

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

Rossiia Airlines

Pilotov St 18-4,

St. Petersburg, Russia, 196210

ORDER RENEWING TEMPORARY DENIAL OF EXPORT PRIVILEGES

Pursuant to Section 766.24 of the Export Administration Regulations, 15 C.F.R. Parts 730-774 (2021) (“EAR” or “the Regulations”),¹ I hereby grant the request of the Office of Export Enforcement (“OEE”) to renew the temporary denial order (“TDO”) issued in this matter on November 15, 2022. I find that renewal of this order is necessary in the public interest to prevent an imminent violation of the Regulations.

I. Procedural History

On May 20, 2022, I signed an order denying the export privileges of Rossiia Airlines (“Rossiia”) for a period of 180 days on the ground that issuance of the order was necessary in the public interest to prevent an imminent violation of the Regulations. The order was issued *ex parte* pursuant to Section 766.24(a) of the Regulations and was effective upon issuance.² This

¹ On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the Export Administration Act, 50 U.S.C. App. § 2401 *et seq.* (“EAA”), (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all orders, rules, regulations, and other forms of administrative action that were made or issued under the EAA, including as continued in effect pursuant to the International Emergency Economic Powers Act, 50 U.S.C. § 1701 *et seq.* (“IEEPA”), and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA. Moreover, Section 1761(a)(5) of ECRA authorizes the issuance of temporary denial orders. 50 U.S.C. § 4820(a)(5).

² The TDO was published in the *Federal Register* on May 25, 2022 (87 Fed. Reg. 31856).

temporary denial order was subsequently renewed in accordance with Section 766.24(d) of the Regulations.³ The renewal order was issued on November 15, 2022 and was effective upon issuance.⁴

On April 20, 2023, BIS, through OEE, submitted a written request for renewal of the TDO that issued on November 15, 2022. The written request was made more than 20 days before the TDO's scheduled expiration. A copy of the renewal request was sent to Rossiya in accordance with Sections 766.5 and 766.24(d) of the Regulations. No opposition to the renewal of the TDO has been received.

II. Renewal of the TDO

A. Legal Standard

Pursuant to Section 766.24, BIS may issue an order temporarily denying a respondent's export privileges upon a showing that the order is necessary in the public interest to prevent an "imminent violation" of the Regulations, or any order, license or authorization issued thereunder. 15 C.F.R. §§ 766.24(b)(1) and 766.24(d). "A violation may be 'imminent' either in time or degree of likelihood." 15 C.F.R. § 766.24(b)(3). BIS may show "either that a violation is about to occur, or that the general circumstances of the matter under investigation or case under criminal or administrative charges demonstrate a likelihood of future violations." *Id.* As to the likelihood of future violations, BIS may show that the violation under investigation or charge "is significant, deliberate, covert and/or likely to occur again, rather than technical or negligent[.]"

³ Section 766.24(d) provides that BIS may seek renewal of a temporary denial order for additional 180-day renewal periods, if it believes that renewal is necessary in the public interest to prevent an imminent violation. Renewal requests are to be made in writing no later than 20 days before the scheduled expiration date of a temporary denial order.

⁴ The November 15, 2022 renewal order was published in the Federal Register on November 21, 2022 (87 Fed. Reg. 70780).

Id. A “lack of information establishing the precise time a violation may occur does not preclude a finding that a violation is imminent, so long as there is sufficient reason to believe the likelihood of a violation.” *Id.*

B. The TDO and BIS’s Request for Renewal

The U.S. Commerce Department, through BIS, responded to the Russian Federation’s (“Russia’s”) further invasion of Ukraine by implementing a sweeping series of stringent export controls that severely restrict Russia’s access to technologies and other items that it needs to sustain its aggressive military capabilities. These controls primarily target Russia’s defense, aerospace, and maritime sectors and are intended to cut off Russia’s access to vital technological inputs, atrophy key sectors of its industrial base, and undercut Russia’s strategic ambitions to exert influence on the world stage. Effective February 24, 2022, BIS imposed expansive controls on aviation-related (e.g., Commerce Control List Categories 7 and 9) items to Russia, including a license requirement for the export, reexport or transfer (in-country) to Russia of any aircraft or aircraft parts specified in Export Control Classification Number (ECCN) 9A991 (Section 746.8(a)(1) of the EAR).⁵ BIS will review any export or reexport license applications for such items under a policy of denial. *See* Section 746.8(b). Effective March 2, 2022, BIS excluded any aircraft registered in, owned, or controlled by, or under charter or lease by Russia or a national of Russia from being eligible for license exception Aircraft, Vessels, and Spacecraft (AVS) (Section 740.15 of the EAR).⁶ Accordingly, any U.S.-origin aircraft or foreign aircraft

⁵ 87 Fed. Reg. 12226 (Mar. 3, 2022). Additionally, BIS published a final rule effective April 8, 2022, which imposed licensing requirements on items controlled on the Commerce Control List (“CCL”) under Categories 0-2 that are destined for Russia or Belarus. Accordingly, now all CCL items require export, reexport, and transfer (in-country) licenses if destined for or within Russia or Belarus. 87 Fed. Reg. 22130 (Apr. 14, 2022).

