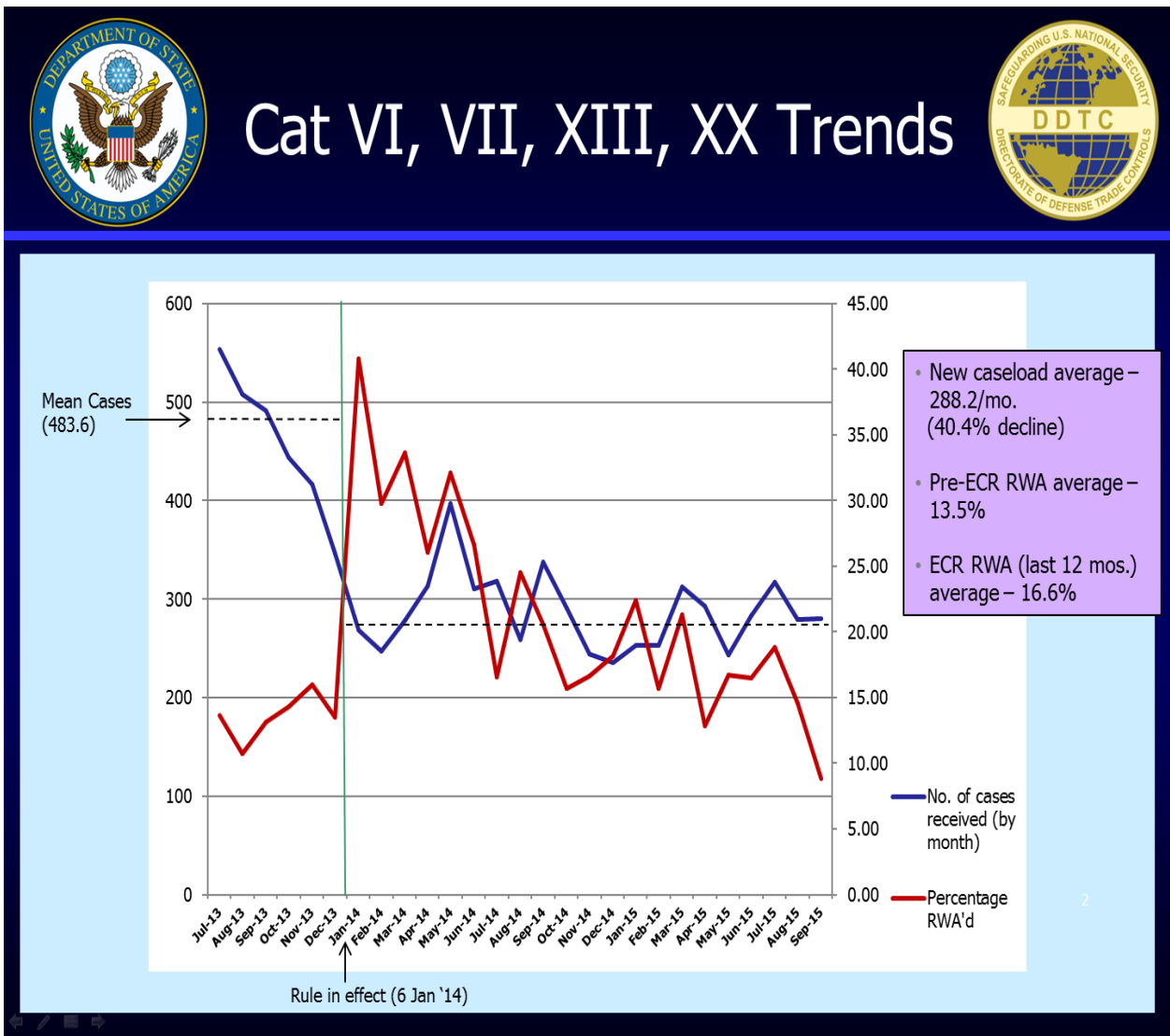


Statistics of the Second ECR Transition Rule

Vehicles and Vessels

January 6, 2014 to September 30, 2015

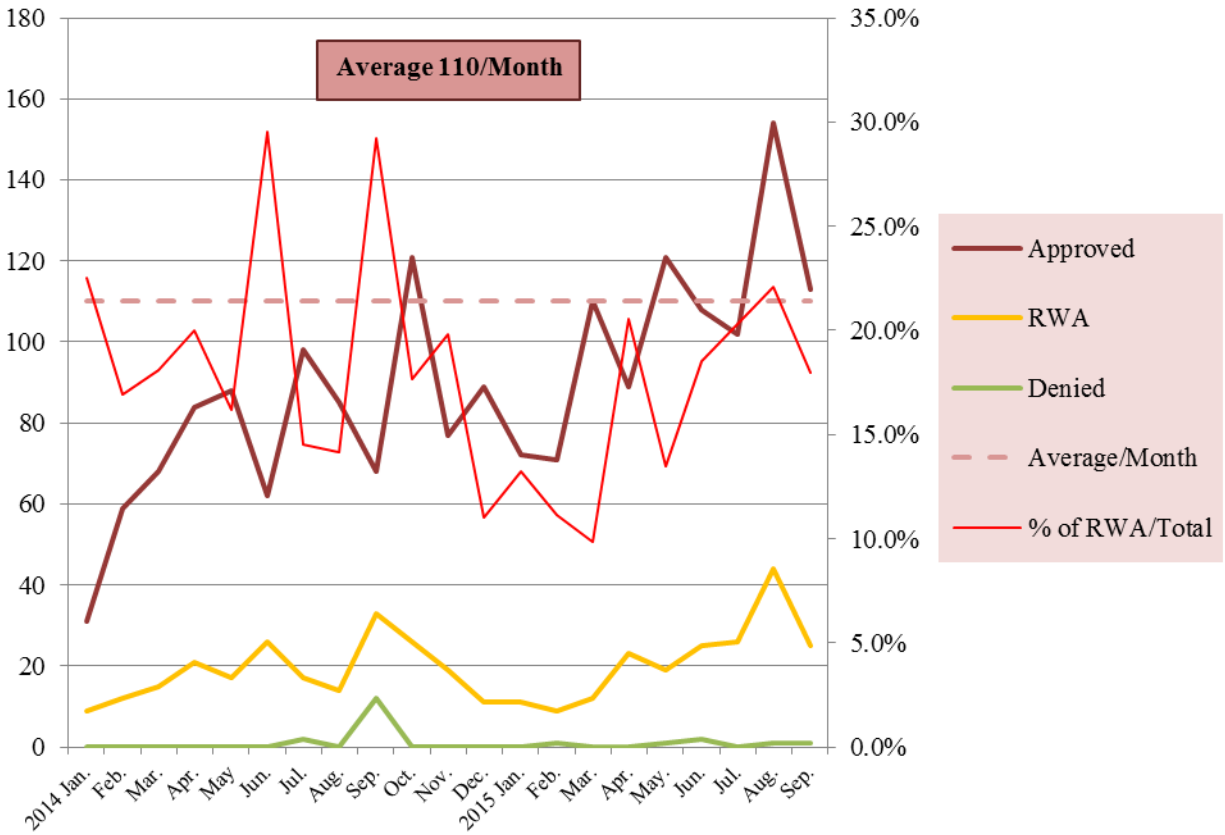
The license applications for items in categories VI (Vessels), VII (Vehicles), XIII (Auxiliary Military Equipment) and XX (Submersible Vessels) of the United States Munitions List (USML) have declined 40.4% from an average of 484 to 288 per month through September 30, 2015. The average monthly drop of 196 in license applications is the result of certain items transitioning to the Commerce Control List (CCL) under Export Control Reform (ECR).



Source: The Directorate of Defense Trade Controls of the U.S. Department of State, October 2015

Since the Second ECR Transition Rule became effective on January 6, 2014, the average number of BIS license applications for items transitioning from the USML to the CCL is 110 per month through September 30, 2015. The approval rate is 81.2%.

