering Equitable Access to America's Research

August 25, 2022 • [OSTP Blog](#)

By: Dr. Christopher Steven Marcum, Assistant Director for Open Science and Data Policy

Dr. Ryan Donohue, AAAS Science and Technology Policy Fellow and Senior Policy Advisor

President Biden has said that America can be defined in one word: *Possibilities*. There are few areas with greater prospects for realizing these possibilities than the investments that American taxpayers make by supporting groundbreaking federally funded research. In the last year alone, the American public has borne witness to extraordinary scientific achievements – transformative breakthroughs in medicine and vaccines, inspiring insights from the deepest depths of the ocean, and unprecedented glimpses into the farthest reaches of our universe.

This research, which changes our lives and transforms our world, is made possible by American tax dollars. And yet, these advancements are behind a paywall and out of reach for too many Americans. In too many cases, discrimination and structural inequalities – such as funding disadvantages experienced by minority-serving colleges and institutions – prevent some communities from reaping the rewards of the scientific and technological advancements they have helped to fund. Factors including race, age, disability status, geography, economic background, and gender have historically and systemically excluded some Americans from the accessing the full benefits of scientific research.

To tackle this injustice, and building on the Biden-Harris Administration's efforts to advance policy that benefits all of America, the White House Office of Science and Technology Policy (OSTP) [released new policy guidance](#) today to ensure more equitable access to federally funded research. All members of the American public should be able to take part in every part of the scientific enterprise—leading, participating in, accessing, and benefitting from taxpayer-funded scientific research. That is, all communities should be able to take part in America's scientific possibilities.

Previous public access policy guidance was articulated to federal agencies in the [2013 OSTP Memorandum on Increasing Access to the Results of Federally Funded Research](#) (2013 Memorandum).

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The 2013 Memorandum provided unprecedented and transformative policy guidance that catalyzed a strong and ever-growing movement across the Nation and world to strengthen public access to research results. Of the over 20 agencies subject to the 2013 Memorandum, [all have developed plans and implemented policies according to the provisions](#). We commend agencies for accomplishing these monumental steps toward a more open and trustworthy government.

Looking forward, there are two important ways in which we will build on the 2013 Memorandum and usher in the next chapter of federal public access:

1. **Eliminating the optional 12-month publication embargo for federally funded peer-reviewed research articles.** This provision has limited immediate equitable access of federally funded research results to only those able to pay for it or have privileged access through libraries or other institutions. Financial means and privileged access must never be the prerequisite to realizing the benefits of federally funded research that all Americans deserve.
2. **Strengthening the data sharing plans of the 2013 Memorandum by making data published in peer-reviewed research articles immediately available upon publication and other research data available within a reasonable timeframe.** As President Biden has said when he was Vice President, data from federally funded research [belong to the American public](#). Providing the data that support findings in scientific papers improves transparency and the ability of others to replicate, and build on, the primary research findings. Public access to federally funded research data also helps to level the playing field across a highly uneven funding landscape between academic disciplines - providing possibilities to scholars, students, and the public for secondary use of data that would otherwise be unavailable. The new guidance makes clear that responsible sharing of data requires agencies to ensure that privacy and security protections are maintained.

Ensuring that all Americans benefit equitably from this important policy change will require time, effort, and collaboration from agencies across the federal government. OSTP is announcing several resources to support this work:

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- Through the [re-chartered](#) National Science and Technology Council Subcommittee on Open Science (SOS), OSTP is leading a coordination process to ensure that public access policies are accompanied by support for more vulnerable members of the research ecosystem unable to pay rising costs associated with publishing open access articles, such as early stage investigators and researchers from minority serving institutions.
- As a critical step in this process, today's guidance allows researchers to include publication and data sharing costs in their research budget proposals. We are also working with agencies to expand efforts to combat existing inequities in funding: many federal agencies, including the Department of Energy, the National Institutes of Health, and the National Science Foundation, have launched programs aimed at awarding grants to support early-stage researcher careers as well as increasing the racial and gender diversity of award applicants and the scientific workforce. Additionally, the SOS is exploring incentive structures to recognize institutions and researchers for supporting public access to their publications and data.
- As a resource to help better understand potential economic impacts of these policy changes, OSTP also published the report [Economic Landscape of Federal Public Access Policy](#), which was transmitted to Congress today. In order to help publishers and scholarly societies of all sizes with the change, OSTP and the SOS have committed to working alongside them, together with other key stakeholders including researchers, academic institutions, libraries, and other members of the public. Agencies have more than three years to fully implement updated public access plans to ensure this is a responsible and equitable transition.

