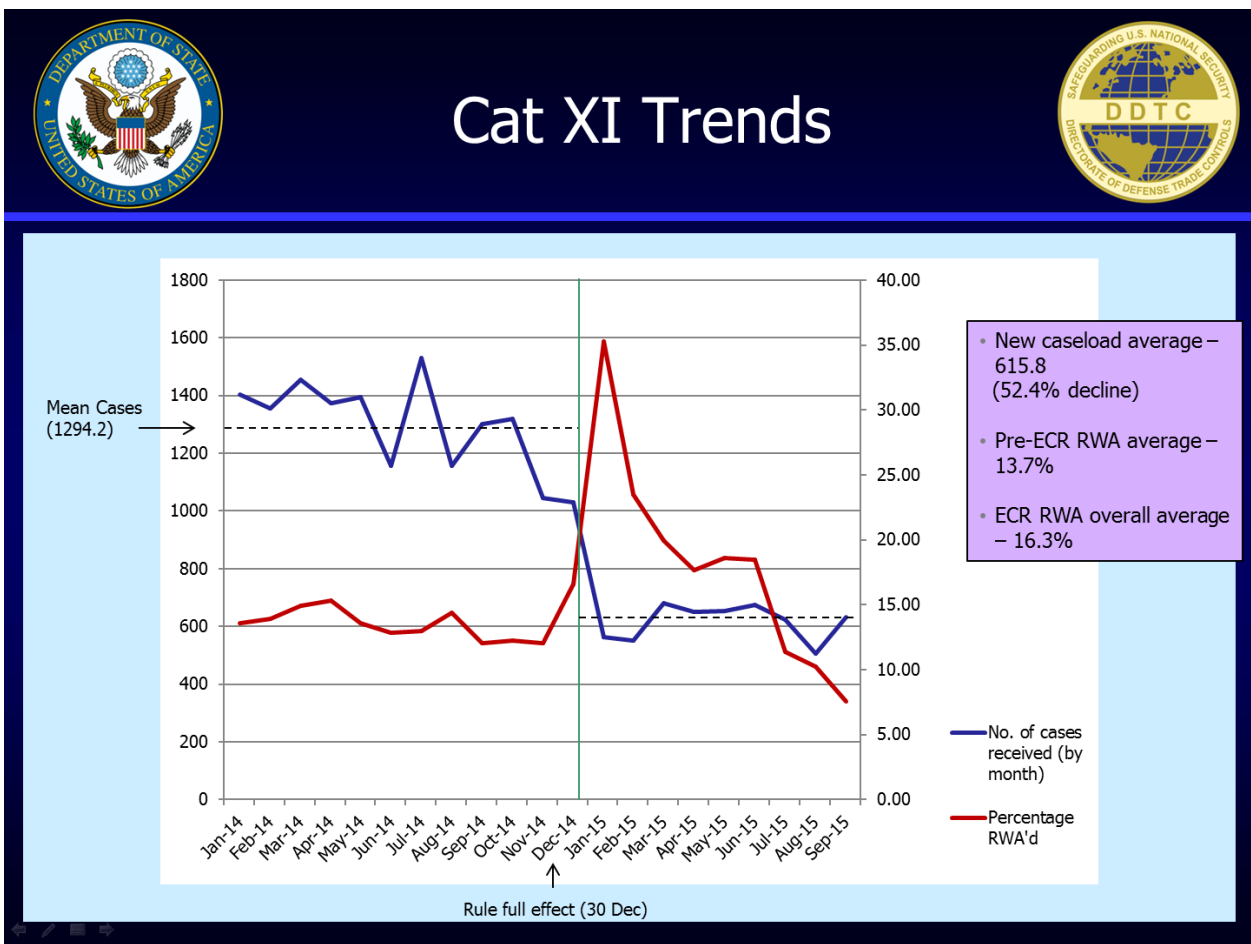


Statistics of the Fifth Export Control Reform Transition Rule

Military Electronics

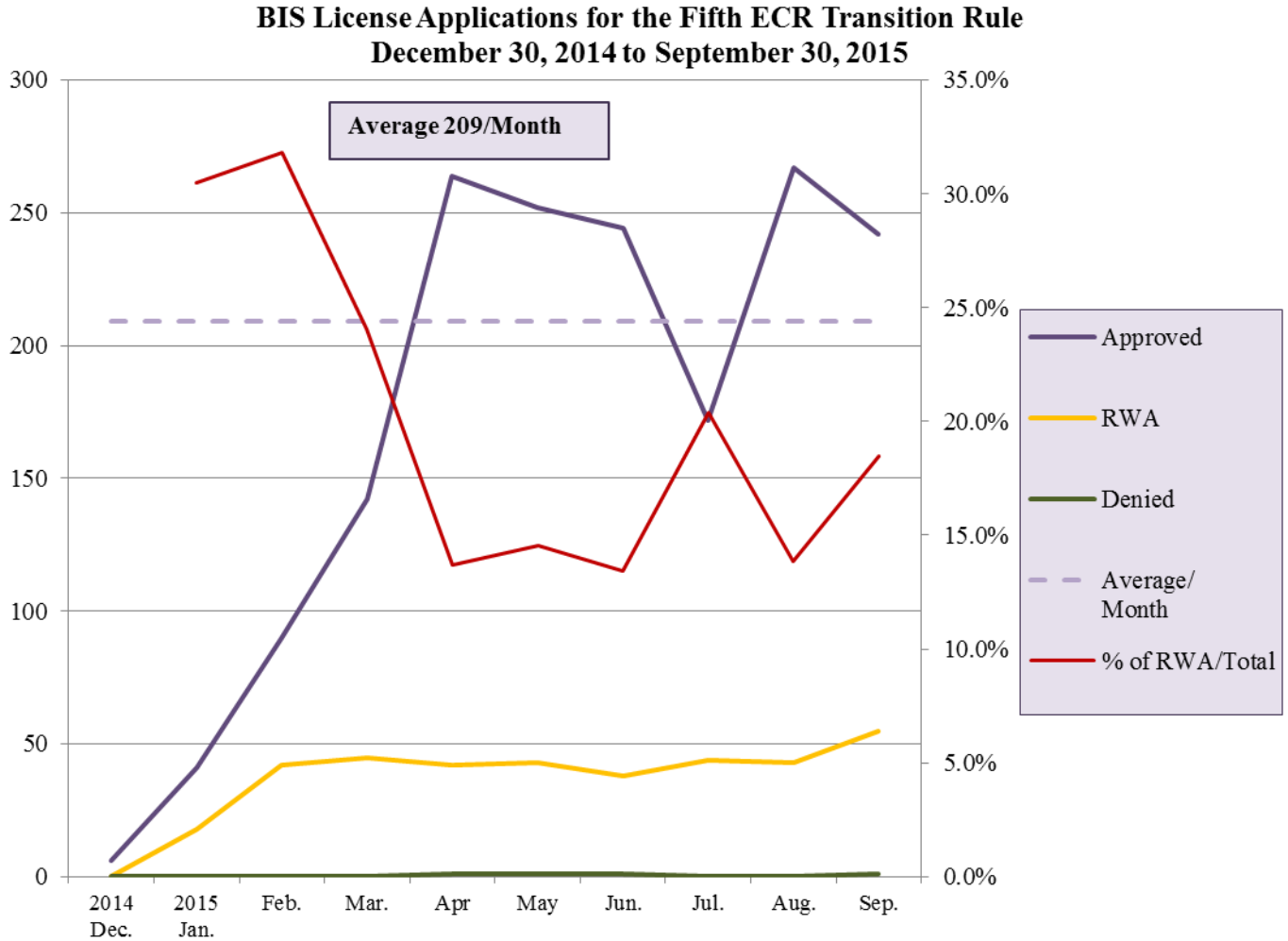
December 30, 2014 to September 30, 2015

The license applications for items in category XI (Military Electronics) of the United States Munitions List (USML) have declined 52.4% from an average of 1,294 to 616 per month through September 30, 2015. The average monthly drop of 678 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

