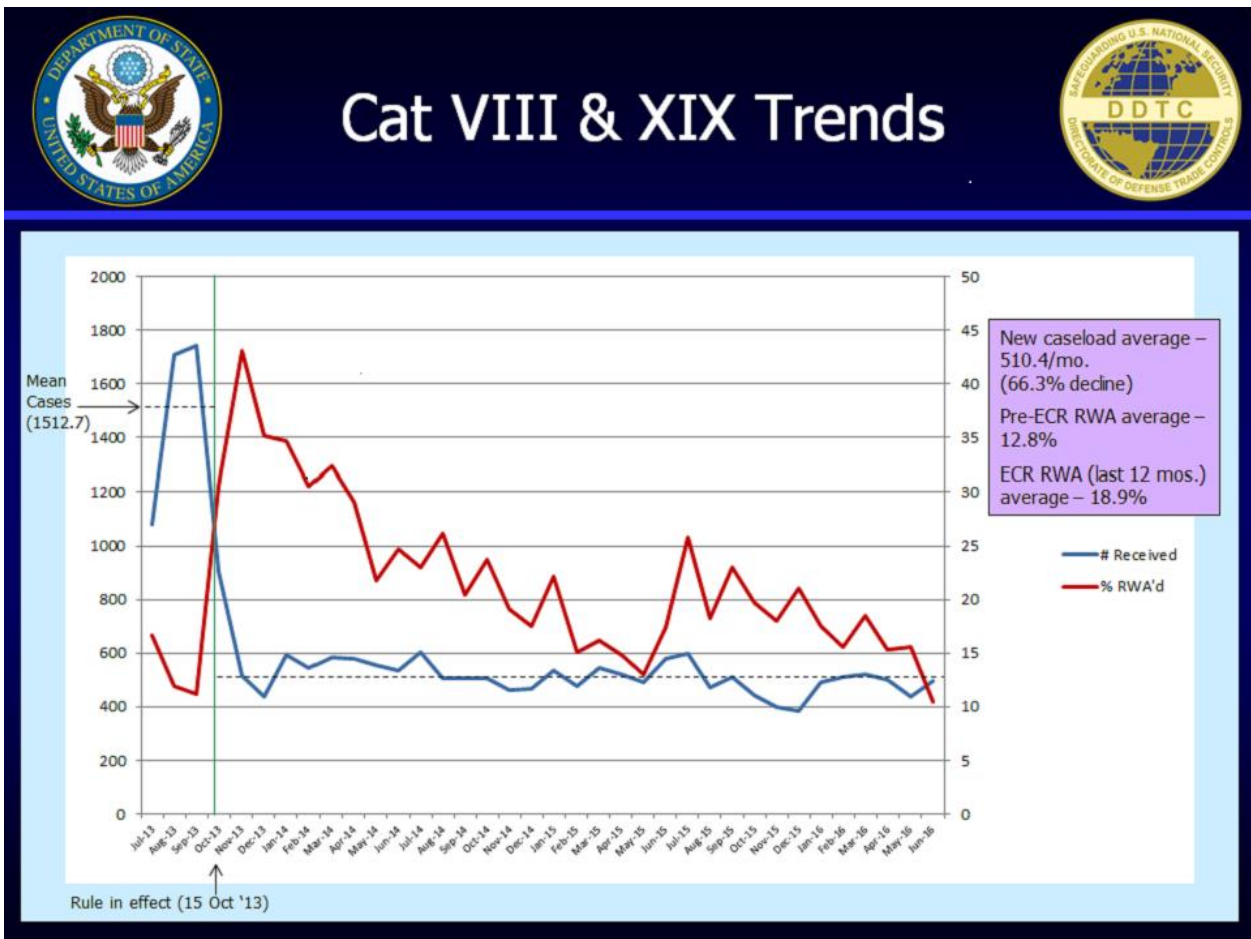


Export Control Reform

License Applications and the U.S. Exports The First Transition Rule Aircraft and Gas Turbine Engines

