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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 744

[Docket No. 140324264-4264-01]

RIN 0694-AG12

Addition of Certain Persons to the Entity List

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: This rule amends the Export Administration Regulations (EAR) by adding thirteen persons under fourteen entries to the Entity List. The persons who are added to the Entity List have been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States. These persons will be listed on the Entity List under the destinations of Cyprus, Luxembourg and Russia. There are fourteen entries to address thirteen persons because one person is being listed in multiple countries, resulting in an additional entry. Specifically, the additional entry covers one person in Luxembourg who also has an address in Russia.

DATES: *Effective Date:* This rule is effective [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT:

Karen Nies-Vogel, Chair, End-User Review Committee, Office of the Assistant Secretary, Export Administration, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482-5991, Fax: (202) 482-3911, E-mail: ERC@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

The Entity List (Supplement No. 4 to Part 744) notifies the public about entities that have engaged in activities that could result in an increased risk of the diversion of exported, reexported or transferred (in-country) items to weapons of mass destruction (WMD) programs. Since its initial publication, grounds for inclusion on the Entity List have expanded to include activities sanctioned by the State Department and activities contrary to U.S. national security or foreign policy interests, including terrorism and export control violations involving abuse of human rights. Certain exports, reexports, and transfers (in-country) to entities identified on the Entity List require licenses from BIS and are usually subject to a policy of denial. The availability of license exceptions in such transactions is very limited. The license review policy for each entity is identified in the license review policy column on the Entity List and the availability of license exceptions is noted in the Federal Register notices adding persons to the Entity List. BIS places entities on the Entity List based on certain sections of part 744 (Control Policy: End-User and End-Use Based) of the EAR.

The End-User Review Committee (ERC), composed of representatives of the Departments of Commerce (Chair), State, Defense, Energy and, where appropriate, the

Treasury, makes all decisions regarding additions to, removals from, or other modifications to the Entity List. The ERC makes all decisions to add an entry to the Entity List by majority vote and all decisions to remove or modify an entry by unanimous vote. The Departments represented on the ERC approved these changes to the Entity List.

ERC Entity List Decisions

Additions to the Entity List

This rule implements the decision of the ERC to add thirteen persons under fourteen entries to the Entity List on the basis of § 744.11 (License requirements that apply to entities acting contrary to the national security or foreign policy interests of the United States) of the EAR. The thirteen persons added to the Entity List consist of one person in Cyprus, one person in Luxembourg and twelve persons in Russia.

The ERC reviewed § 744.11(b) (Criteria for revising the Entity List) in making the determination to add these thirteen persons to the Entity List. Under that paragraph, persons for whom there is reasonable cause to believe, based on specific and articulable facts, have been involved, are involved, or pose a significant risk of being or becoming involved in, activities that are contrary to the national security or foreign policy interests of the United States and those acting on behalf of such persons may be added to the Entity List.

The thirteen persons being added to the Entity List have been determined by the ERC to be involved in activities that are contrary to the national security or foreign policy interests of the United States. The U.S. Government has determined that the Russian Federation's actions – including the deployment of Russian Federation military and intelligence forces in the Crimea area of Ukraine (Occupied Crimea) and Eastern Ukraine - are in clear violation of Ukrainian sovereignty and territorial integrity and a breach of international law, including Russia's obligations under the United Nations Charter and

under its 1997 military basing agreement with Ukraine. They are also inconsistent with the 1994 Budapest Memorandum, under which, in response to certain commitments by Ukraine, Russia, the United States and the United Kingdom, the signatories consecrated the sovereignty and territorial integrity of Ukraine as an independent state by applying the principles of territorial integrity and nonintervention found in the Helsinki Final Act, the accords signed by the Conference on Security and Cooperation in Europe of 1975. The Russian Federation's actions also conflict with the Vienna Document of 1979, as adopted by the members of the Organization for Security and Cooperation in Europe (of which the Russian Federation is a member), which includes a provision for exchange and verification of military information among membership, including but not limited to prior notification of military activities such as major troop exercises.

On March 6, 2014, the President of the United States issued Executive Order 13660 (79 FR 13491), *Blocking Property of Certain Persons Contributing to the Situation in Ukraine*, finding that the actions and policies of persons who have asserted governmental authority in Occupied Crimea without the authorization of the Government of Ukraine undermine democratic processes and institutions in Ukraine; threaten its peace, security, stability, sovereignty, and territorial integrity; and contribute to the misappropriation of its assets, and thereby constitute an unusual and extraordinary threat to the national security and foreign policy of the United States. The Executive Order also declares a national emergency to deal with that threat.

