

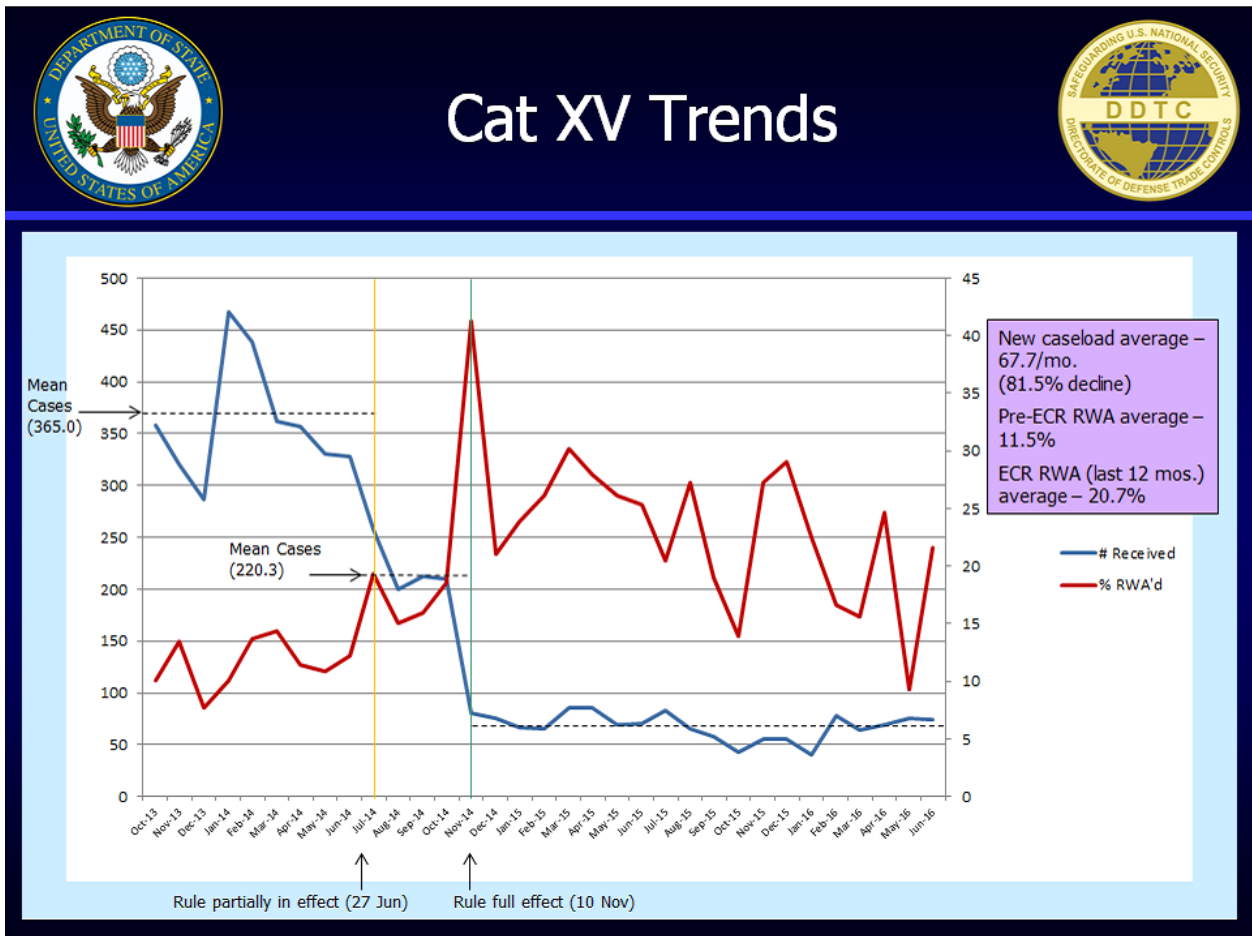
Export Control Reform

License Applications and U.S. Exports The Fourth Transition Rule

Satellites

June 27, 2014 to June 30, 2016

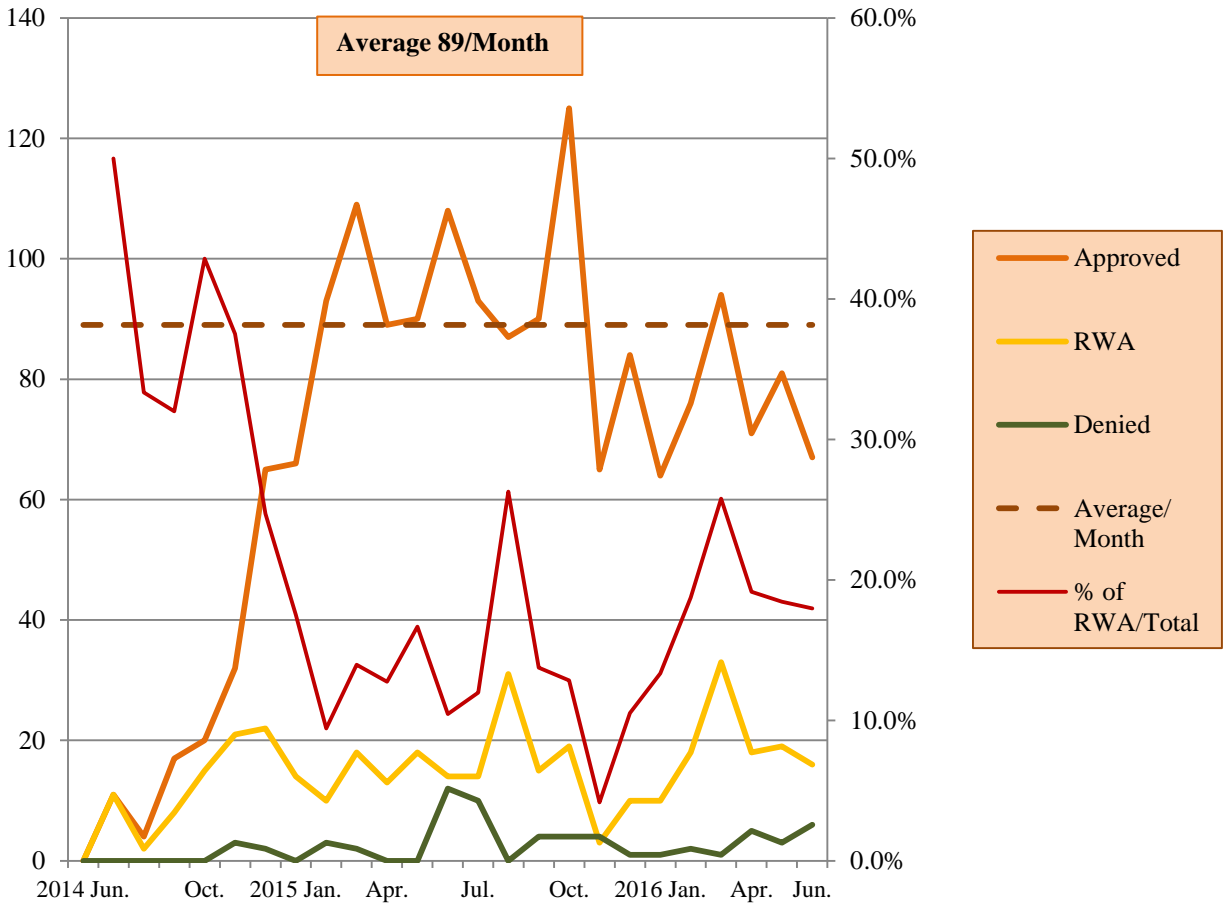
The license applications for items in category XV- Satellites of the United States Munitions List (USML) have declined 81.5% from an average of 365 to 68 per month through June 30, 2016. The average monthly drop of 297 in license applications is the result of certain items transitioning to the Commerce 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 Fourth ECR Transition Rule became effective on June 27, 2014, the average number of Bureau of Industry and Security (BIS) license applications for the four 9x515 items created by this rule is 89 per month through June 30, 2016. The approval rate is 79.6%.