This policy change lowers the barriers to accessing scientific results that are produced by researchers funded by the federal government and is a major advance to support equity in science. The public access policy of the United States Government should benefit all sectors of society and these updates help to achieve that goal and deliver equitable access to America's research to foster endless scientific possibilities.

## PRC Efforts to Manipulate Global Public Opinion on Xinjiang

Other Release

[Global Engagement Center](#)

August 24, 2022

### EXECUTIVE SUMMARY

The People's Republic of China (PRC) actively attempts to manipulate and dominate global discourse on Xinjiang and to discredit independent sources reporting ongoing genocide and crimes against humanity conducted against predominantly Muslim Uyghurs and members of other ethnic and religious minority groups in the Xinjiang Uyghur Autonomous Region. PRC-directed and -affiliated actors lead a coordinated effort to amplify Beijing's preferred narratives on Xinjiang, to drown out and marginalize narratives that are critical of the PRC's repression of Uyghurs, and to harass those critical of the PRC.

<https://www.state.gov/prc-efforts-to-manipulate-global-public-opinion-on-xinjiang/>

## CANADA GERMANY HYDROGEN ALLIANCE

Introducing the Canada-Germany Hydrogen Alliance - an agreement between our two countries that will create good jobs and local growth, and deliver clean energy that will help fight climate change.

At the Atlantic Renewable Hydrogen Expo in Stephenville, after touring the trade show floor and meeting with people who are innovating for the future, Chancellor Olaf Scholz and I announced this agreement and confirmed that we're working towards initial exports of Canadian hydrogen to Germany by 2025.

There's no doubt the demand is there - after all, German companies are already signing deals to purchase made-in-Canada hydrogen. The imperative is there, too, when it comes to energy security. In the face of Russian aggression, Canada is committed to standing by our European allies and looking to resources beyond oil and gas - resources like hydrogen. In short: Canada can be the reliable supplier of the clean energy a net-zero world needs.

Click here to learn more about the Canada-Germany Hydrogen Alliance and what it means for Canadians, for Germans, and for our shared future: <https://bit.ly/3AGJWM1>

## DEBARRED

DEPARTMENT OF STATE [Public Notice: 11808]  
Bureau of Political-Military Affairs; Statutory Debarment  
Under the Arms Export Control Act and the International  
Traffic in Arms Regulations

ACTION: Notice.

SUMMARY: Notice is hereby given that the Department of State has imposed statutory debarment under the International Traffic in Arms Regulations (ITAR) on persons convicted of violating, or conspiracy to violate, the Arms Export Control Act (AECA).

DATES: Debarment imposed as of August 10, 2022.

FOR FURTHER INFORMATION CONTACT: Jae E. Shin, Director, Office of Defense Trade Controls Compliance, Bureau of Political-Military Affairs, Department of State. (202) 632-2107.

SUPPLEMENTARY INFORMATION: Section 38(g)(4) of the AECA, 22 U.S.C. 2778(g)(4), restricts the Department of State from issuing licenses for the export of defense articles or defense services where the applicant, or any party to the export, has been convicted of violating the AECA or certain other statutes, enumerated in section 38 of the AECA, subject to a narrowly defined statutory exception. The Department refers to this restriction as a limitation on "export privileges" and implements a presumption of denial through section 127.11 of the ITAR.

In addition, section 127.7(b) of the ITAR provides for "statutory debarment" of any person who has been convicted of violating or conspiring to violate the AECA. Under this policy, persons subject to statutory debarment are prohibited from participating directly or indirectly in any activities that are regulated by the ITAR.

Statutory debarment is based solely upon conviction in a criminal proceeding, conducted by a United States court, and as such the administrative debarment procedures outlined in part 128 of the ITAR are not applicable.

It is the policy of the Department of State that statutory debarment as described in section 127.7(b) of the ITAR lasts for a three-year period following the date of conviction. Reinstatement from the policy of statutory debarment is not automatic, and in all cases the debarred person must submit a request to the Department of State and be approved for reinstatement from statutory debarment before engaging in any activities subject to the ITAR.

Department of State policy permits debarred persons to apply to the Director, Office of Defense Trade Controls Compliance,

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from statutory debarment, the Department may determine either to rescind only the statutory debarment pursuant to section 127.7(b), or to both rescind the statutory debarment pursuant to section 127.7(b) of the ITAR and reinstate export privileges as described in section 127.11 of the ITAR. See 84 FR 7,411 (March 4, 2019) for discussion of the Department's policy regarding actions to both rescind the statutory debarment and reinstate export privileges. The reinstatement of export privileges can be made only after the statutory requirements of section 38(g)(4) of the AECA have been satisfied.