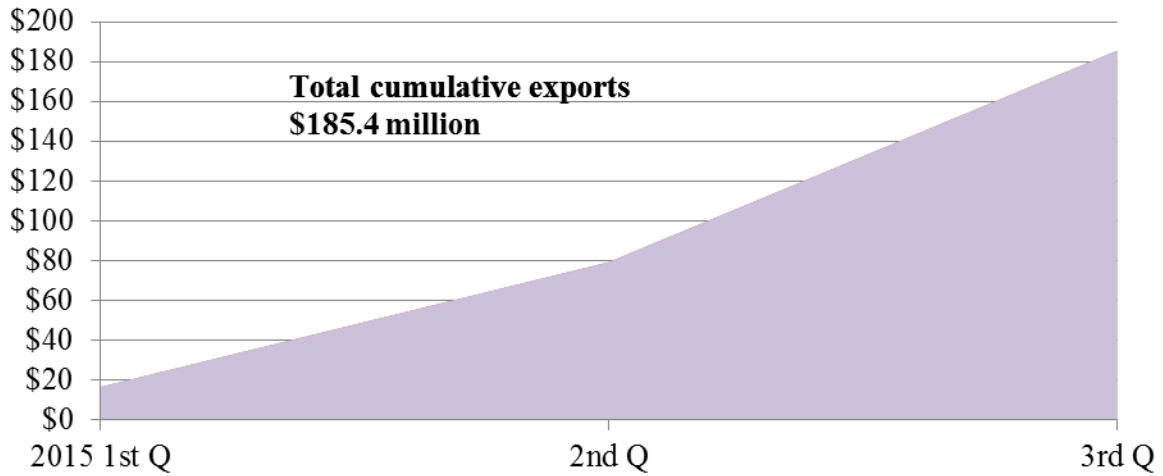
Since the Fifth ECR Transition Rule became effective on December 30, 2014, the average number of BIS license applications for items transitioning from the USML to the CCL is 209 per month through September 30, 2015. The approval rate is 82.1%.



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

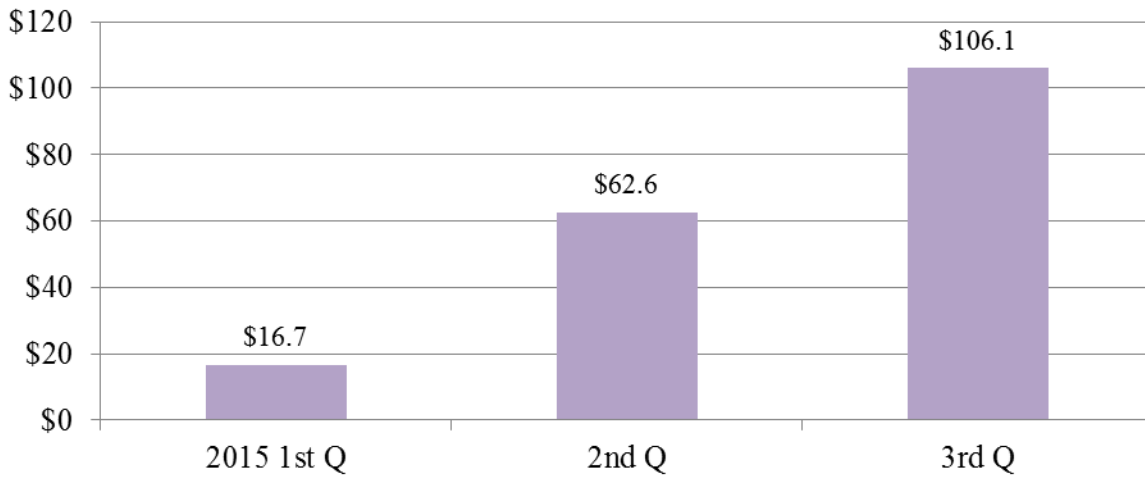
The U.S. exports of 600-series items under BIS jurisdiction created by the Fifth ECR Transition Rule – Military Electronics items (3x611 and 9x620) totaled 4.975 transactions for \$185.4 million.

