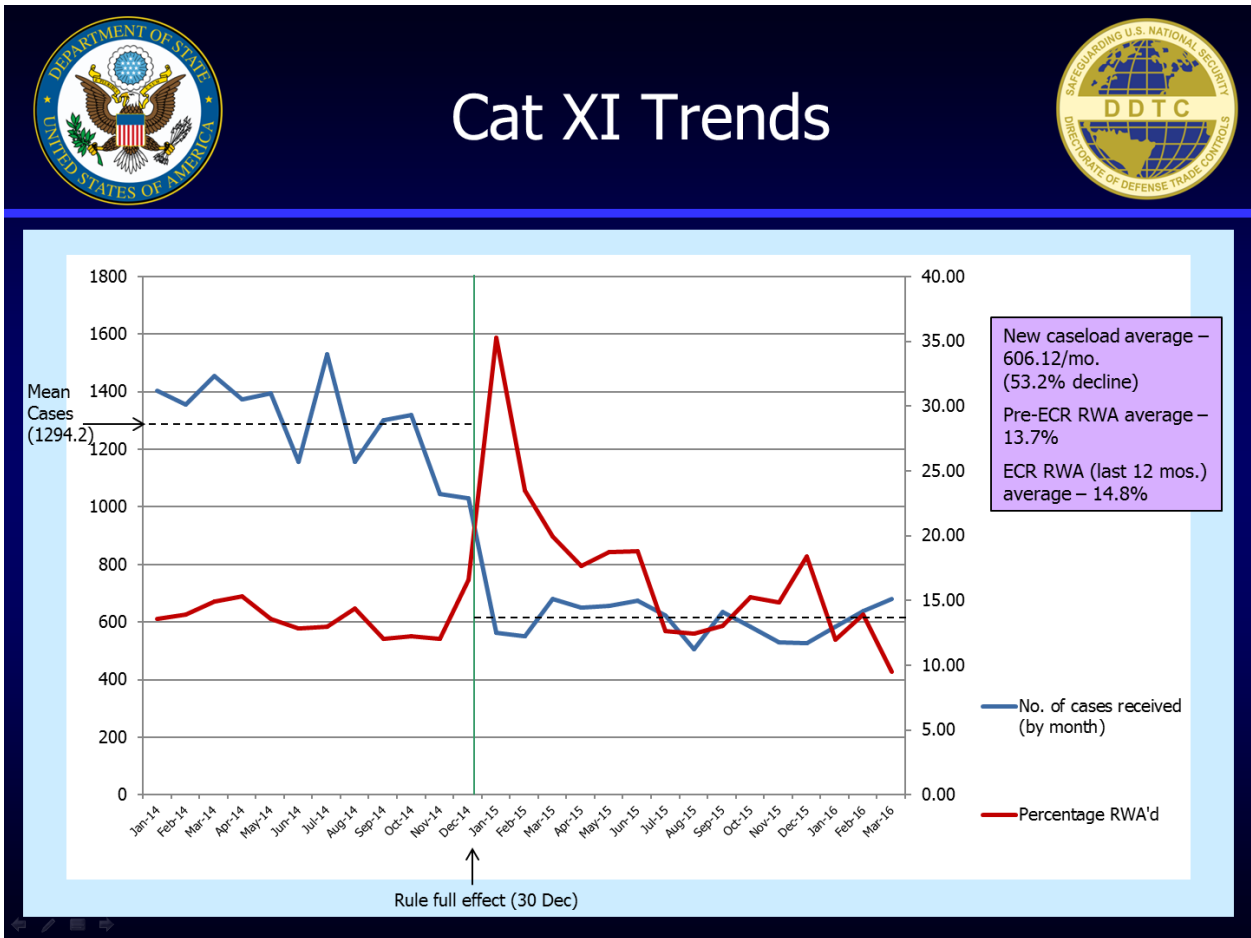


Export Control Reform

License Applications and U.S. Exports The Fifth Transition Rule Military Electronics

