Export Control Reform

License Applications and U.S. Exports
The Third Transition Rule
Missiles and Explosives

October 15, 2013 to March 31, 2016

The license applications for items in categories IV (Missiles), V (Explosives), IX (Military Training Equipment), X (Protective Personnel Equipment) and XVI (Nuclear Weapons Design and Test Equipment) of the United States Munitions List (USML) have declined 35.2% from an average of 500 to 324 per month through March 31, 2016. The average monthly drop of 176 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, April 2016
Since the Third ECR Transition Rule became effective on July 1, 2014, the average number of BIS license applications for the twenty 600-Series items created by this rule is 120 per month through March 31, 2016. The approval rate is 86.5%.

Source: Commerce U.S. Exports Exporter Support System, April 2016
From July 1, 2014 to March 31, 2016, U.S. exports of items under the Third ECR transition Rule – Missiles and Explosives items (0y604, 0y614, 1y608 and 1y613) under BIS jurisdiction totaled 6,230 shipments\(^1\) for $368.4 million.

\[\text{Total cumulative exports} = \$368.4\]

\[\begin{align*}
2014 \text{Q3} & : \$6.5 \\
2014 \text{Q4} & : \$28.0 \\
2015 \text{Q1} & : \$73.0 \\
2015 \text{Q2} & : \$127.0 \\
2015 \text{Q3} & : \$219.8 \\
2015 \text{Q4} & : \$294.3 \\
2016 \text{Q1} & : \$368.4
\end{align*}\]

Source: Automated Export System, April 2016

\[\begin{align*}
\text{2014 Q3} & : \$6.5 \\
\text{2014 Q4} & : \$21.6 \\
\text{2015 Q1} & : \$45.0 \\
\text{2015 Q2} & : \$54.0 \\
\text{2015 Q3} & : \$74.6 \\
\text{2015 Q4} & : \$74.1 \\
\text{2016 Q1} & : \$92.7
\end{align*}\]

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 $368.4 million of exports of 600-series items in the Third ECR transition rule under BIS jurisdiction, licensed exports totaled $185.3 million (50.3% of the total); Strategic Trade Authorization (STA) totaled $58.2 million (15.8%); and Temporary imports, exports, reexports, and transfers (in-country) (TMP) totaled $52.8 million (14.3%).

The U.S. Exports of the Third ECR Transition Rule Items by BIS License Type
July 1, 2014 to March 31, 2015

Source: Automated Export System, April 2016

BIS License Exceptions:

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