October 15, 2013 to June 30, 2016

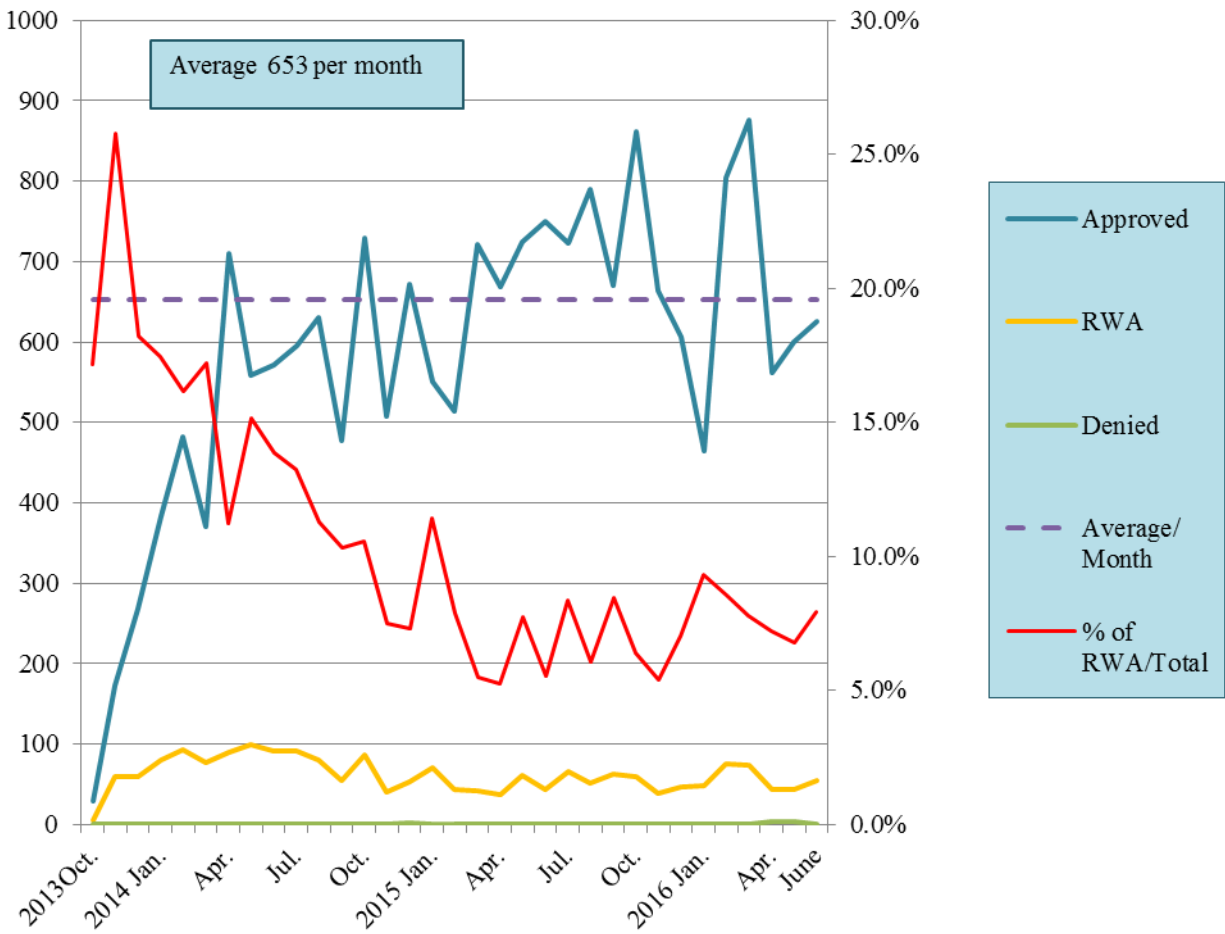
The license applications for items in categories VIII (Aircraft) and XIX (Gas Turbine Engines) of the United States Munitions List (USML) have declined 65.9% from an average of 1,513 to 510 per month through June 30, 2016. The average monthly drop of 1,003 in license applications is the result of certain 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, July 2016

Since the First ECR Transition Rule became effective on October 15, 2013, the average number of Bureau of Industry and Security (BIS) license applications for the ten 600-Series items created by this rule is 653 per month through June 30, 2016. The approval rate is 89.8%.

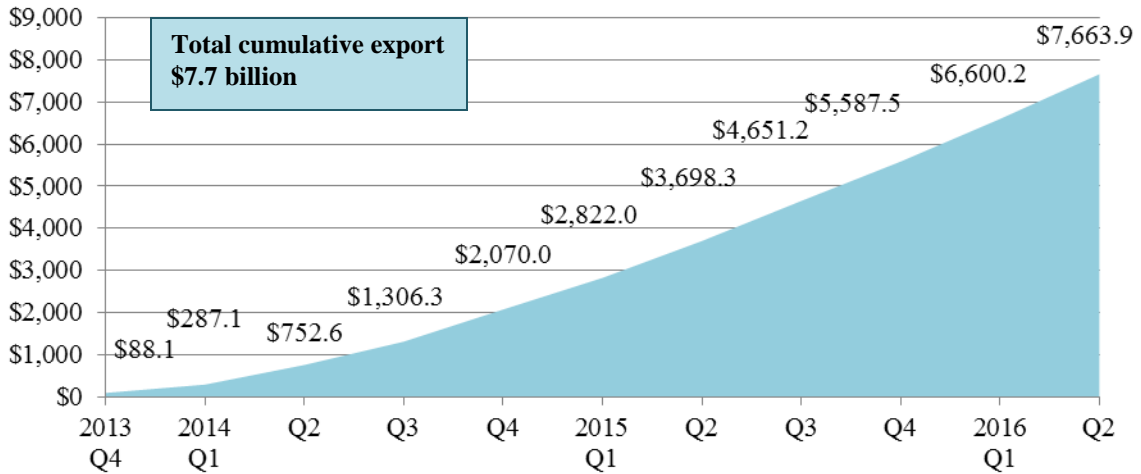
**BIS License Applications for the First ECR Transition Rule
October 15, 2013 to June 30, 2016**



