

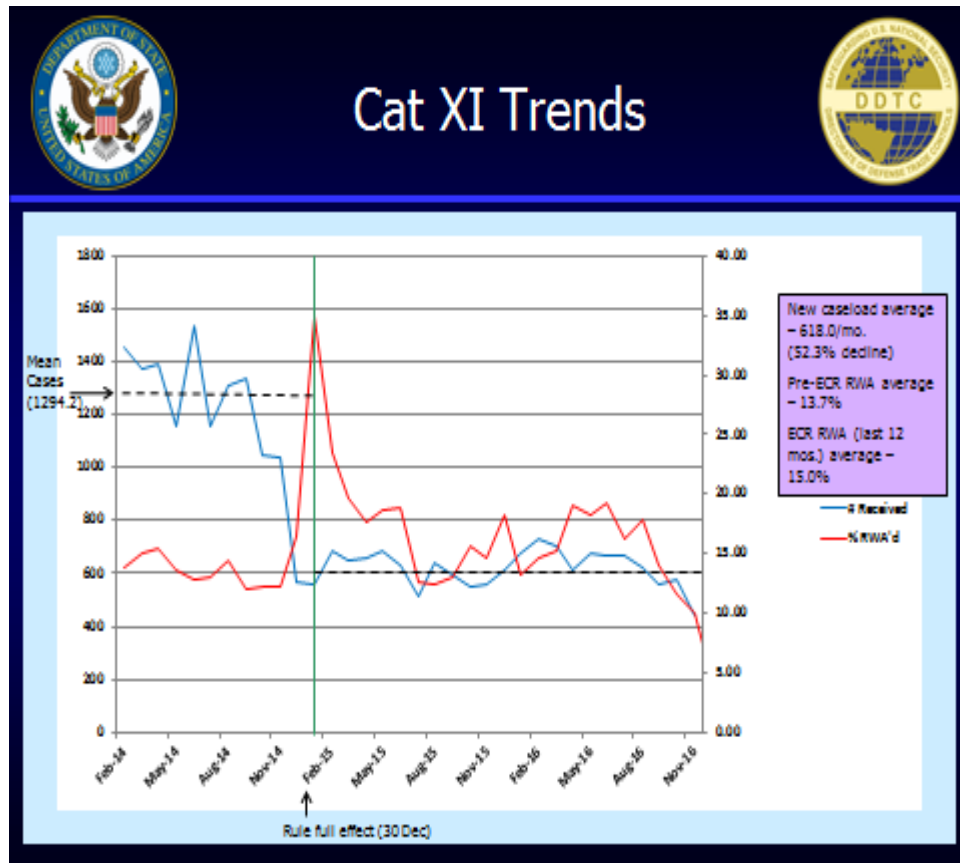
## Export Control Reform

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

#### Military Electronics

December 30, 2014 to December 31, 2016

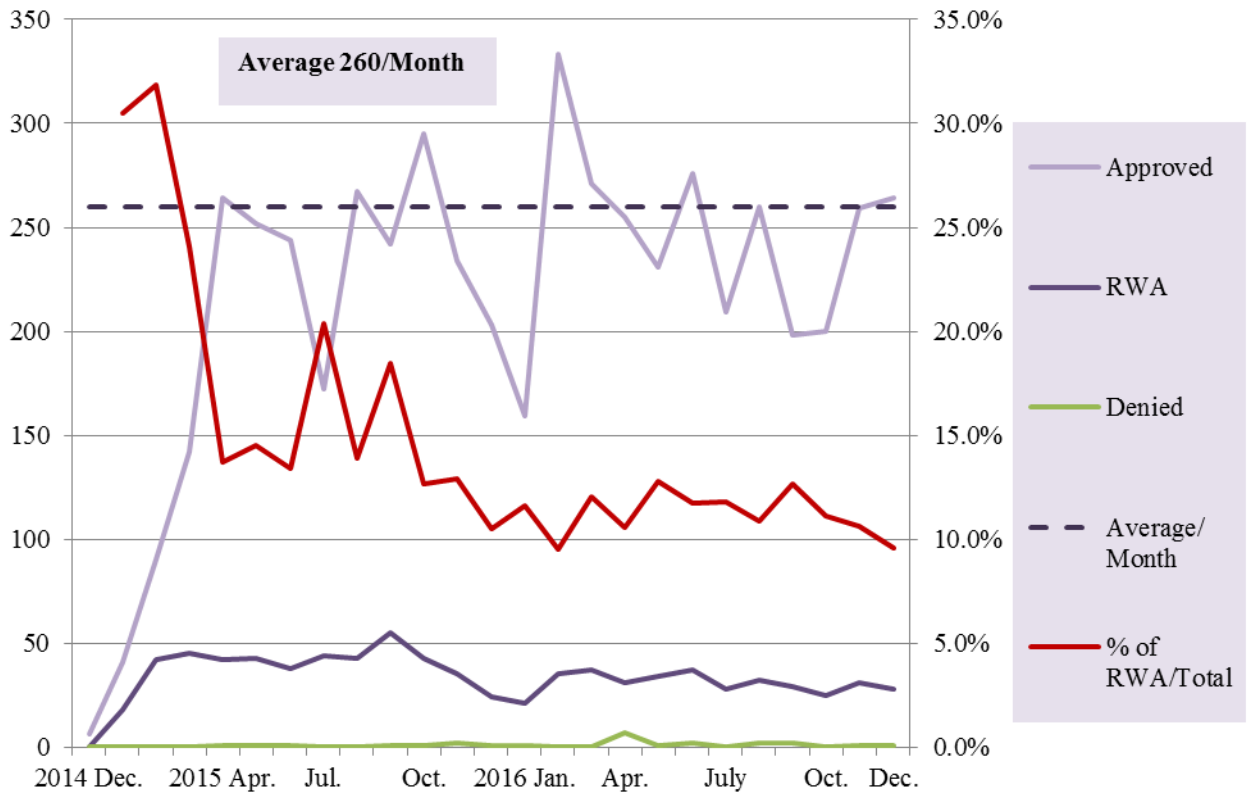
The license applications for items in category XI – Military Electronics of the United States Munitions List (USML) have declined 52.3% from an average of 1,294 to 618 per month through December 31, 2016. The average monthly drop of 676 license applications is the result of certain items transitioning 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 