⁶ 87 Fed. Reg. 13048 (Mar. 8, 2022).

that includes more than 25% controlled U.S.-origin content, and that is registered in, owned, or controlled by, or under charter or lease by Russia or a national of Russia, is subject to a license requirement before it can travel to Russia.

OEE's request for renewal is based upon the facts underlying the issuance of the initial TDO and the evidence developed over the course of this investigation, which indicate a blatant disregard for U.S. export controls, as well as the TDO. Specifically, the initial TDO, issued on May 20, 2022, was based on evidence that Rossiya engaged in conduct prohibited by the Regulations by operating multiple aircraft subject to the EAR and classified under ECCN 9A991.b on flights into Russia after March 2, 2022 from destinations including, but not limited to, Hurghada, Egypt; Sharm el-Sheikh, Egypt; Dubai, United Arab Emirates; and Sharjah, United Arab Emirates, without the required BIS authorization.⁷ Further evidence submitted by BIS indicated that Rossiya was continuing to operate aircraft subject to the EAR domestically on flights within Russia, potentially in violation of Section 736.2(b)(10) of the Regulations.

As discussed in the November 15, 2022 renewal order, evidence presented by BIS indicated that, after the initial order issued, Rossiya continued to operate aircraft subject to the EAR and classified under ECCN 9A991.b on flights both into and within Russia, in violation of the Regulations and the TDO itself.⁸ Specifically, the November 15, 2022 renewal order detailed that Rossiya has continued to operate aircraft subject to the EAR, which were flown into Russia on or after March 2, 2022, or on flights within Russia, including, but not limited to,

⁷ Publicly available flight tracking information shows that on March 8, 2022, serial number (SN) 27650 flew from Hurghada, Egypt to Moscow, Russia. On March 6, 2022, SN 41212 flew from Sharm el-Sheikh, Egypt to St. Petersburg, Russia and SN 44435 flew from Dubai, United Arab Emirates to St. Petersburg, Russia. In addition, on March 7, 2022, SN 41202 flew from Sharjah, United Arab Emirates to Moscow, Russia.

⁸ Engaging in conduct prohibited by a denial order violates the Regulations. 15 C.F.R. §§ 764.2(a) and (k).

between such cities as Anadyr, Russia; Kaliningrad, Russia; Khabarovsk, Russia; Magadan, Russia; and Moscow, Russia, in violation of Section 736.2(b)(10) of the Regulations, as well as into Russia on flights from Antalya and Istanbul, Turkey.

Since that time, Rossiya has continued to engage in conduct prohibited by the applicable TDO and Regulations. In its April 20, 2023 request for renewal of the TDO, BIS submitted evidence that Rossiya is operating aircraft subject to the EAR and classified under ECCN 9A991.b, both on flights into and within Russia, in violation of the November 15, 2022 renewal TDO and/or the Regulations. Specifically, BIS’s evidence and related investigation demonstrates that Rossiya has continued to operate aircraft subject to the EAR, including, but not limited to, on flights into and out of Russia from/to Sharm el-Sheikh, Egypt; Hurghada, Egypt; Istanbul, Turkey; and Antalya, Turkey, as well as domestically within Russia. Information about those flights includes, but is not limited to, the following:

Tail Number	Serial Number	Aircraft Type	Departure/Arrival Cities	Dates
RA-73188	34900	737-8GJ (B738)	Sharm el-Sheikh, EG / Moscow, RU	March 20, 2023
RA-73188	34900	737-8GJ (B738)	Istanbul, TR / Moscow, RU	March 17, 2023
RA-73188	34900	737-8GJ (B738)	Sharm el-Sheikh, Yekaterinburg, RU	March 16, 2023
RA-73188	34900	737-8GJ (B738)	Hurghada, EG / Moscow, RU	March 15, 2023
RA-73192	34897	737-8GJ (B738)	Hurghada, EG / Kazan, RU	May 1, 2023
RA-73192	34897	737-8GJ (B738)	Antalya, TR / Moscow, RU	April 25, 2023
RA-73192	34897	737-8GJ (B738)	Hurghada, EG / Yekaterinburg, RU	April 22, 2023
RA-73192	34897	737-8GJ (B738)	Istanbul, TR / Moscow, RU	March 16, 2023
RA-73292	28531	777-312 (B773)	Magadan, RU / Moscow, RU	April 21, 2023
RA-73292	28531	777-312 (B773)	Moscow, RU / Magadan, RU	April 20, 2023
RA-73292	28531	777-312 (B773)	Khabarovsk, RU / Moscow, RU	April 17, 2023
RA-73292	28531	777-312 (B773)	Colombo, LK / Moscow, RU	March 16, 2022
RA-73279	28515	777-312 (B773)	Moscow, RU / Anadyr, RU	April 27, 2023
RA-73279	28515	777-312 (B773)	Magadan, RU / Anadyr, RU	April 25, 2023
RA-73279	28515	777-312 (B773)	Yuzhno-Sakhalinsk, RU / Moscow, RU	April 20, 2023