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

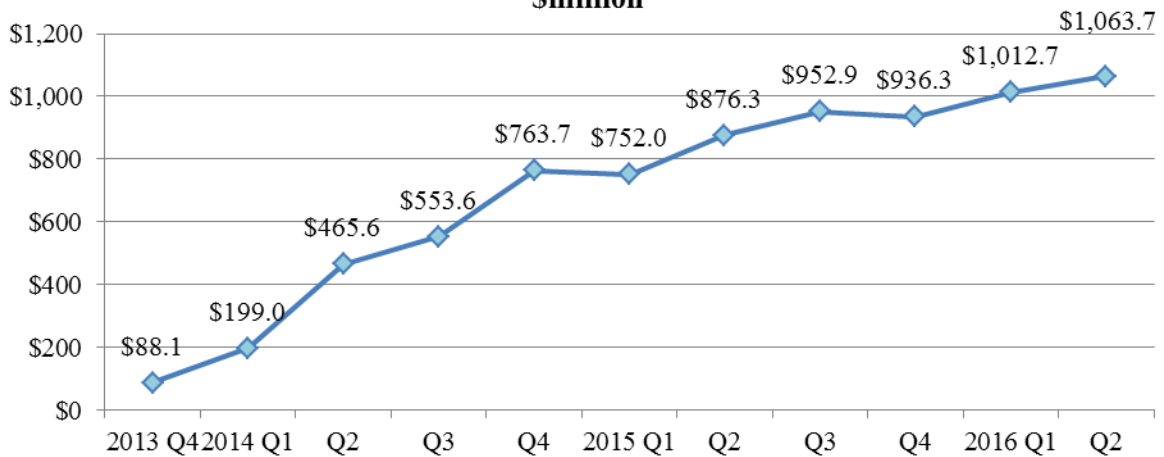
From October 15, 2013 to the second quarter of 2016, the U.S. exports of items under the First ECR transition Rule – Aircraft and Gas Turbine Engines items (9x610 and 9y619) under BIS jurisdiction totaled 149,856 shipments for \$7.7 billion.

**The Cumulative U.S. Exports of the First ECR Transition Rule
Items under BIS Jurisdiction
October 15, 2013 to June 30, 2016
Smillion**



Source: The U.S. Customs and Boarder Protection, Automated Export System, July 2016

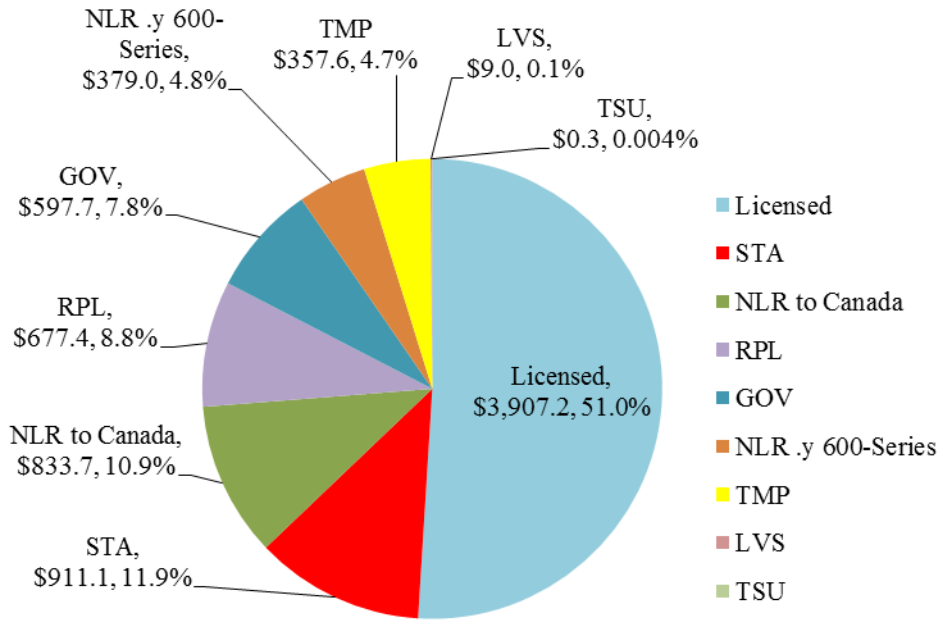
**The U.S. Quarterly Exports of the First ECR Transition Rule Items
under BIS Jurisdiction
October 15, 2013 to June 30, 2016
Smillion**



Source: The U.S. Customs and Boarder Protection, Automated Export System, July 2016

Of \$7.7 billion in exports of 600-series items in the First ECR transition rule under BIS jurisdiction, licensed exports totaled \$3.9 billion (51.0% of the total); Strategic Trade Authorization (STA) totaled \$911.1 million (11.9%); and No License Required (NLR) to Canada totaled \$833.7 million (10.9%).

**The U.S. Exports of the First ECR Transition Rule
by BIS License Type
October 15, 2013 to June 30, 2016
Smillion**



Source: The U.S. Customs and Boarder Protection, Automated Export System, July 2016

BIS License Exceptions:

STA: Strategic Trade Authorization

NLR: No License Required

RPL: Servicing and replacement of parts and equipment

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

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

LVS: Shipments of limited value

TSU: Technology and software-unrestricted