

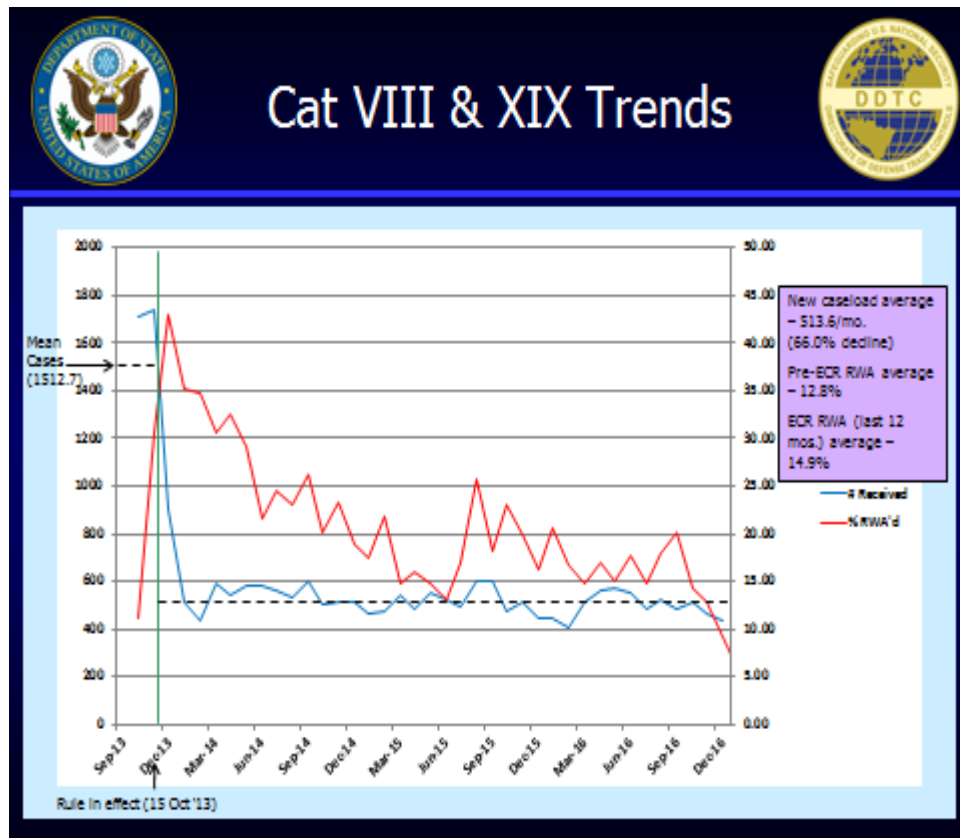
Export Control Reform

License Applications and the U.S. Exports The First Transition Rule

Aircraft and Gas Turbine Engines

October 15, 2013 to December 31, 2016

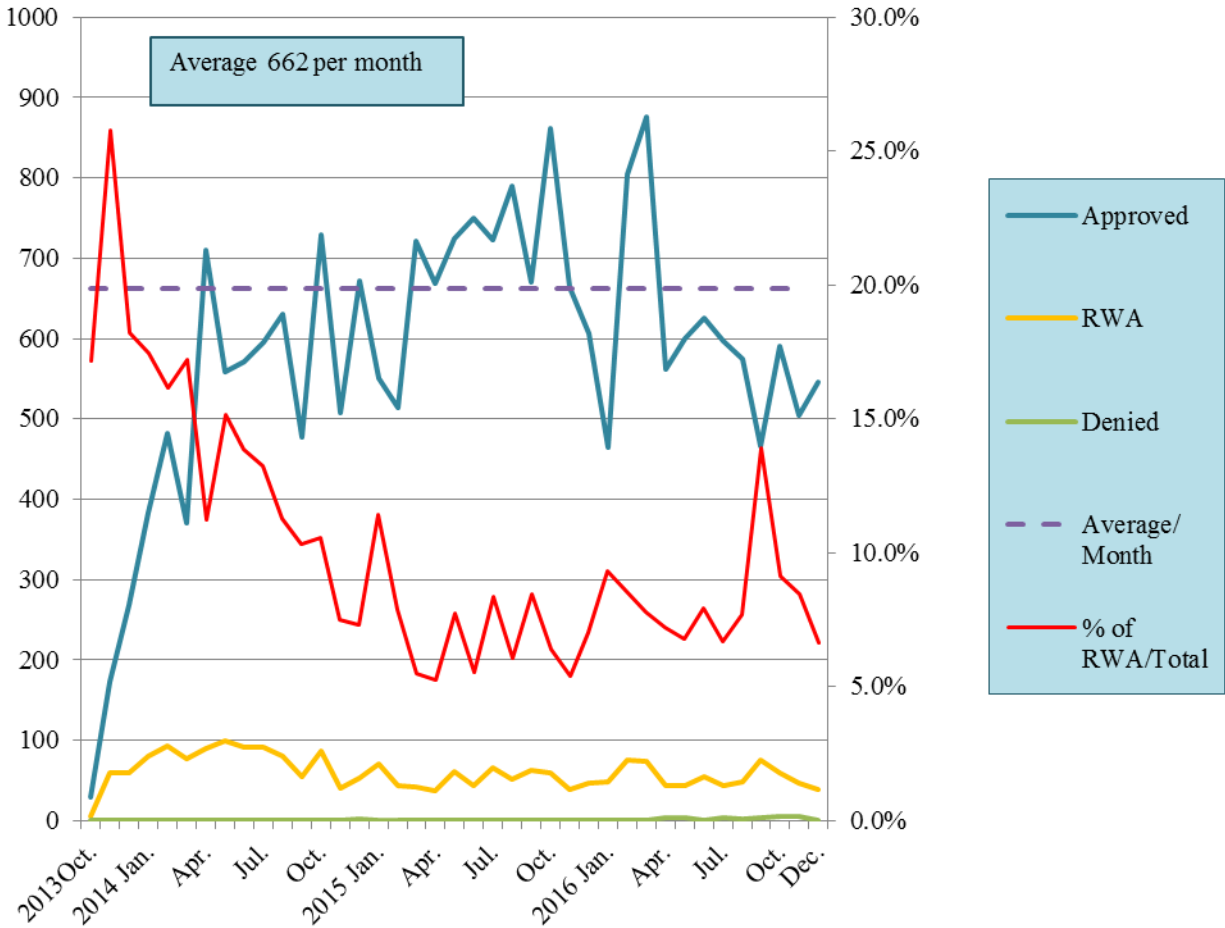
The license applications for items in categories VIII (Aircraft) and XIX (Gas Turbine Engines) of the United States Munitions List (USML) have declined 66.0% from an average of 1,513 to 513 per month through December 31, 2016. The average monthly drop of 1,000 in license applications is the result of 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, January 2017

Since the First ECR Transition Rule became effective on October 15, 2013, the average number of BIS processed licenses for the ten 600-Series items created by this rule is 662 per month through December 31, 2016. The approval rate is 87.5%.

