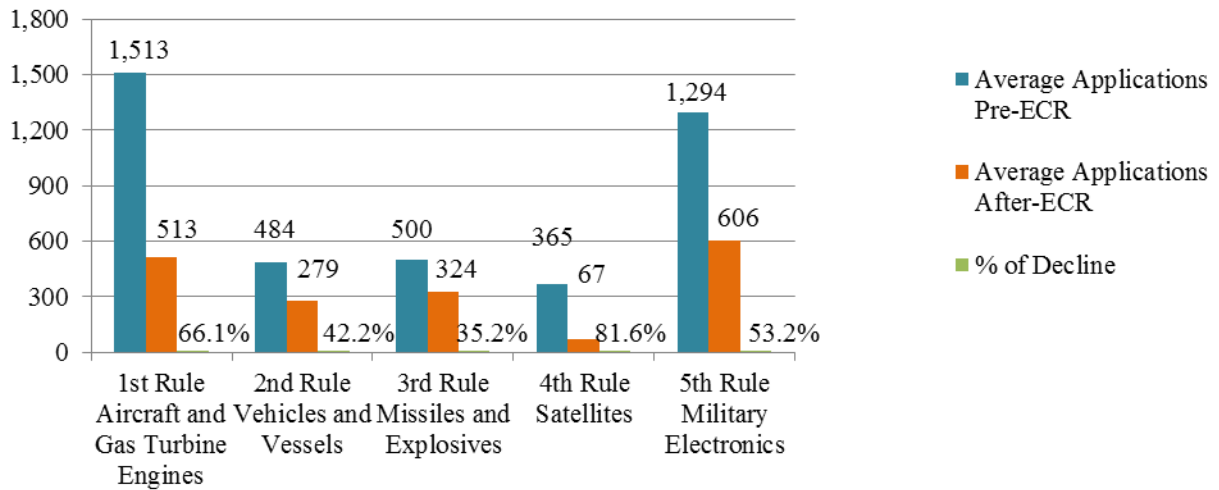


License Applications under Export Control Reform

October 15, 2013 to March 31, 2016

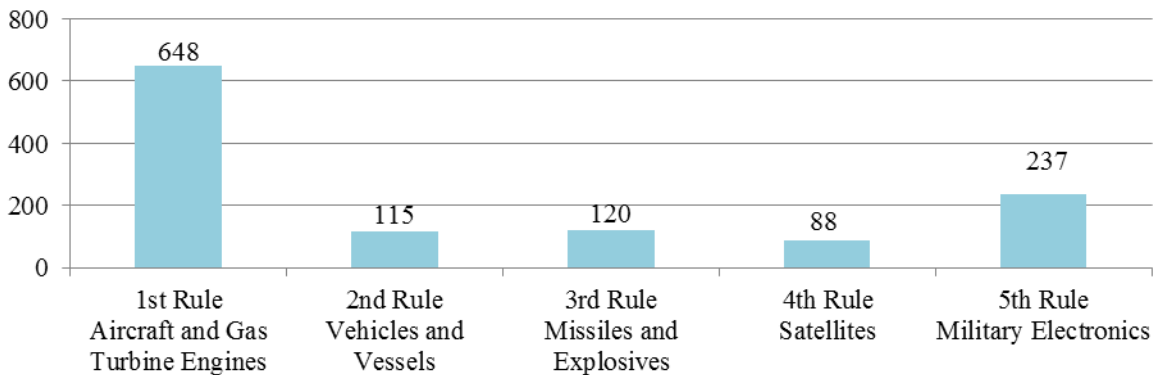
The license applications for items in the 15 categories of the United States Munitions List (USML) showed an overall average decline of 57.0% from 4,156 to 1,789 per month through March 31, 2016. The average monthly drop of 2,367 is the result of certain items that do not warrant control on the USML transitioning to the Commerce Control List (CCL) under President Obama’s Export Control Reform (ECR) initiative. The biggest drop was those impacted by the Fourth ECR Transition Rule for satellites with a 81.6% decline. The Directorate of Defense Trade Controls (DDTC) of the U.S. Department of State estimates a 45% decline in license applications will be shown when all USML categories have been reviewed.