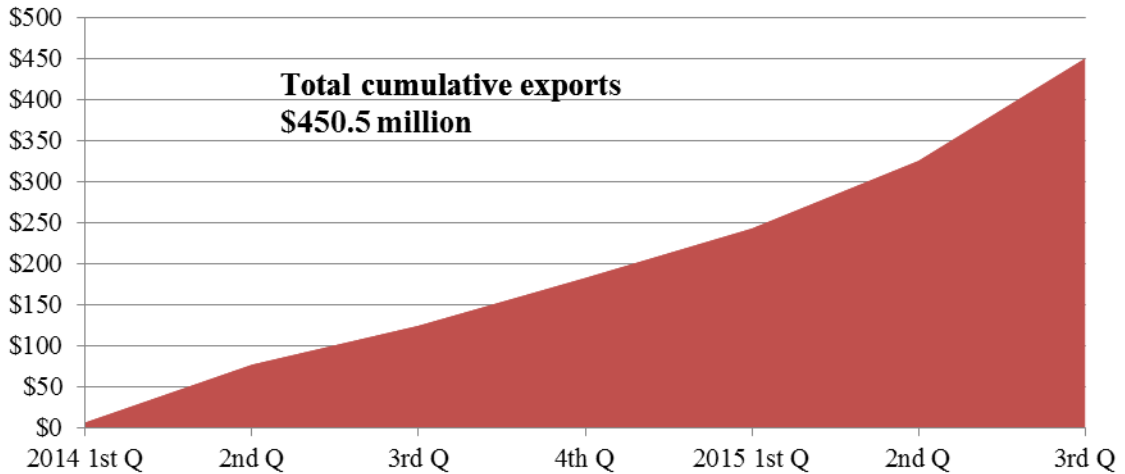
**BIS License Applications for the Second ECR Transition Rule
January 6, 2014 to September 30, 2015**



Source: Commerce U.S. Exports Exporter Support System, October 2015

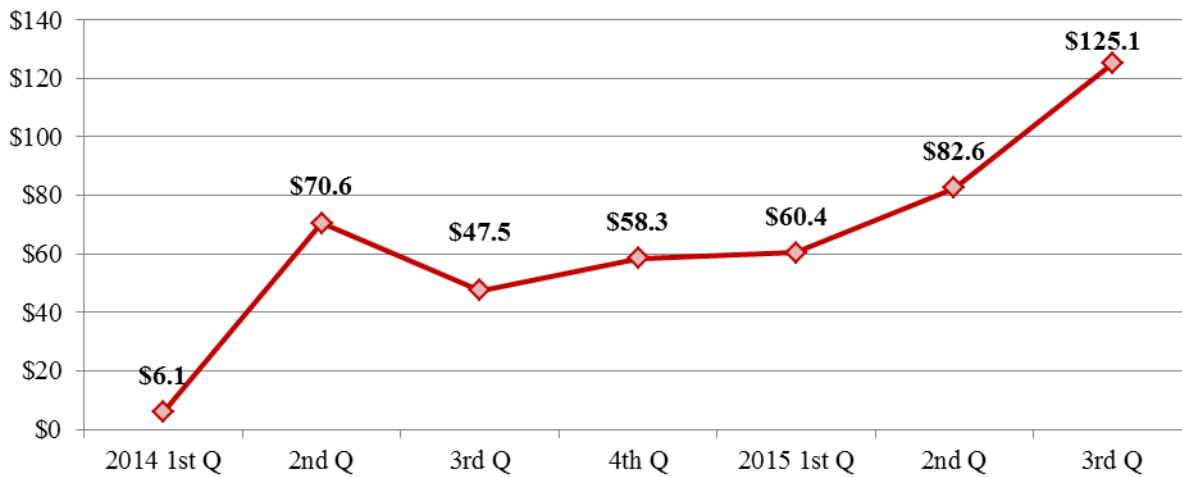
The U.S. exports of 600-series items under BIS jurisdiction created by the Second ECR Transition Rule – Vehicles and Vessels (0y606, 0y017, 8y609 and 8y620) totaled 21,500 transactions for \$450.5 million.