Certain exceptions, known as transaction exceptions, may be made to this debarment determination on a case-by-case basis. However, such an exception would be granted only after a full review of all circumstances, paying particular attention to the following factors: whether an exception is warranted by overriding U.S. foreign policy or national security interests; whether an exception would further law enforcement concerns that are consistent with the foreign policy or national security interests of the United States; or whether other compelling circumstances exist that are consistent with the foreign policy or national security interests of the United States, and that do not conflict with law enforcement concerns. Even if exceptions are granted, the debarment continues until subsequent reinstatement from statutory debarment.

Pursuant to section 38(g)(4) of the AECA and section 127.7(b) and (c)(1) of the ITAR, the following persons, having been convicted in a U.S. District Court, are denied export privileges and are statutorily debarred as of the date of this notice (Name; Date of Judgment; Judicial District; Case No.; Month/Year of Birth):

- (1) Awer, Akeem Shonari; February 14, 2020; Southern District of Florida; 1:19-cr-20564; December 1990.
- (2) Cabalceta, Oben; September 18, 2019; District of New Jersey; 1:19-cr-00296; May 1965.
- (3) Camaj, Rrok Martin; February 28, 2020; Eastern District of Michigan; 2:19-cr-20403; July 1985.
- (4) Guerra, Claudia; March 4, 2019; Southern District of Texas; 1:18-cr-00622; January 1992.
- (5) Sin, Aydan; a.k.a. Hon Chak Gordon Sin; a.k.a. Andy Sin; a.k.a. Bullion Sin; October 05, 2021; Western District of New York; 1:17-cr-00090; January 1972.
- (6) Sobrado, Roger; September 5, 2019; District of New Jersey; 1:18-cr-00615; May 1970.
- (7) Wang, Shaohua; a.k.a. Eric Wang; February 3, 2020; Southern District of the California; 3:19-cr-01895; September 1982.
- (8) Wang, Ye Sang; a.k.a. Ivy Wang; December 21, 2021; Southern District of California; 3:19-cr-01895; September 1984.
- (9) Xie, Tuqiang; a.k.a. Tony Xie; March 30, 2022; Northern District of Illinois; 1:19-cr-00664; March 1962.

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(10) Zhang, Jian; December 30, 2020; District of Arizona; 2:18-cr-01236; January 1976.

At the end of the three-year period following the date of this notice, the above-named persons remain debarred unless a request for reinstatement from statutory debarment is approved by the Department of State. Pursuant to section 120.1(c) of the ITAR, debarred persons are generally ineligible to participate in activities regulated under the ITAR. Also, under section 127.1(d) of the ITAR, any person who has knowledge that another person is ineligible pursuant to section 120.1(c)(2) of the ITAR may not, without disclosure to and written approval from the Directorate of Defense Trade Controls, participate, directly or indirectly, in any ITAR-controlled transaction where such ineligible person may obtain benefit therefrom or have a direct or indirect interest therein.

This notice is provided for purposes of making the public aware that the persons listed above are prohibited from participating directly or indirectly in activities regulated by the ITAR, including any brokering activities and any export from or temporary import into the United States of defense articles, technical data, or defense services in all situations covered by the ITAR. Specific case information may be obtained from the Office of the Clerk for the U.S. District Courts mentioned.

## Notifications to the Congress of Proposed Commercial Export

On August 11, 2022, DDTC provided notice in the Federal Register that the attached Notifications of Proposed Commercial Export Licenses were submitted to Congress on the dates indicated.

## DECCS Release - Submissions now viewable as PDF's

The Defense Export Control and Compliance System (DECCS) Registration, Commodity Jurisdiction and Advisory Opinion applications have been updated to display submitted forms as PDF's as opposed to a webform view. This update allows DDTC to store the request exactly as it was submitted, and the form will remain unaffected by any future policy changes or system updates.

