

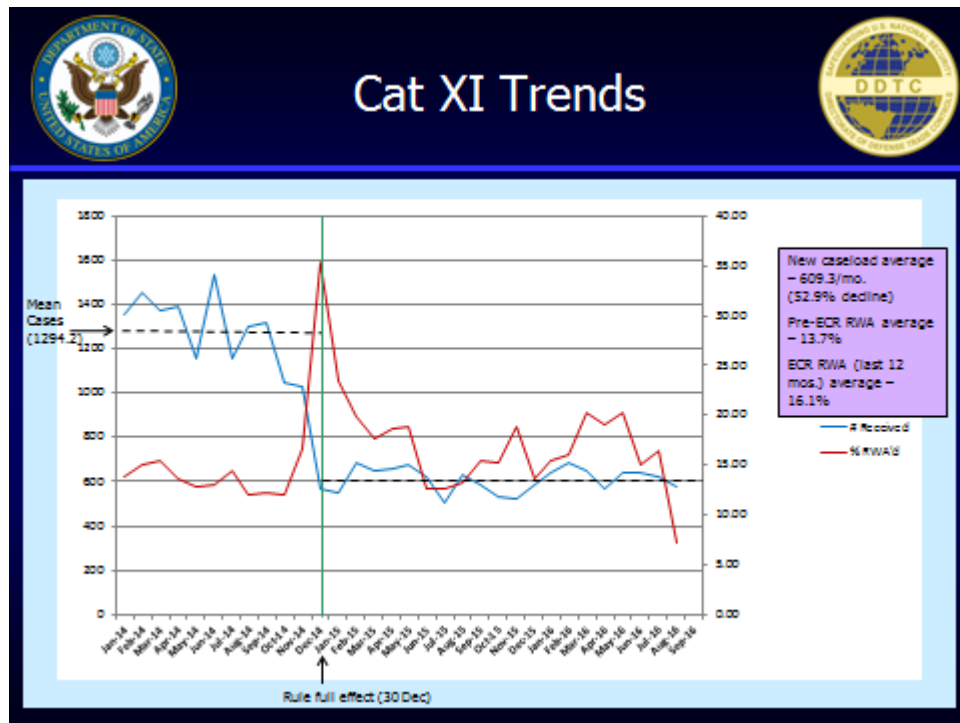
Export Control Reform

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

Military Electronics

December 30, 2014 to September 30, 2016

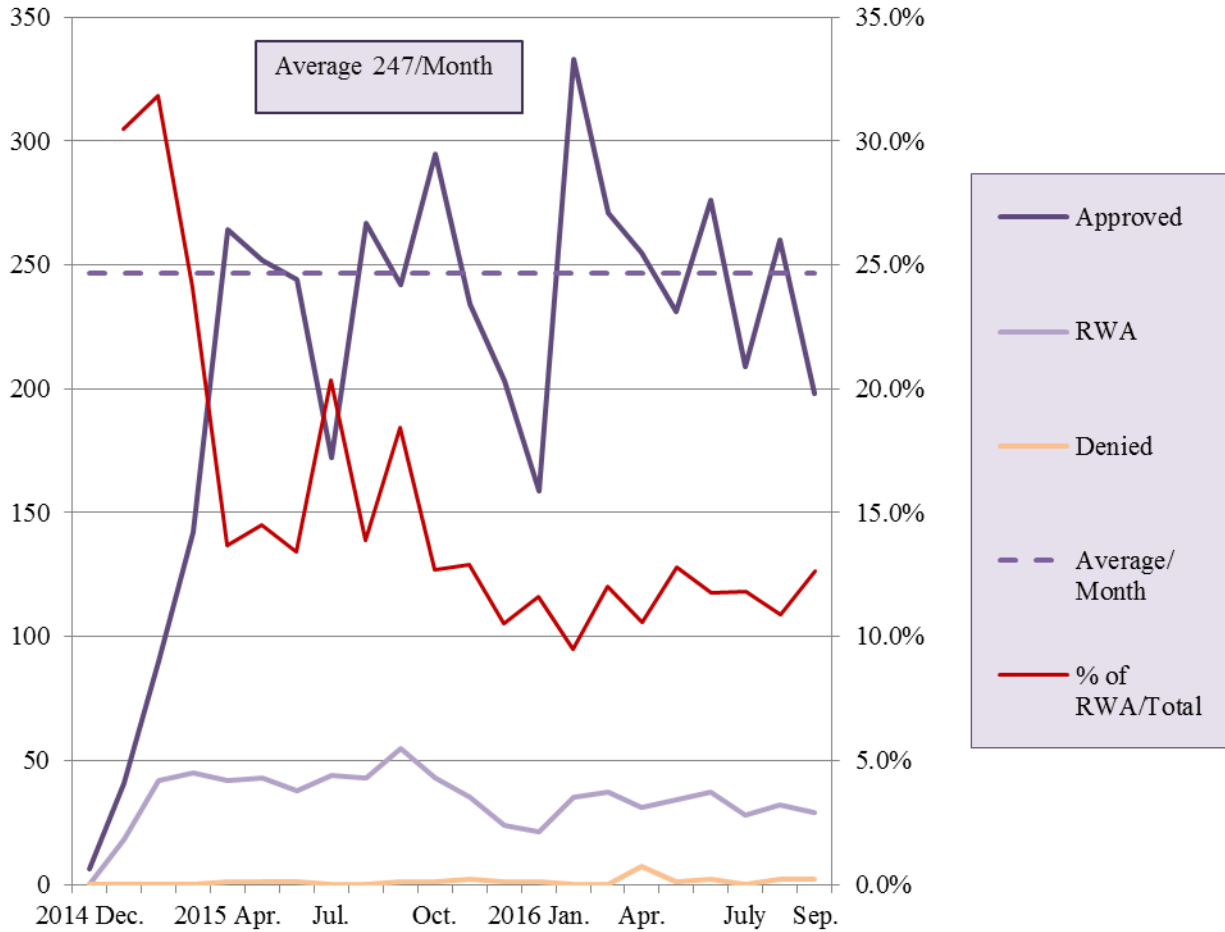
The license applications for items in category XI – Military Electronics of the United States Munitions List (USML) have declined 52.9% from an average of 1,294 to 609 per month through September 30, 2016. The average monthly drop of 685 license applications is the result of certain items transitioning 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, October 2016