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 260 per month through December 31, 2016. The approval rate is 86.1%.

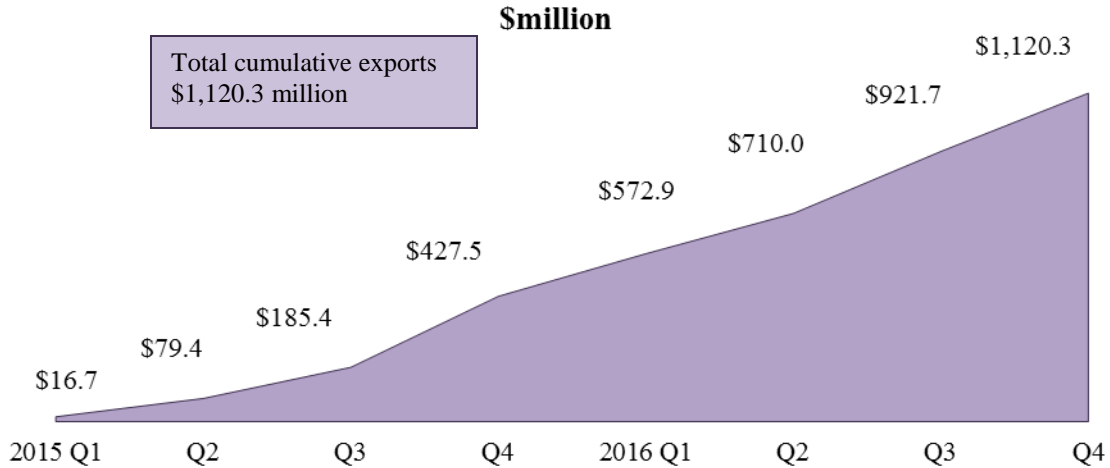
**BIS License Applications for the Fifth ECR Transition Rule  
December 30, 2014 to December 31, 2016**



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

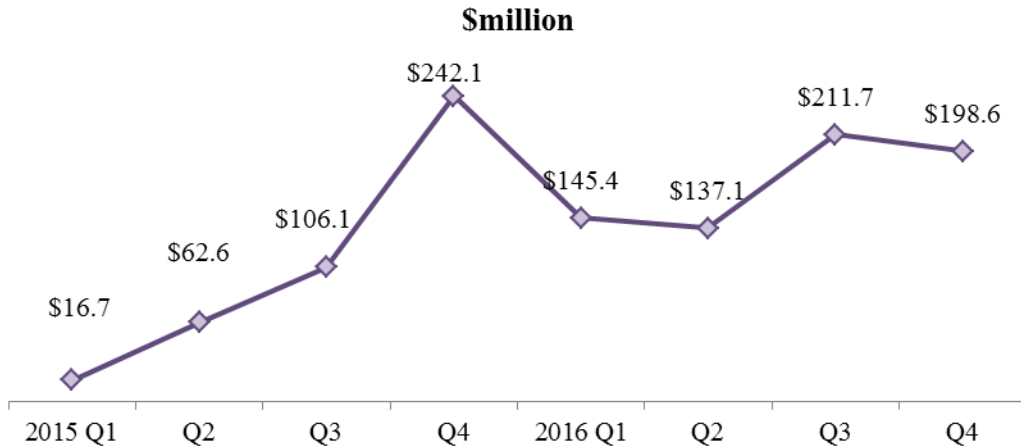
From the effective date of December 30, 2014 to the fourth quarter of 2016, U.S. exports of items under the Fifth ECR transition Rule – Military Electronics items (3y611 and 9y620) under BIS jurisdiction totaled 17,550 shipments for \$1.1 billion.

