Fifth Transition Rule

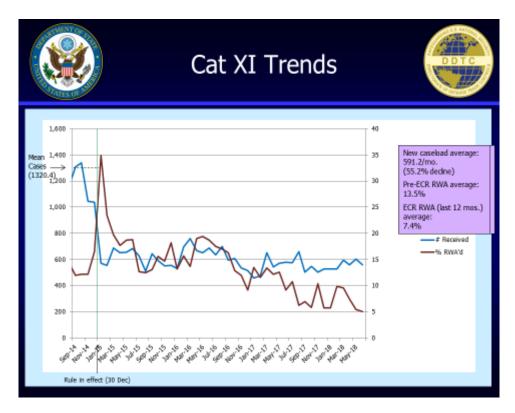
License Applications and Exports

The Fifth USML to CCL Regulatory Change

Military Electronics

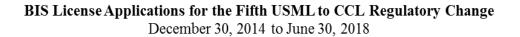
December 30, 2014 to June 30, 2018

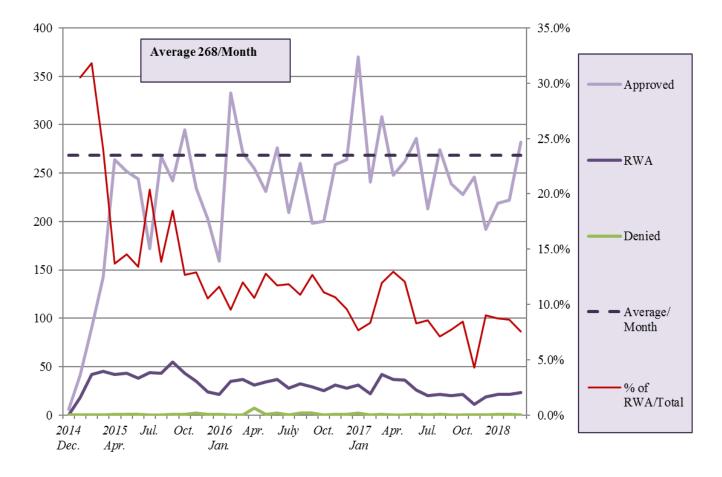
The license applications for items in category XI – Military Electronics of the United States Munitions List (USML) have declined 55.2% from an average of 1,320 to 591 per month through June 30, 2018. The average monthly drop of 729 license applications is the result of certain items transitioning to the Commerce Control List (CCL).



Source: The Directorate of Defense Trade Controls of the U.S. Department of State, July 25, 2018

Since the fifth USML to CCL regulatory change became effective on December 30, 2014, the average number of BIS license applications for the eight 600-Series items created by this rule is 268 per month through June 30, 2018. The approval rate is 88.1%.





Source: Commerce U.S. Exports Exporter Support System, July 25, 2018

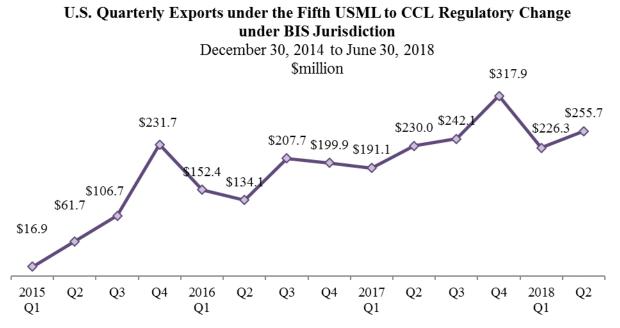
From the effective date of December 30, 2014 to June 30, 2018, U.S. exports of items in the fifth USML to CCL regulatory change – Military Electronics items (3y611 and 9y620) under BIS jurisdiction totaled 38,734 shipments for \$2.6 billion.

U.S. Exports under the Fifth USML to CCL Regulatory Change under BIS Jurisdiction



December 30, 2014 to June 30, 2018 \$million

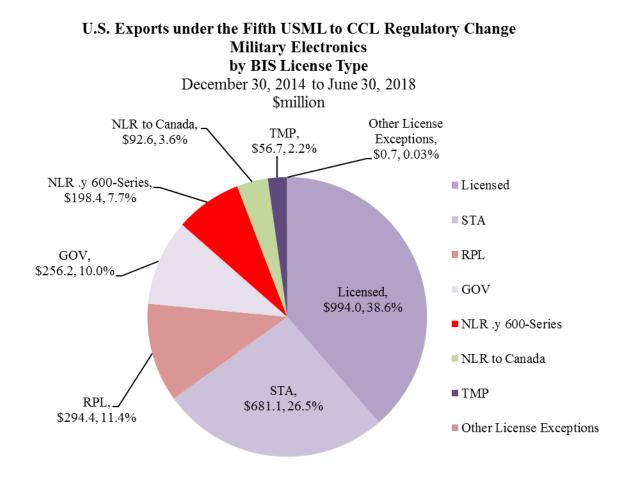
Source: Automated Export System, July 20, 2018



Source: Automated Export System, July 20, 2018

The Fifth USML to CCL Regulatory Change-Military Electronics Top 15 Destinations of U.S. Exports under BIS Jurisdiction December 30, 2014 to June 30, 2018									
							% of Total	Value	
					Country	Shipment Count	Shipment Count	\$million	% of Total Value
Japan	4,724	12.2%	\$691.2	26.9%					
United Kingdom	5,111	13.2%	\$216.3	8.4%					
South Korea	2,008	5.2%	\$169.2	6.6%					
Saudi Arabia	842	2.2%	\$165.6	6.4%					
Canada	2,365	6.1%	\$119.7	4.6%					
Australia	1,739	4.5%	\$118.7	4.6%					
United Arab Emirates	585	1.5%	\$108.0	4.2%					
Germany	2,054	5.3%	\$94.1	3.7%					
Italy	1,984	5.1%	\$89.5	3.5%					
Israel	1,590	4.1%	\$74.1	2.9%					
Taiwan	482	1.2%	\$66.1	2.6%					
France	1,582	4.1%	\$57.6	2.2%					
Turkey	905	2.3%	\$48.2	1.9%					
Afghanistan	717	1.9%	\$40.7	1.6%					
Denmark	584	1.5%	\$38.5	1.5%					
Top 15 Total	27,272		\$2,097.5						
Top 15 Total/Grand Total		70.4%		81.5%					
Grand Total	38,734		\$2,574.1						
	Source: Automate	ed Export System, July 2	0, 2018						

Of the \$2.6 billion in U.S. exports of 600-series items in the fifth USML to CCL regulatory change under BIS jurisdiction from December 30, 2014 to June 30, 2018, licensed exports totaled \$994.0 million (38.6% of the total); Strategic Trade Authorization (STA) totaled \$681.1 million (26.5%) and Servicing and replacement of parts and equipment (RPL) totaled \$294.4 million (11.4%).



Source: Automated Export System, July 20, 2018

BIS License Exceptions:

STA: Strategic Trade Authorization
RPL: Servicing and replacement of parts and equipment
GOV: Governments, international organizations, international inspections under the Chemical Weapons
Convention, and the International Space Station
NLR: No License Required
TMP: Temporary imports, exports, reexports, and transfers (in-country)