October 15, 2013 to March 31, 2016

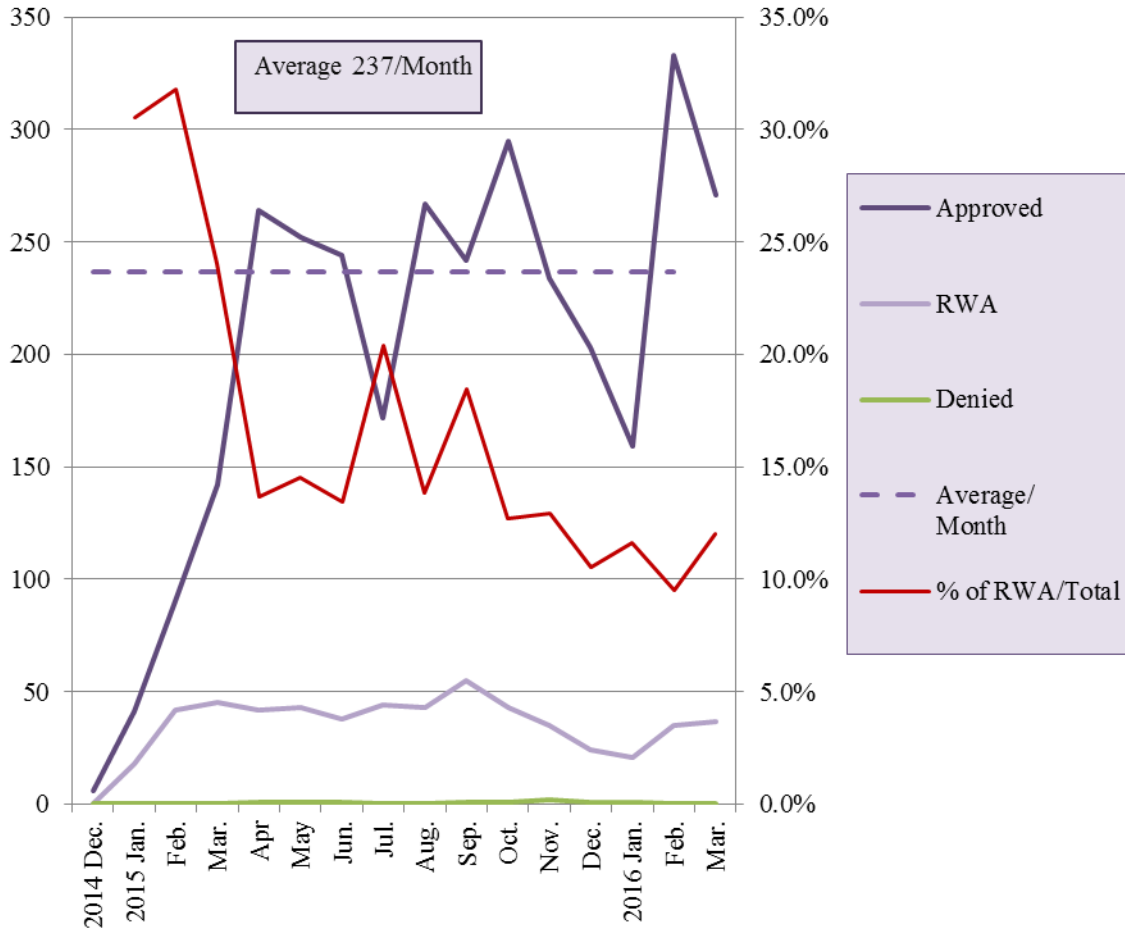
The license applications for items in category XI – Military Electronics of the United States Munitions List (USML) have declined 53.2% from an average of 1,294 to 606 per month through March 31, 2016. The average monthly drop of 688 license applications is the result of certain items transitioning to the Commerce Control List (CCL) under Export Control Reform (ECR).



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

Since the Fifth ECR Transition Rule became effective on December 30, 2014, the average number of BIS license applications for the eight ECCN 600-Series items created by this rule is 237 per month through March 31, 2016. The approval rate is 84.9%.

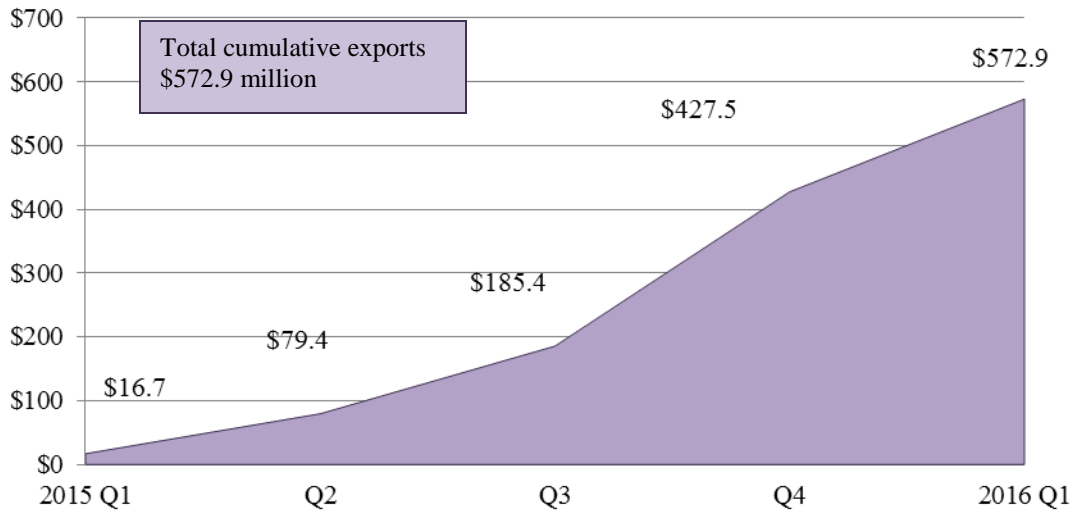
**BIS License Applications for the Fifth ECR Transition Rule
December 30, 2014 to March 31, 2016**