RA-73279	28515	777-312 (B773)	Hurghada, EG / Moscow, RU	March 7, 2022
RA-73218	35278	737-8Q8 (B738)	Antalya TR / St. Petersburg, RU	April 26, 2023
RA-73218	35278	737-8Q8 (B738)	Antalya, TR / St. Petersburg, RU	April 26, 2023
RA-73218	35278	737-8Q8 (B738)	Antalya, TR / St. Petersburg, RU	April 23, 2023
RA-73218	35278	737-8Q8 (B738)	Antalya, TR / Moscow, RU	April 22, 2023
RA-73218	35278	737-8Q8 (B738)	Istanbul, TR / Moscow, RU	January 27, 2023

III. Findings

Under the applicable standard set forth in Section 766.24 of the Regulations and my review of the entire record, I find that the evidence presented by BIS convincingly demonstrates that Rossiya has acted in violation of the Regulations and the TDO; that such violations have been significant, deliberate and covert; and that given the foregoing and the nature of the matters under investigation, there is a likelihood of imminent violations. Therefore, renewal of the TDO is necessary in the public interest to prevent imminent violation of the Regulations and to give notice to companies and individuals in the United States and abroad that they should avoid dealing with Rossiya, in connection with export and reexport transactions involving items subject to the Regulations and in connection with any other activity subject to the Regulations.

IV. Order

IT IS THEREFORE ORDERED:

FIRST, **Rossiya Airlines**, Pilotov St 18-4, St. Petersburg, Russia, 196210, when acting for or on their behalf, any successors or assigns, agents, or employees may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as “item”) exported or to be exported from the United States

that is subject to the EAR, or in any other activity subject to the EAR including, but not limited to:

A. Applying for, obtaining, or using any license (except directly related to safety of flight), license exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the EAR except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations, or engaging in any other activity subject to the EAR except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations; or

C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the EAR, or from any other activity subject to the EAR except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations.

SECOND, that no person may, directly or indirectly, do any of the following:

A. Export, reexport, or transfer (in-country) to or on behalf of Rossiya any item subject to the EAR except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations;

B. Take any action that facilitates the acquisition or attempted acquisition by Rossiya of the ownership, possession, or control of any item subject to the EAR that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby Rossiya acquires or attempts to acquire such ownership, possession or

control except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from Rossiya of any item subject to the EAR that has been exported from the United States except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations;

D. Obtain from Rossiya in the United States any item subject to the EAR with knowledge or reason to know that the item will be, or is intended to be, exported from the United States except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations; or

E. Engage in any transaction to service any item subject to the EAR that has been or will be exported from the United States and which is owned, possessed or controlled by Rossiya, or service any item, of whatever origin, that is owned, possessed or controlled by Rossiya if such service involves the use of any item subject to the EAR that has been or will be exported from the United States except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations. For purposes of this paragraph, servicing means installation, maintenance, repair, modification, or testing.

THIRD, that, after notice and opportunity for comment as provided in section 766.23 of the EAR, any other person, firm, corporation, or business organization related to Rossiya by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business may also be made subject to the provisions of this Order.


In accordance with the provisions of Sections 766.24(e) of the EAR, Rossiya may, at any time, appeal this Order by filing a full written statement in support of the appeal with the Office

of the Administrative Law Judge, U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street,
Baltimore, Maryland 21202-4022.

In accordance with the provisions of Section 766.24(d) of the EAR, BIS may seek renewal of this Order by filing a written request not later than 20 days before the expiration date. A renewal request may be opposed by Rossiya as provided in Section 766.24(d), by filing a written submission with the Assistant Secretary of Commerce for Export Enforcement, which must be received not later than seven days before the expiration date of the Order.

A copy of this Order shall be provided to Rossiya, and shall be published in the *Federal Register*.

This Order is effective immediately and shall remain in effect for 180 days.



Matthew S. Axelrod
Assistant Secretary of Commerce
for Export Enforcement

Dated: May 12, 2023.