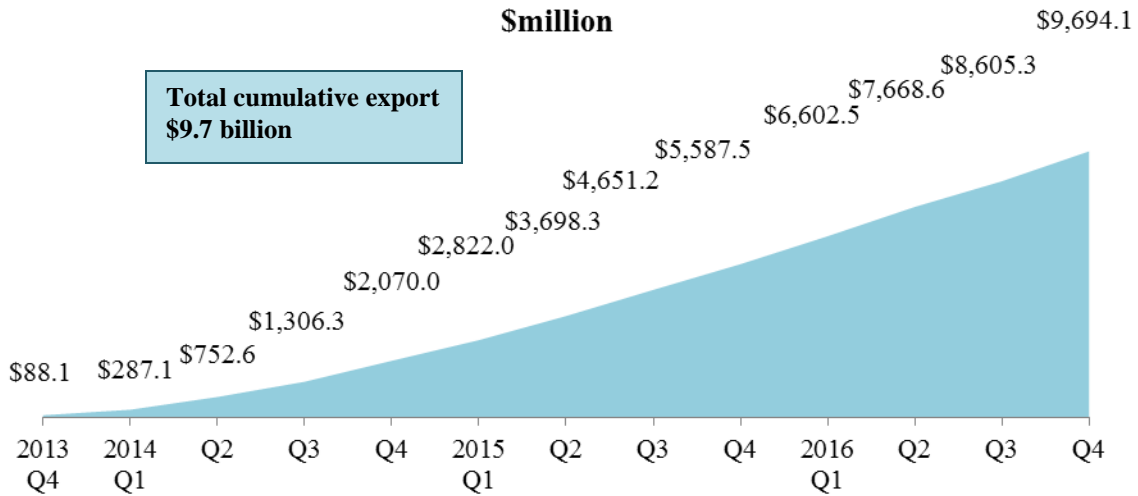
BIS License Processing for the First ECR Transition Rule October 15, 2013 to December 31, 2016



Source: Commerce U.S. Exports Exporter Support System, January 2017.

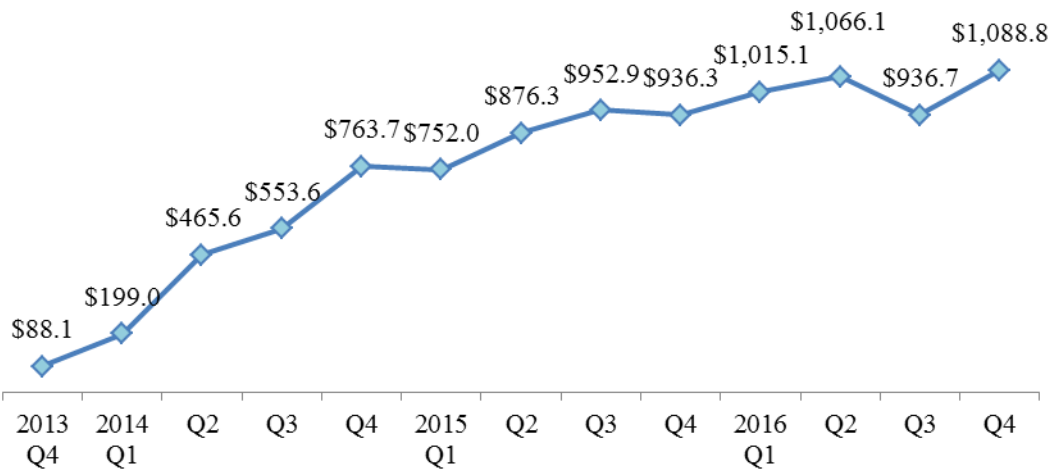
From October 15, 2013 to the fourth quarter of 2016, the U.S. exports of items under the First ECR transition Rule – Aircraft and Gas Turbine Engines items (9x610 and 9y619) under BIS jurisdiction totaled 189,079 shipments for \$9.7 billion.

**The Cumulative U.S. Exports of the First ECR Transition Rule
Items under BIS Jurisdiction
October 15, 2013 to December 31, 2016
Smillion**



Source: Automated Export System (AES), January 2017

**The U.S. Quarterly Exports of the First ECR Transition Rule
Items under BIS Jurisdiction
October 15, 2013 to December 31, 2016
Smillion**