Since the Fifth ECR Transition Rule became effective on December 30, 2014, the average number of BIS license applications for the eight 600-Series items created by this rule is 247 per month through September 30, 2016. The approval rate is 85.6%.

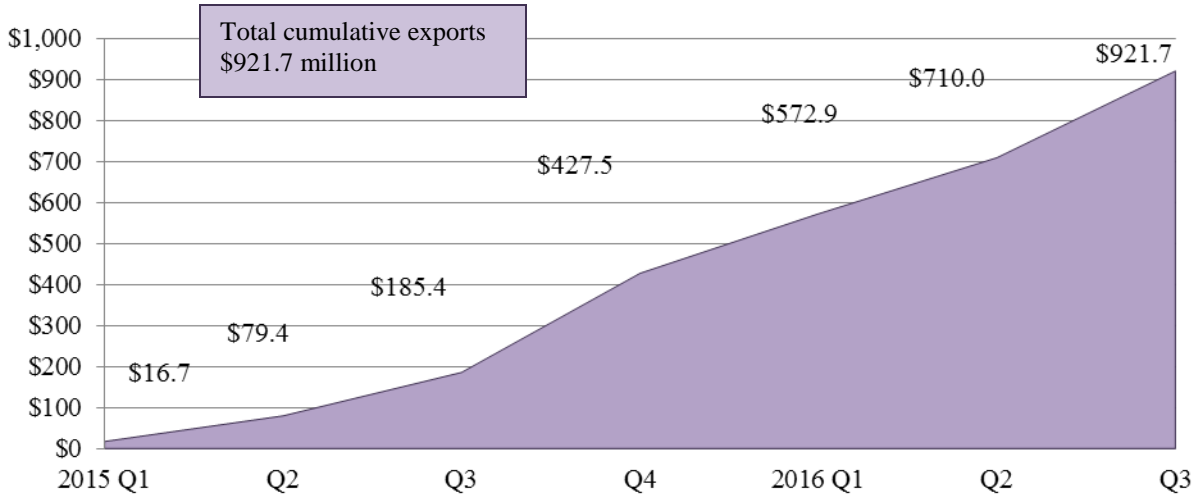
**BIS License Applications for the Fifth ECR Transition Rule
December 30, 2014 to September 30, 2016**