On March 16, 2014, the President of the United States issued Executive Order 13661 (79 FR 15533), *Blocking Property of Additional Persons Contributing to the Situation in Ukraine*. That order expanded the scope of the national emergency declared in Executive Order 13660, finding that the actions and policies of the Government of the Russian Federation with respect to Ukraine—including the recent deployment of Russian Federation military forces in Occupied Crimea—undermine democratic processes and institutions in Ukraine; threaten its peace, security, stability, sovereignty, and territorial

integrity; and contribute to the misappropriation of its assets, and thereby constitute an unusual and extraordinary threat to the national security and foreign policy of the United States.

Specifically, Executive Order 13661 includes a directive that all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person (including any foreign branch) of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in: persons who have materially assisted, sponsored or provided financial, material or technological support for, or goods and services to or in support of a senior official of the government of the Russian Federation. Under Section 8 of the order, all agencies of the United States Government are directed to take all appropriate measures within their authority to carry out the provisions of the order.

The Department of the Treasury, pursuant to Executive Order 13661, has designated the thirteen persons identified below. In conjunction with that designation, the Department of Commerce imposes a license requirement for exports, reexports, or transfers (in-country) to these blocked persons. This license requirement implements an appropriate measure within the authority of the EAR to carry out the provisions of Executive Order 13661. The entities being added to the Entity List under this rule, Stroytransgaz Holding, Volga Group, Aquanika, Avia Group LLC, Avia Group Nord LLC, CJSC Zest, Sakhatrans LLC, Stroytransgaz Group, Stroytransgaz LLC, Stroytransgaz OJSC, Stroytransgaz-M LLC, Stroygazmontazh, and Transoil are owned or controlled by, directly or indirectly, persons whose property and interests in property were blocked by the Department of the Treasury's Office of Foreign Assets Control on March 20, 2014 pursuant to Executive Order 13661. One of the persons being added to the Entity List under this rule, Volga Group, has addresses in both Luxembourg and

Russia. The additional address accounts for the fourteenth entry for the thirteen persons being added to the Entity List in this rule.

Pursuant to § 744.11 of the EAR, the conduct of these thirteen persons raises sufficient concern that prior review of exports, reexports, or transfers (in-country) of items subject to the EAR involving these persons, and the possible imposition of license conditions or license denials on shipments to these persons, will enhance BIS's ability to protect the foreign policy and national security interests of the United States.

For the thirteen persons added to the Entity List, there is a license requirement for all items subject to the EAR and a license review policy of presumption of denial. The license requirements apply to any transaction in which items are to be exported, reexported, or transferred (in-country) to any of the persons or in which such persons act as purchaser, intermediate consignee, ultimate consignee, or end-user. In addition, no license exceptions are available for exports, reexports, or transfers (in-country) to the persons being added to the Entity List in this rule.

This final rule adds the following thirteen persons under fourteen entries to the Entity List:

Cyprus

(1) Stroytransgaz Holding, a.k.a., the following four aliases:

-STG Holding Limited, and

-STG Holdings Limited, and

-Stroytransgaz Holding Limited, and

-STGH.

33 Stasinou Street, Office 2 2003, Nicosia Strovolos, Cyprus.

Luxembourg

(1) Volga Group, a.k.a., the following three aliases:

-Volga Group Investments, and

-Volga Resources, and

-Volga Resources Group.

3, rue de la Reine L-2418 Luxembourg

(See alternate address under Russia).

Russia

(1) Aquanika, a.k.a., the following five aliases:

-Aquanika LLC, and

-LLC Russkoye Vremya, and

-Obshchestvo S Organichennoi Otvetstvennostyu ‘Russkoe Vremya’, and

-Russkoe Vremya OOO, and

-Russkoye Vremya LLC.

47A Sevastopolski Ave., of. 304, Moscow 117186, Russia; and

1/2 Rodnikovaya ul., Savasleika s., Kulebakski raion, Nizhegorodskaya oblast 607007,

Russia;

(2) Avia Group LLC, a.k.a., the following one alias:

-Avia Group Ltd.

Terminal Aeroport Sheremetyevo Khimki, 141400 Moskovskaya obl., Russia;

(3) Avia Group Nord LLC,

17 A, Startovaya St., Saint Petersburg, Russia;

(4) CJSC Zest, a.k.a., the following one alias:

-Zest Leasing.

pr. Medikov 5, of. 301, St. Petersburg, Russia; *and*
2 Liter a Pl. Rastrelli, St. Petersburg, 191124 Russia;

(5) Sakhatrans LLC, a.k.a., the following two aliases:

-Obshchestvo S Organichennoi Otvetstvennostyu'sakha (Yakutskaya) Transportnaya Kompaniya, *and*
-Sakhatrans OOO.

