

DEPARTMENT OF COMMERCE**Bureau of Industry and Security****15 CFR Part 744**

[Docket No. 210312–0056]

RIN 0694–AI38

Expansion of Certain End-Use and End-User Controls and Controls on Specific Activities of U.S. Persons; Correction**AGENCY:** Bureau of Industry and Security, Commerce.**ACTION:** Interim final rule; correction.

SUMMARY: The Bureau of Industry and Security (BIS), Department of Commerce, is correcting an interim final rule, “Expansion of Certain End-Use and End-User Controls and Controls on Specific Activities of U.S. Persons,” that appeared in the **Federal Register** of January 15, 2021 (hereinafter referred to as the January 15 rule) by revising an incorrect instruction that would have resulted in the inadvertent deletion of two subparagraphs of the Export Administration Regulations’ (EAR) restrictions on certain rocket systems and unmanned aerial vehicles.

DATES: *Effective date:* March 16, 2021.**FOR FURTHER INFORMATION CONTACT:**

Philip Johnson, Senior Advisor, Export Enforcement, Bureau of Industry and Security, Phone: (202) 482–3685, Philip.Johnson@bis.doc.gov.

SUPPLEMENTARY INFORMATION:**Background**

On January 15, 2021, BIS published an interim final rule expanding certain end-use and end-user controls and controls on specific activities of U.S. persons (86 FR 4865) (hereinafter the January 15 rule). Due to an instruction error, which directed the revision of paragraph (a)(3) of § 744.3 of the EAR, rather than only the introductory text of that paragraph, upon its effective date, the January 15 rule would have resulted in the inadvertent deletion of § 744.3(a)(3)(i) and (ii) of the EAR, which describe the license requirements that apply when an exporter, reexporter, or transferor cannot determine the range capabilities of a rocket system or unmanned aerial vehicle (UAV) in certain countries of missile technology concern (Country Group D:4) (see Supplement No. 1 to part 740 of the EAR), or whether such rocket system or UAV will be used in connection with the delivery of certain weapons of mass destruction. This was a technical error and BIS did not intend to remove the existing restrictions on exports,

reexports, and transfers (in-country) applicable to certain rocket systems and UAVs in D:4 countries currently set forth in § 744.3(a)(3)(i) and (ii) of the EAR. To remediate this error, BIS is correcting the instruction in the January 15 rule to revise only the introductory “text of § 744.3(a)(3), rather than the entire paragraph.

Correction

Accordingly, in FR Doc. 2021–00977, appearing on page 4865 in the **Federal Register** of Friday, January 15, 2021, the follow correction is made:

§ 744.3 [Correction]

■ 1. On page 4871, first column, instruction 9 is corrected to read “Section 744.3 is amended by revising paragraphs (a)(1) and (2), the introductory text to paragraph (a)(3), and paragraphs (d)(2)(ii) and (v) to read as follows:”

Matthew S. Borman,

Deputy Assistant Secretary for Export Administration.

[FR Doc. 2021–05623 Filed 3–15–21; 4:15 pm]

BILLING CODE 3510–33–P**DEPARTMENT OF THE TREASURY****Office of Foreign Assets Control**

31 CFR Parts 501, 510, 535, 536, 539, 541, 542, 544, 546, 547, 548, 549, 552, 560, 561, 566, 576, 583, 584, 588, 592, 594, 597, and 598

Inflation Adjustment of Civil Monetary Penalties**AGENCY:** Office of Foreign Assets Control, Treasury.**ACTION:** Final rule.

SUMMARY: The Department of the Treasury’s Office of Foreign Assets Control (OFAC) is issuing this final rule to adjust certain civil monetary penalties for inflation pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

DATES: This rule is effective March 17, 2021.**FOR FURTHER INFORMATION CONTACT:**

OFAC: Assistant Director for Licensing, 202–622–2480; Assistant Director for Regulatory Affairs, 202–622–4855; Assistant Director for Sanctions Compliance & Evaluation, 202–622–2490.

SUPPLEMENTARY INFORMATION:**Electronic Availability**

This document and additional information concerning OFAC are available from OFAC’s website (www.treasury.gov/ofac).

Background

Section 4 of the Federal Civil Penalties Inflation Adjustment Act (1990 Pub. L. 101–410, 104 Stat. 890; 28 U.S.C. 2461 note), as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Pub. L. 114–74, 129 Stat. 599, 28 U.S.C. 2461 note) (the FCPIA Act), requires each federal agency with statutory authority to assess civil monetary penalties (CMPs) to adjust CMPs annually for inflation according to a formula described in section 5 of the FCPIA Act. One purpose of the FCPIA Act is to ensure that CMPs continue to maintain their deterrent effect through periodic cost-of-living based adjustments.

OFAC has adjusted its CMPs six times since the Federal Civil Penalties Inflation Adjustment Act Improvements Act went into effect on November 2, 2015: An initial catch-up adjustment on August 1, 2016 (81 FR 43070, July 1, 2016); an additional initial catch-up adjustment related to CMPs for failure to comply with a requirement to furnish information, the late filing of a required report, and failure to maintain records (“recordkeeping CMPs”) that were inadvertently omitted from the August 1, 2016 initial catch-up adjustment on October 5, 2020 (85 FR 54911, September 3, 2020); and annual adjustments on February 10, 2017 (82 FR 10434, February 10, 2017); March 19, 2018 (83 FR 11876, March 19, 2018); June 14, 2019 (84 FR 27714, June 14, 2019); and April 9, 2020 (85 FR 19884, April 9, 2020).

Method of Calculation

The method of calculating CMP adjustments applied in this final rule is required by the FCPIA Act. Under the FCPIA Act and the Office of Management and Budget guidance required by the FCPIA Act, annual inflation adjustments subsequent to the initial catch-up adjustment are to be based on the percent change between the Consumer Price Index for all Urban Consumers (“CPI-U”) for the October preceding the date of the adjustment and the prior year’s October CPI-U. As set forth in Office of Management and Budget Memorandum M–21–10 of December 23, 2020, the adjustment multiplier for 2021 is 1.01182. In order to complete the 2021 annual adjustment, each current CMP is