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



Source: Automated Export System, October 2015

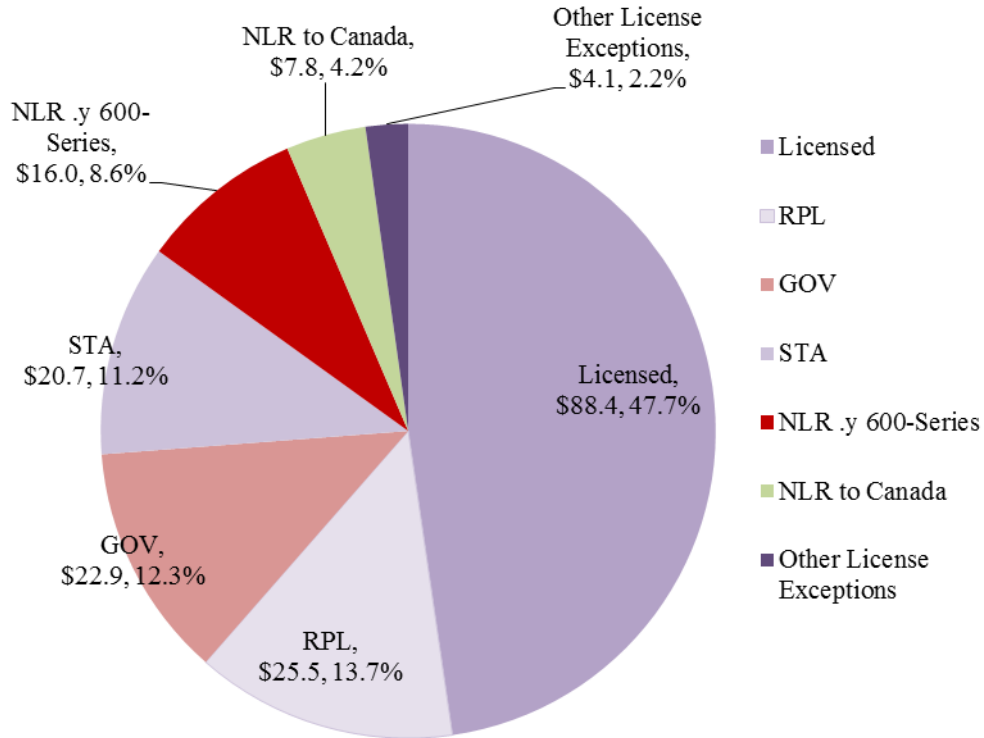
**The U.S. Quarterly Exports of the Fifth ECR Transition Rule Items
under BIS Jurisdiction
December 30, 2014 to September 30, 2015
Smillion**



Source: Automated Export System, October 2015

Of the \$185.4 million exports of 600-series items in the Fifth ECR transition rule under BIS jurisdiction, licensed exports totaled \$88.4 million (47.7% of the total); Servicing and replacement of parts and equipment (RPL) totaled \$25.5 million (13.7%) and Strategic Trade Authorization (STA) totaled \$20.7 million (11.2%).

**The U.S. Exports of the Fifth ECR Transition Rule Items
by BIS License Type
December 30, 2014 to September 30, 2015
Smillion**



Source: Automated Export System, October 2015

BIS License Exceptions:

- RPL: Servicing and replacement of parts and equipment
- GOV: Governments, international organizations, international inspections under the Chemical Weapons Convention, and the International Space Station
- STA: Strategic Trade Authorization
- NLR: No License Required