14 ul. Molodezhnaya Rabochi Pos. Vanino, 682860 Vaninski, Raion Khabarovski Krai, Russia;

(6) Stroytransgaz Group, a.k.a., the following two aliases:

-STG Group, *and*
-Stroytransgaz.

3 Begovaya Street, Building # 1, Moscow, 125284, Russia;

(7) Stroytransgaz LLC, a.k.a., the following one alias:

-OOO Stroytransgaz.
House 65, Novocheremushkinskaya St., Moscow 117418, Russia;

(8) Stroytransgaz OJSC, a.k.a., the following one alias:

-OAO Stroytransgaz.
House 58, Novocheremushkinskaya St., Moscow 117418, Russia;

(9) Stroytransgaz-M LLC,

Novy Urengoy City, 26th Meeting of the Communist Party Street, House 2V,
Tyumenskaya Oblast, Yamalo-Nenetsky Autonomous Region 629305, Russia;

(10) Stroygazmontazh, a.k.a., the following three aliases:

-Limited Liability Company Stroygazmontazh, and

-SGM, and

-Stroygazmontazh Corporation.

53 prospekt Vernadskogo, Moscow, 119415, Russia;

(11) Transoil, a.k.a., the following four aliases:

-Limited Liability Company Transoil, and

-Transoil LLC, and

-Transoyl SNG Ltd., and

-Obshchestvo S Organichernnoi Otvetstvennosti Transoil.

18A Petrogradskaya nab., St. Petersburg, Russia, 197046;

(12) Volga Group, a.k.a., the following three aliases:

-Volga Group Investments, and

-Volga Resources, and

-Volga Resources Group.

Russia

(See alternate address under Luxembourg).

Savings Clause

Shipments of items removed from eligibility for a License Exception or export or reexport without a license (NLR) as a result of this regulatory action that were en route aboard a carrier to a port of export or reexport, on [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER], pursuant to actual orders for export or reexport to a foreign destination, may proceed to that destination under the previous eligibility for a License Exception or export or reexport without a license (NLR).

Export 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 8, 2013, 78, 2013, 78 FR 49107 (August 12, 2013), 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 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 e-mail 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 implements this rule to protect U.S. national security or foreign policy interests by preventing items from being exported, reexported, or transferred (in country) to the persons being added to the Entity List. If this rule were delayed to allow for notice and comment and a delay in effective date, then entities being added to the Entity List by this action would continue to be able to receive items without a license and to conduct activities contrary to the national security or foreign policy interests of the United States. In addition, publishing a proposed rule would give these parties notice of the U.S. Government’s intention to place them on the Entity List and would create an incentive for these persons to either accelerate receiving items subject to the EAR to conduct activities that are contrary to the national security or foreign policy interests of the United States, and/or to take steps to set up additional aliases, change addresses, and other measures to try to limit the impact of the listing on the Entity List once a final rule was published. 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 Subject in 15 CFR Part 744

Exports, Reporting and recordkeeping requirements, Terrorism.

Accordingly, part 744 of the Export Administration Regulations (15 CFR parts 730–774) is amended as follows:

PART 744—[AMENDED]

1. The authority citation for 15 CFR part 744 continues to read as follows:

Authority: 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 8, 2013, 78 FR 49107 (August 12, 2013); Notice of September 18, 2013, 78 FR 58151 (September 20, 2013); Notice of November 7, 2013, 78 FR 67289 (November 12, 2013); Notice of January 21, 2014, 79 FR 3721 (January 22, 2014).

2. Supplement No. 4 to part 744 is amended:
- By adding under Cyprus, in alphabetical order, one Cypriot entity;
 - By adding in alphabetical order the destination of Luxembourg under the country column and one Luxembourgish entity; and
 - By adding under Russia, in alphabetical order, twelve Russian entities.

The additions read as follows:

Supplement No. 4 to Part 744 - Entity List

Country	Entity	License requirement	License review policy	Federal Register citation

CYPRUS				

	<p>Stroytransgaz Holding, a.k.a., the following four aliases: -STG Holding Limited, <i>and</i> -STG Holdings Limited, <i>and</i> -Stroytransgaz Holding Limited, <i>and</i> -STGH. 33 Stasinou Street, Office 2 2003, Nicosia Strovolos, Cyprus.</p>	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

LUXEMBOURG	<p>Volga Group, a.k.a., the following three aliases: -Volga Group Investments, <i>and</i> -Volga Resources, <i>and</i> -Volga Resources Group. 3, rue de la Reine L-2418 Luxembourg (See alternate address under Russia).</p>	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

RUSSIA				

Aquanika, a.k.a., the following five aliases: -Aquanika LLC, <i>and</i> -LLC Russkoye Vremya, <i>and</i> -Obshchestvo S Organichennoi Otvetstvennostyu 'Russkoe Vremya', <i>and</i> -Russkoe Vremya OOO, <i>and</i> -Russkoye Vremya LLC. 47A Sevastopolski Ave., of. 304, Moscow 117186, Russia; <i>and</i> 1/2 Rodnikovaya ul., Savasleika s., Kulebakski raion, Nizhegorodskaya oblast 607007, Russia.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].	