**DDTC Average Monthly License Applications by ECR Transition Rules
October 15, 2013 to March 31, 2016**



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

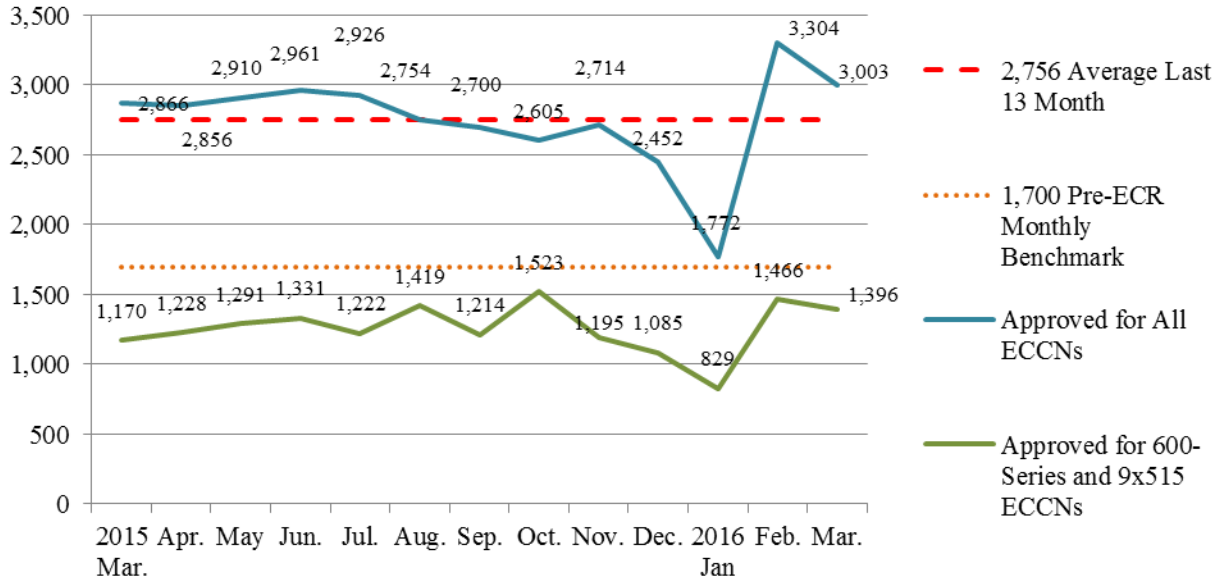
**BIS Average Monthly License Applications by ECR Transition Rules
October 15, 2013 to March 31, 2016**



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

The monthly average of 2,756 BIS approved licenses for all ECCNs in the last 13 months indicates an increase of 62.1% from a monthly average of 1,700 approved licenses during the fiscal years 2012/2013, prior to the Export Control Reform.

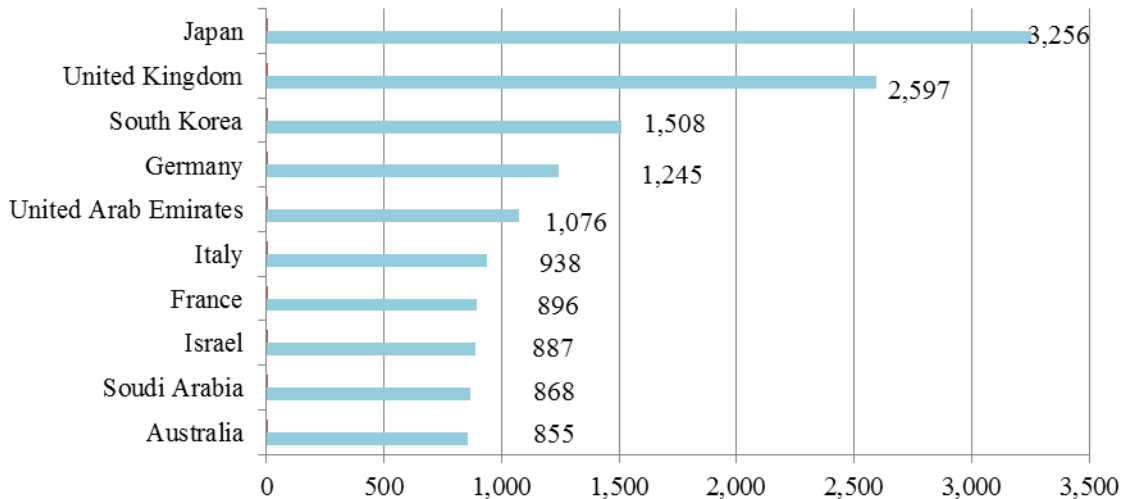
**Trends in BIS Approved License Applications
March 1, 2015 to March 31, 2016**



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

The top destinations of BIS approved licenses for 600-Series and 9x515 items were Japan with 3,256 approved licenses (12.1% of the total); the United Kingdom with 2,597 (9.7%); and South Korea with 1,508 (5.6%).

**Top Ten Destinations of BIS Approved Licenses
for 600-Series and 9x515 Items by Count
October 15, 2013 - March 31, 2016**



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