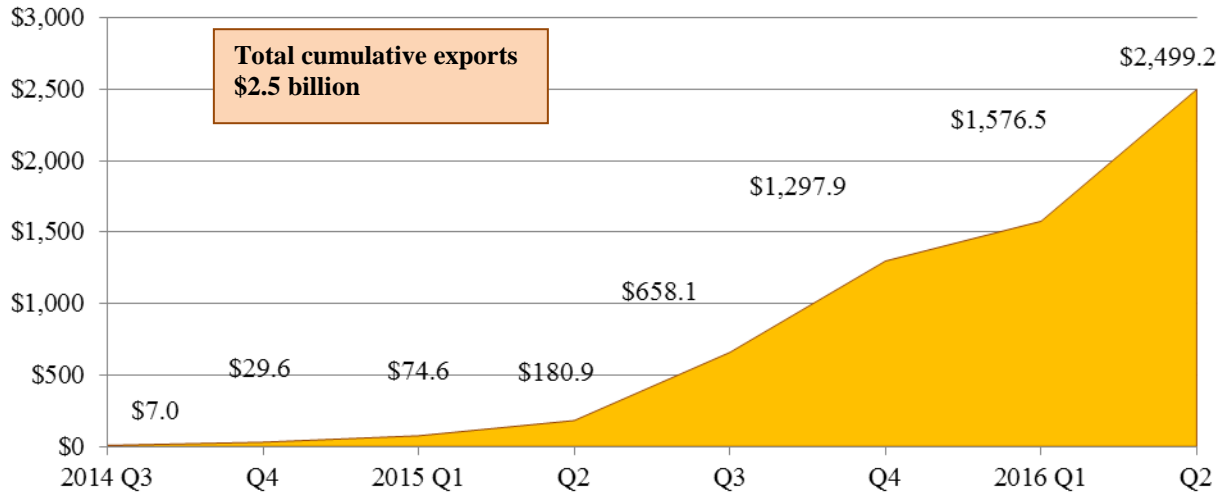
**BIS License Applications for the Fourth ECR Transition Rule
June 27, 2014 to June 30, 2016**



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

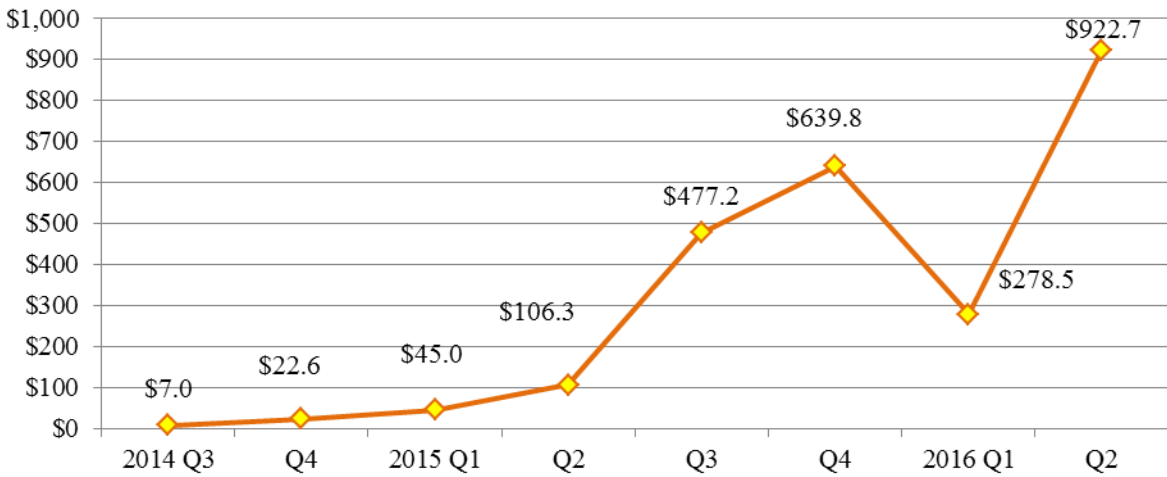
From June 27, 2014 to the second quarter of 2016, U.S. exports of items under the Fourth ECR transition Rule – Satellites items (9x515) under BIS jurisdiction totaled 4,830 shipments for \$2.5 billion.