-For Registrations, you will access your submission in the "Form" view, and click the "Print Registration" button to download the PDF

- For Advisory Opinions, select your submission, then click the "Download DS-7786" button in the top blue banner to download the PDF

- For Commodity Jurisdictions, select your submission, then click the "Download DS-4076" button in the top blue banner to download the PDF



## BUREAU OF INDUSTRY AND SECURITY

FOR IMMEDIATE RELEASE

August 25, 2022

[www.bis.doc.gov](http://www.bis.doc.gov)

Office of Congressional and Public Affairs

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Six Months into Russian Invasion, Commerce Actions Making a Difference in Support of Ukrainian People Washington, D.C.—Since the start of Russia’s unjustified and horrific assault on Ukraine on February 24, 2022, the U.S. Department of Commerce, through its Bureau of Industry and Security (BIS) has taken a leading role in the Biden Administration’s comprehensive response in support of Ukraine by restricting trade in commodities, software, and technologies that have military and civilian uses. “Russia unleashed what it thought would be a quick and decisive assault on Ukraine six months ago. The resolve of the Ukrainian people to remain free and defend their homeland has foiled that plan. The United States is unwavering in our support for Ukraine, and we will continue to work with our allies and partners to help Ukraine remain a democratic, independent, and sovereign nation,” said Under Secretary of Commerce for Industry and Security Alan Estevez. “The Commerce Department has worked tirelessly to do our part to support Ukraine and hold Russia accountable. The impact of our export controls will only continue to bite harder the longer Russia sustains its aggression.”

“No nation should have to commemorate its independence while actively fighting to keep it. Unfortunately, that is precisely what the Ukrainian people are doing today,” said Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler. “Vladimir Putin badly misjudged the Ukrainian people’s resolve to remain free and independent, as well as the unity of the international community in the face of his war of choice. I’m proud of the work of Commerce and BIS in concert with our 37 allies and partners to support Ukraine.”

“The heartbreaking stories and images we’ve seen from Ukraine over the past half year remind us that the values we cherish—peace, democracy, the rule of law, human rights—are not guaranteed unless we’re willing to stand up to preserve them,” said Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod. “The export controls we’ve put in place with our allies and partners are powerful, but we also know that Vladimir Putin will seek every avenue he can to subvert, divert, and circumvent those controls—and we won’t let him succeed.”

The export controls put in place since the start of Russia’s invasion on February 24 are already being felt by the Russian regime,

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and its substantial enabler Belarus. The impact of U.S. and international restrictions on the defense, aerospace, maritime, energy production, and technology

sectors, and luxury goods will continue to increase over time as Russia’s military is unable to obtain what it needs to repair and replace a wide range of military equipment and weapons, and Russia’s government seeks to generate additional revenue to finance the war.

Specifically, since the start of Russia’s invasion of Ukraine, BIS has:

- Issued over a dozen regulations imposing expansive export controls resulting in a decrease of 97 percent by value of U.S. exports of items—including high tech, industrial, and luxury goods—subject to new controls to Russia and Belarus (February 24-August 12, 2022 compared to same time period in 2021).
- Built a coalition of 37 allies and partners that have implemented substantially similar controls including: Australia, Canada, the 27 member states of the European Union (EU), Iceland, Japan, the Republic of Korea, Liechtenstein, New Zealand, Norway, Switzerland, and the United Kingdom.
- Expedited license approvals cumulatively valued at over \$1 billion in items to support Ukraine’s defense including firearms, ammunition, night vision goggles, and protective equipment such as ballistic helmets, body armor, and other items subject to Commerce’s jurisdiction.
- Prevented over 100 shipments to Russia and Belarus.
- Detained or seized 244 shipments, totaling more than \$93 million.
- Added 335 total parties to the Entity List for supporting Russia’s military, including 8 for seeking to supply Russia’s military after implementation of new controls (“backfilling”).
- Issued 9 Temporary Denial Orders (TDOs) against some of Russia and Belarus’s largest commercial and cargo airlines.
- Issued the first joint alert with the Department of the Treasury’s FinCEN urging financial institutions to conduct additional due diligence and outlining potential red flags and historical transshipment points for Russian diversion of U.S. technologies and other items.
- Publicly released and maintained a list of commercial and private aircraft operating in likely violation of U.S. export control laws.

Additional information on the actions taken in response to Russia’s invasion is available at:

<https://bis.doc.gov/index.php/policy-guidance/country-guidance/russia-belarus>

Some independent analysis of the impact of actions taken by the U.S. government and private sector firms, including the impact of export controls, to date are available at: <https://www.piie.com/blogs/realtime-economic-issues-watch/export-controls-against-russia-are-working-help-china> and <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>



## BUREAU OF INDUSTRY AND SECURITY

FOR IMMEDIATE RELEASE

August 23, 2022

[www.bis.doc.gov](http://www.bis.doc.gov)

Office of Congressional and Public Affairs

[OCPA@bis.doc.gov](mailto:OCPA@bis.doc.gov)