Avia Group LLC, a.k.a., the following one alias: -Avia Group Ltd. Terminal Aeroport Sheremetyevo Khimki, 141400 Moskovskaya obl., Russia.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].	
Avia Group Nord LLC, 17 A, Startovaya St., Saint Petersburg, Russia.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].	

CJSC Zest, a.k.a., the following one alias: -Zest Leasing. pr. Medikov 5, of. 301, St. Petersburg, Russia; <i>and</i> 2 Liter a Pl. Rastrelli, St. Petersburg, 191124 Russia.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].	

	<p>Sakhatrans LLC, a.k.a., the following two aliases:</p> <ul style="list-style-type: none"> -Obshchestvo S Organichennoi Otvetstvennostyu'sakha (Yakutskaya) Transportnaya Kompaniya, <u>and</u> -Sakhatrans OOO. <p>14 ul. Molodezhnaya Rabochi Pos. Vanino, 682860 Vaninski, Raion Khabarovski Krai, Russia.</p>	<p>For all items subject to the EAR. (See§744.11 of the EAR).</p>	<p>Presumption of denial.</p>	<p>79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER</p>

	<p>Stroytransgaz Group, a.k.a., the following two aliases:</p> <ul style="list-style-type: none"> -STG Group, <u>and</u> -Stroytransgaz. <p>3 Begovaya Street, Building # 1, Moscow, 125284, Russia.</p>	<p>For all items subject to the EAR. (See§744.11 of the EAR).</p>	<p>Presumption of denial.</p>	<p>79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER</p>
	<p>Stroytransgaz LLC, a.k.a., the following one alias:</p> <ul style="list-style-type: none"> -OOO Stroytransgaz. <p>House 65, Novocheremushkinskaya St., Moscow 117418, Russia.</p>	<p>For all items subject to the EAR. (See§744.11 of the EAR).</p>	<p>Presumption of denial.</p>	<p>79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER</p>
	<p>Stroytransgaz OJSC, a.k.a., the following one alias:</p> <ul style="list-style-type: none"> -OAO Stroytransgaz. <p>House 58, Novocheremushkinskaya St., Moscow 117418, Russia.</p>	<p>For all items subject to the EAR. (See§744.11 of the EAR).</p>	<p>Presumption of denial.</p>	<p>79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER</p>
	<p>Stroytransgaz-M LLC, Novy Urengoy City, 26th Meeting of the Communist Party Street, House 2V, Tyumenskaya Oblast, Yamalo-Nenetsky Autonomous Region 629305, Russia.</p>	<p>For all items subject to the EAR. (See§744.11 of the EAR).</p>	<p>Presumption of denial.</p>	<p>79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER</p>

	<p>Stroygazmontazh, a.k.a., the following three aliases:</p> <ul style="list-style-type: none"> -Limited Liability Company Stroygazmontazh, <u>and</u> <u>-SGM, and</u> -Stroygazmontazh Corporation. <p>53 prospekt Vernadskogo, Moscow, 119415, Russia.</p>	<p>For all items subject to the EAR. (See§744.11 of the EAR).</p>	<p>Presumption of denial.</p>	<p>79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER</p>

	<p>Transoil, a.k.a., the following four aliases:</p> <ul style="list-style-type: none"> -Limited Liability Company Transoil, <u>and</u> <u>-Transoil LLC, and</u> <u>-Transoyl SNG Ltd., and</u> -Obshchestvo S Organichernnoi Otvetstvennostyu Transoil. <p>18A Petrogradskaya nab., St. Petersburg, Russia, 197046.</p>	<p>For all items subject to the EAR. (See§744.11 of the EAR).</p>	<p>Presumption of denial.</p>	<p>79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER</p>

	<p>Volga Group, a.k.a., the following three aliases:</p> <ul style="list-style-type: none"> -Volga Group Investments, <u>and</u> <u>-Volga Resources, and</u> -Volga Resources Group. <p>Russia (see alternate address under Luxembourg).</p>	<p>For all items subject to the EAR. (See§744.11 of the EAR).</p>	<p>Presumption of denial.</p>	<p>79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER</p>

Dated: April 28, 2014.

Eric L. Hirschhorn
Under Secretary of Commerce for Industry and Security (BIS)

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