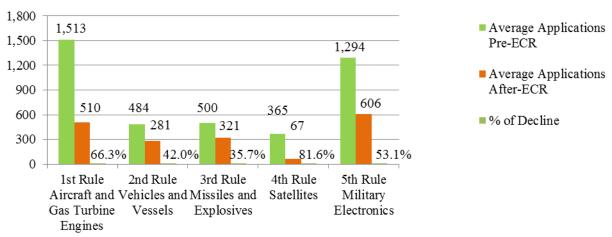
Statistics of Licensing under Export Control Reform

October 15, 2013 to June 30, 2016

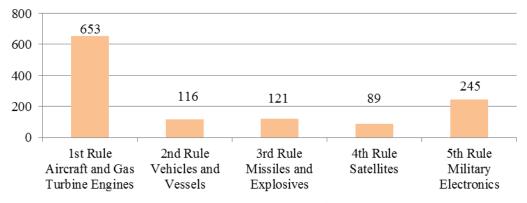
The license applications for items in the 15 categories of the United States Munitions List (USML) showed an overall average decline of 57.1% from 4,156 to 1,785 per month through June 30, 2016. The average monthly drop of 2,371 in license applications is the result of certain items that do not warrant control on the USML transitioning to the Commerce Control List (CCL) under President Obama's Export Control Reform (ECR) initiative. The biggest drop in license applications was those impacted by the Fourth ECR Transition Rule for satellites with a 81.6% decline. The Directorate of Defense Trade Controls (DDTC) of the U.S. Department of State estimates a 45% decline in license applications will be shown when all USML categories have been reviewed.

DDTC License Trends by ECR Transition Rules October 15, 2013 to June 30, 2016 Average Monthly Applications



Source: the Directorate of Defense Trade Controls of the U.S. Department of State, July 2016

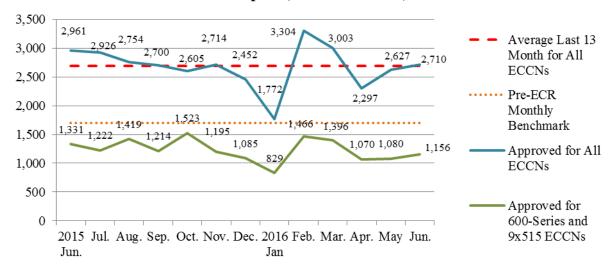
BIS Average Monthly Applications by ECR Transition Rules October 15, 2013 to June 30, 2016



Source: Commerce U.S. Exports Exporter Support System, July 2016

The monthly average of 2,679 BIS approved licenses for all ECCNs in the last 13 months indicates an increase of 57.6% from a monthly average of 1,700 approved licenses during the fiscal year of 2012 to 2013, prior to the Export Control Reform.

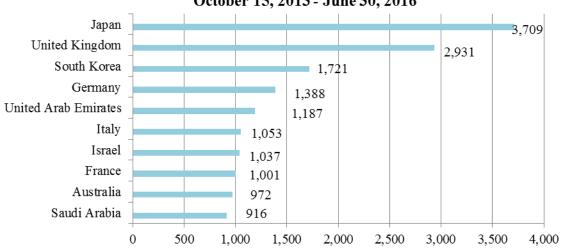
Trends in BIS Approved License Applications April 1, 2015 to June 30, 2016



Source: Commerce U.S. Exports Exporter Support System, July 2016

Of the total 29,615 BIS approved licenses for 600-series and 9x515 items from October 15, 2013 to June 30, 2016, 15,915 (53.7% of the total approved licenses) were issued for exports to the top ten destinations by license count. The top countries were Japan with 3,709 approved licenses (12.5% of the total); the United Kingdom with 2,931 (9.9%); and South Korea with 1,721 (5.8%).

Top Ten Destinations of BIS Approved Licenses for 600-Series and 9x515 Items by Count
October 15, 2013 - June 30, 2016



Source: Commerce U.S. Exports Exporter Support System, July 2016