**The U.S. Exports of the Second ECR Transition Rule Items
under BIS Jurisdiction
January 6, 2014 to September 30, 2015
Smillion**



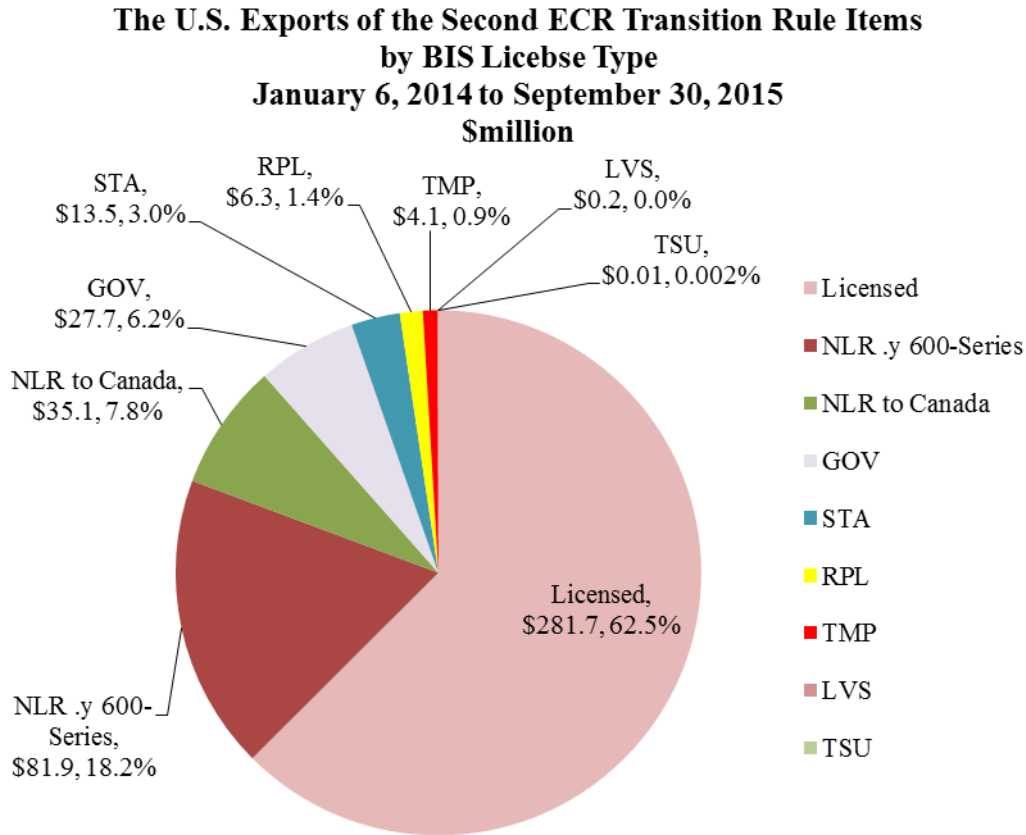
Source: Automated Export System, October 2015

**The U.S. Quarterly Exports of the Second ECR Transition Rule Items
under BIS Jurisdiction
January 6, 2014 to September 30, 2015
Smillion**



Source: Automated Export System, October 2015

Of the \$450.5 million exports of 600-series items in the Second ECR transition rule under BIS jurisdiction, licensed exports totaled \$281.7 million (62.5% of the total); No License Required (NLR) for 600-series items totaled \$81.9 million (18.2%); and NLR for 600-series items to Canada totaled 35.1 million (7.8%).



Source: Automated Export System, October 2015

BIS License Exceptions:

NLR: No License Required

GOV: Governments, international organizations, international inspections under the Chemical Weapons Convention, and the International Space Station

STA: Strategic Trade Authorization

RPL: Servicing and replacement of parts and equipment

TMP: Temporary imports, exports, reexports, and transfers (in-country)

LVS: Shipments of limited value

TSU: Technology and software-unrestricted