COMMERCE ADDS SEVEN CHINESE ENTITIES TO ENTITY LIST FOR SUPPORTING CHINA'S MILITARY MODERNIZATION EFFORTS

WASHINGTON, D.C. - The U.S. Commerce Department, through its Bureau of Industry and Security (BIS), has issued a final rule adding seven Chinese space, aerospace, and related technology entities to the Entity List and severely restricting their access to commodities, software, and technologies subject to the Export Administration Regulations (EAR). These seven entities have been added to the Entity List for activities contrary to U.S. national security and foreign policy interests, specifically for acquiring and attempting to acquire U.S.-origin items in support of the People's Republic of China's (PRC) military modernization efforts. With this action, the Commerce Department will have approximately 600 Chinese entities on the Entity List - more than 110 of which have been added since the start of the Biden Administration.

"U.S. technologies that support space and aerospace activities should not be used to support the PRC's military modernization. We are constantly monitoring these sectors for evidence of diversion," said Under Secretary of Commerce for Industry and Security Alan Estevez. "China's military-civil fusion program requires BIS to be vigilant and act forcefully when necessary to protect our sensitive technologies."

"Technology is value neutral, and that's why we exercise constant vigilance with respect to China, particularly in sectors like aerospace, where the potential for diversion to military applications is so high," said Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler. "The Entity List is a powerful tool—though not our only tool—for demonstrating that the U.S. government will not hesitate to use export controls to protect U.S. national security."

"The United States is the global leader in space and aerospace technologies, and Export Enforcement protects that leadership by working to prevent the diversion of sensitive technologies to the Chinese military-civil fusion program," said Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod. "We will continue to leverage all our investigative resources to deny the PRC access to sensitive U.S. technologies."

*(\*Continued On The Following Column)*

The rule released today takes effect on August 24, 2022. Text of the final rule is available online here. The entities added to the Entity List in today's rule are:

- China Aerospace Science and Technology Corporation (CASC) 9th Academy 771 Research Institute;
- China Aerospace Science and Technology Corporation (CASC) 9th Academy 772 Research Institute;
- China Academy of Space Technology 502 Research Institute;
- China Academy of Space Technology 513 Research Institute;
- China Electronics Technology Group Corporation 43 Research Institute;
- China Electronics Technology Group Corporation 58 Research Institute; and
- Zhuhai Orbita Control Systems.

With this final rule, BIS imposes a license requirement for all exports, reexports, or transfers subject to the EAR to which these seven entities are parties. BIS will review license applications involving these entities under a presumption of denial.

Additional Background:

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—that 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 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.

Entity List additions are determined by the interagency End-User Review Committee (ERC), comprised of the Departments of Commerce (Chair), Defense, State, Energy, and where appropriate, Treasury, based on specific and articulable facts that the entities 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. The ERC makes all 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:

<https://bis.doc.gov/index.php/policy-guidance/faqs>

For more information, visit [www.bis.doc.gov](http://www.bis.doc.gov).

## GET OUR SERVICES PAID IN PART VIA A STEP GRANT...

The Massachusetts Office of International Trade and Investment ("MOITI"), in collaboration with the Massachusetts Small Business Development Center Network ("MSBDC") and the Massachusetts Export Center, is pleased to announce the Massachusetts State Trade Expansion Program ("STEP"). MOITI, through a grant from the U.S. Small Business Administration ("SBA"), will provide grants to eligible, approved Massachusetts small businesses for the purpose of increasing export sales of their goods and services.

The application period for the Massachusetts STEP Grant Program is now open!

The STEP program is intended to help offset international business development and related costs for small businesses. [Eligible businesses may apply for grants ranging from a minimum of \\$6,000 to a maximum of \\$15,000 per business to reimburse for costs associated with pre-approved projects, activities or services undertaken during the period October 1, 2022 to March 31, 2024.](#) Each grant recipient will be required to provide a match to cover at least a portion of the total approved cost for any project, activity or service (the "Match"). New-to-export firms have a minimum of 10% match requirement and all other firms have a minimum of 20% match requirement.

*The STEP Grant application deadline is Wednesday, September 30 at 5:00 p.m.*

There is no advantage for early applicants. We encourage you to participate on the September 22nd webinar and compile a thoughtful, strategic application for the greatest chance of approval.

[www.mass.gov/export/step](http://www.mass.gov/export/step)

[Click here](#) to contact the Massachusetts Export Center with questions.

in support of the STEP application.

[Click here](#) for further details and webinar registration.

### 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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