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

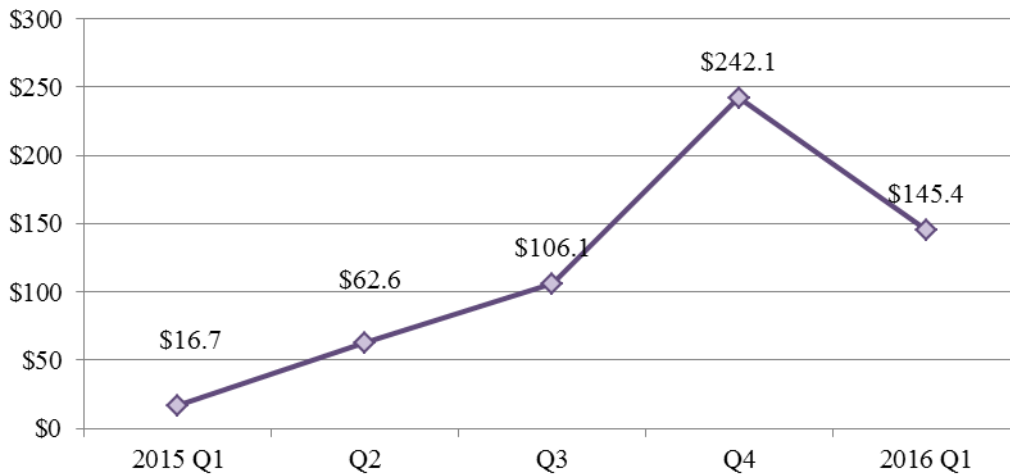
From the effective date of December 30, 2014 to March 31, 2016, U.S. exports of items under the Fifth ECR transition Rule – Military Electronics items (3y611 and 9y620) under BIS jurisdiction totaled 8,664 shipments¹ for \$572.9 million.

**The U.S. Cumulative Exports of the Fifth ECR Transition Rule
Items under BIS Jurisdiction
December 30, 2014 to March 31, 2016**



Source: Automated Export System, April 2016

**The U.S. Quarterly Exports of the Fifth ECR Transition
Rule Items under BIS Jurisdiction
December 30, 2014 to March 31, 2016
\$million**

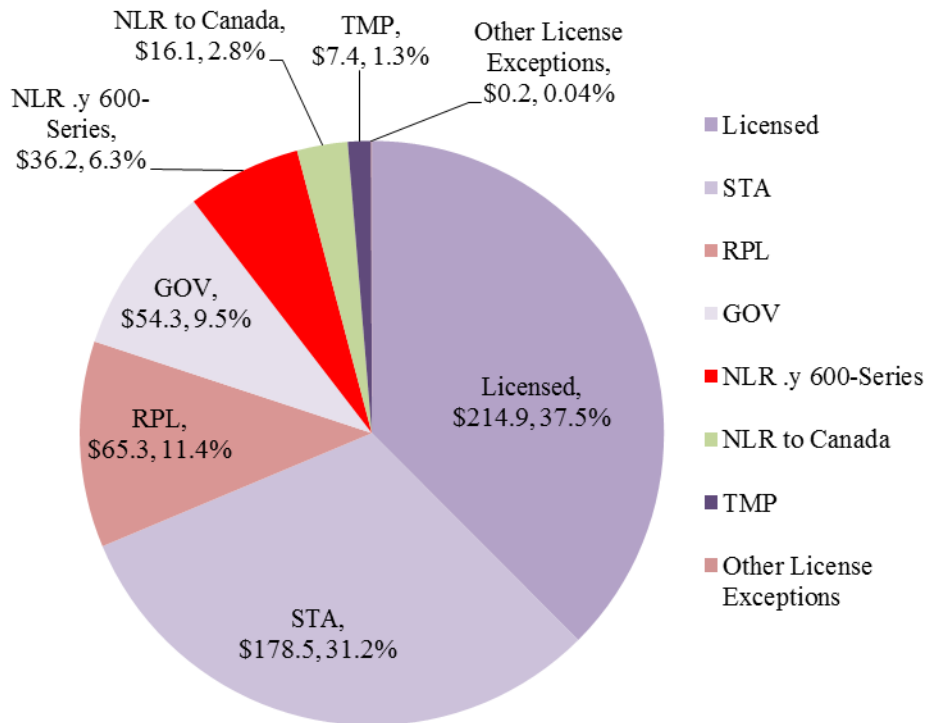


Source: Automated Export System, April 2016

¹ Shipments are defined as exports being sent from one order party to one consignee located in a single country of destination on a single conveyance on the same day.

Of the \$572.9 million in exports of 600-series items in the Fifth ECR transition rule under BIS jurisdiction, licensed exports totaled \$214.9 million (37.5% of the total); Strategic Trade Authorization (STA) exports totaled \$178.5 million (31.2%) and exports under Servicing and replacement of parts and equipment (RPL) totaled \$65.3 million (11.4%).

**The U.S. Exports of the Fifth ECR Transition Rule Items
by BIS License Type
December 30, 2014 to March 31, 2016
\$million**



Source: Automated Export System, April 2016

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