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

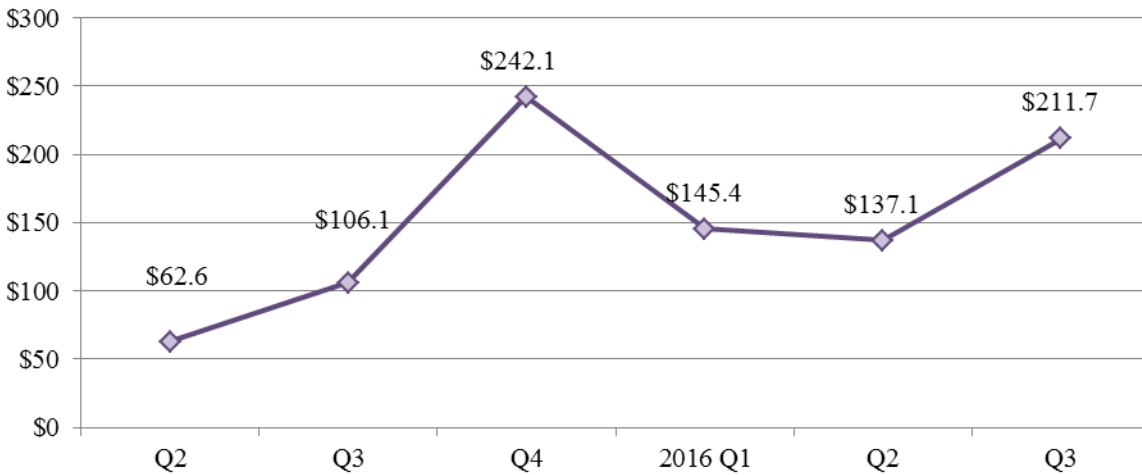
From the effective date of December 30, 2014 to the third quarter of 2016, U.S. exports of items under the Fifth ECR transition Rule – Military Electronics items (3y611 and 9y620) under BIS jurisdiction totaled 14,473 shipments for \$921.7 million.

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



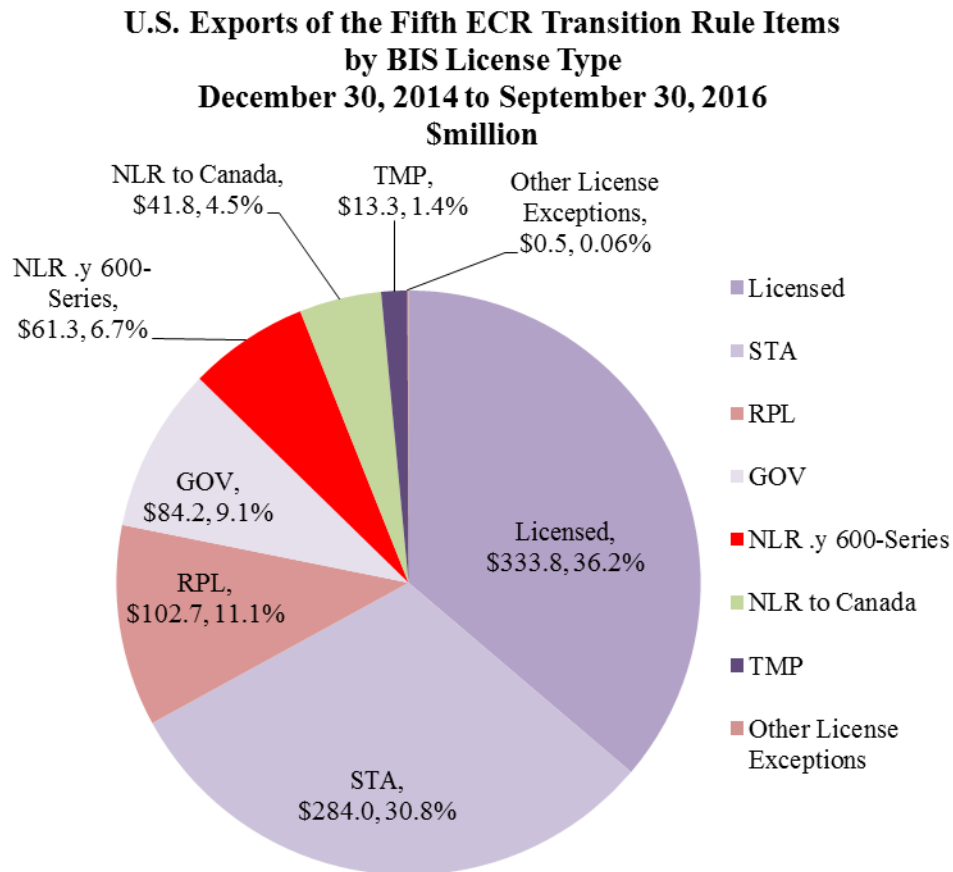
Source: Automated Export System (AES), October 2016

**The U.S. Quarterly Exports of the Fifth ECR Transition Rule Items under BIS Jurisdiction
December 30, 2014 to September 30, 2016
Smillion**



Source: Automated Export System (AES), October 2016

Of \$921.7 million in exports of 600-series items in the Fifth ECR transition rule under BIS jurisdiction, licensed exports totaled \$333.8 million (36.2% of the total); Strategic Trade Authorization (STA) totaled \$284.0 million (30.8%) and Servicing and replacement of parts and equipment (RPL) totaled \$102.7million (11.1%).



Source: Automated Export System (AES), October 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

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