The U.S. Cumulative Exports of the Fourth ECR Transition Rule Items under BIS Jurisdiction
June 27, 2014 to June 30, 2016
Smillion



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

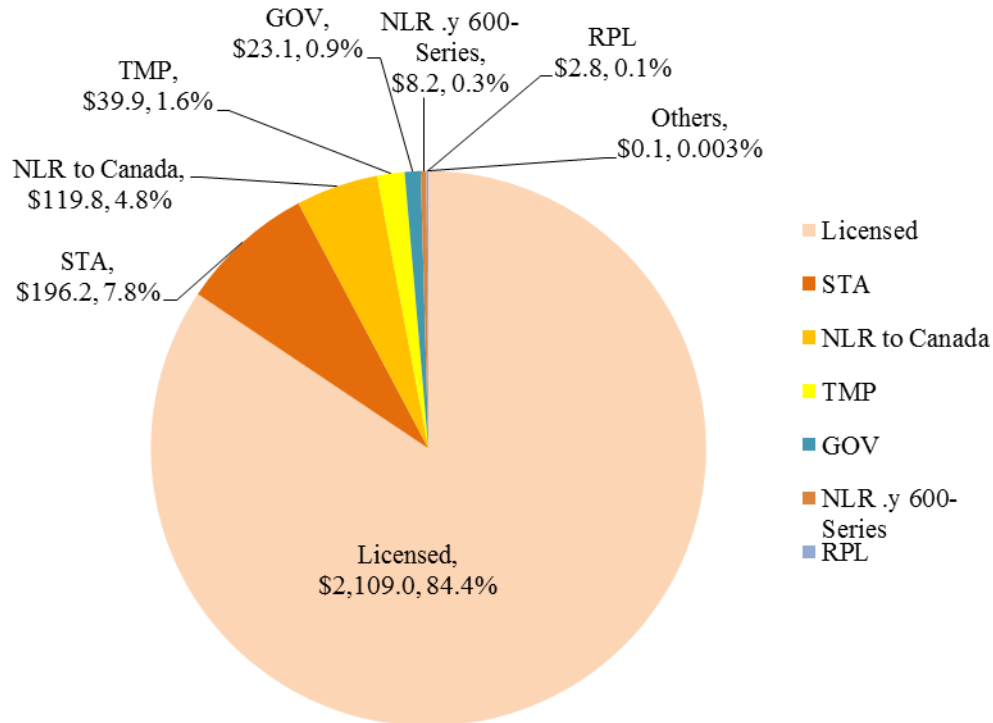
The U.S. Quarterly Exports of the Fourth ECR Transition Rule Items under BIS Jurisdiction
June 27, 2014 to June 30, 2016
Smillion



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

Of \$2.5 billion in the U.S. exports of 9x515 items in the Fourth ECR transition rule under BIS jurisdiction, licensed exports totaled \$2.1 billion (84.4% of the total); Strategic Trade Authorization (STA) totaled \$196.2 million (7.8%); and No License Required (NLR) for 9x515 items to Canada totaled \$119.8 million (4.8%).

**The U.S. Exports of the Fourth ECR Transition Rule Items
by BIS License Type
June 27, 2014 to June 30, 2016
\$million**



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

BIS License Exceptions:

STA: Strategic Trade Authorization

NLR: No License Required

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

RPL: Servicing and replacement of parts and equipment