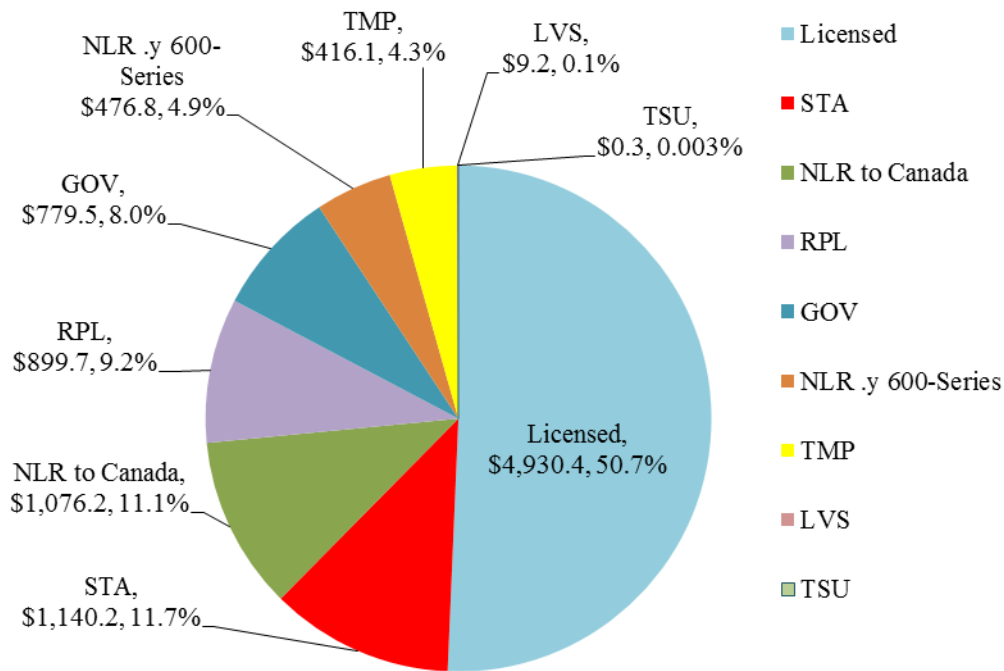
Source: Automated Export System (AES), January 2017

**The First Transition Rule-Aircraft and Gas Turbines
Top 15 Destinations of U.S. Exports under BIS Jurisdiction
October 15, 2013 to December 31, 2016**

Country	Shipment Count	% of Total Shipment Count	Value \$million	% of Total Value
Japan	17,578	9.3%	\$1,755.5	18.0%
Canada	14,946	7.9%	\$1,215.4	12.5%
United Kingdom	19,532	10.3%	\$901.8	9.3%
South Korea	13,820	7.3%	\$783.7	8.1%
Singapore	9,621	5.1%	\$356.2	3.7%
Israel	7,015	3.7%	\$356.2	3.7%
Italy	6,019	3.2%	\$351.9	3.6%
Germany	7,213	3.8%	\$343.3	3.5%
United Arab Emirates	9,128	4.8%	\$306.3	3.1%
Spain	5,225	2.8%	\$273.6	2.8%
Taiwan	5,374	2.8%	\$259.5	2.7%
Saudi Arabia	3,619	1.9%	\$130.0	1.3%
Australia	6,552	3.5%	\$165.2	1.7%
Mexico	7,976	4.2%	\$164.6	1.7%
Poland	3,962	2.1%	\$143.4	1.5%
Top 15 Total	137,580		\$7,506.5	
Top 15 Total/ Grand Total		72.8%		77.2%
Grand Total	189,079		\$9,728.4	

Of \$9.7 billion in exports of 600-series items in the First ECR transition rule under BIS jurisdiction, licensed exports totaled \$4.9 billion (50.7% of the total); Strategic Trade Authorization (STA) totaled \$1.1 billion (11.7%); and No License Required (NLR) to Canada totaled \$1.0 billion (11.1%).

**The U.S. Exports of the First ECR Transition Rule
Aircraft and Gas Turbine Engines
by BIS License Type
October 15, 2013 to December 31, 2016
Smillion**



Source: Automated Export System (AES), January 2017

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