**The U.S. Cumulative Exports of the Fifth ECR Transition Rule  
Items under BIS Jurisdiction  
December 30, 2014 to December 31, 2016**



Source: Automated Export System (AES), January 2017

**The U.S. Quarterly Exports of the Fifth ECR Transition Rule  
Items under BIS Jurisdiction  
December 30, 2014 to December 31, 2016**



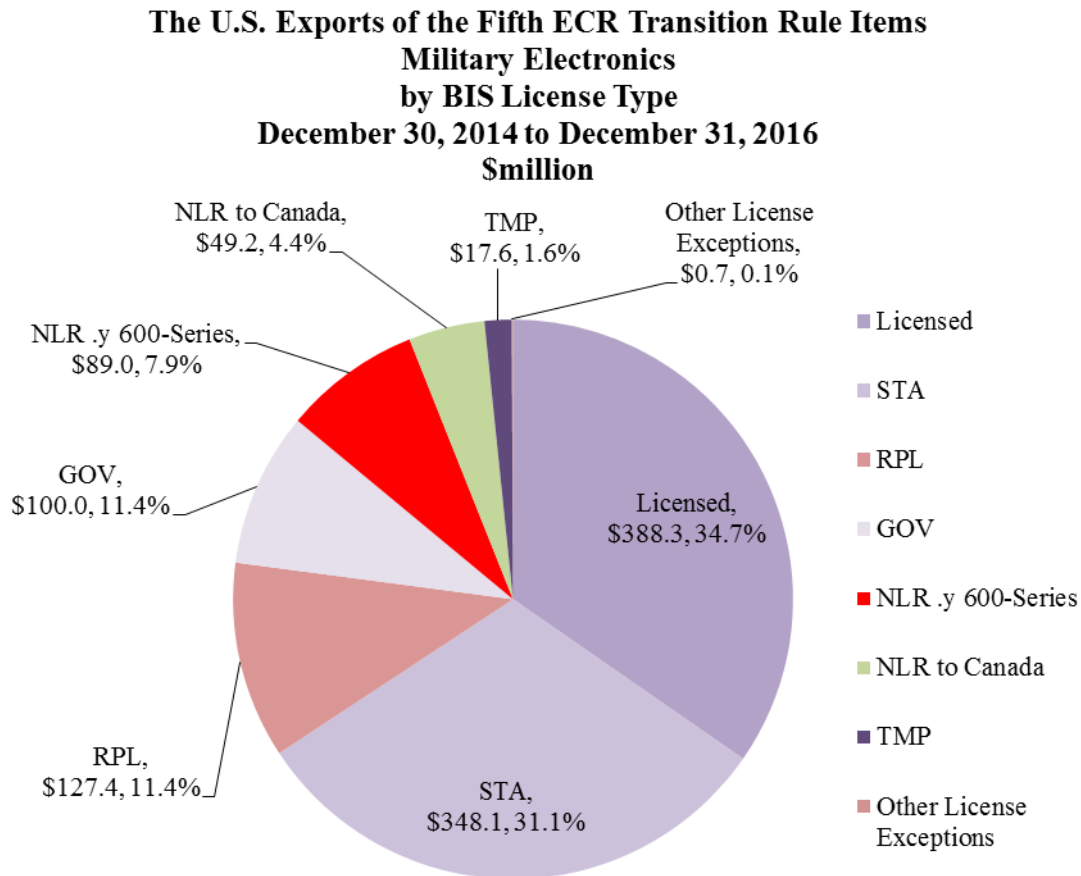
Source: Automated Export System (AES), January 2017

**The Fifth Transition Rule-Military Electronics  
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	2,495	14.2%	\$381.8	34.1%
United Kingdom	2,399	13.7%	\$81.9	7.3%
Canada	1,219	6.9%	\$75.0	6.7%
Australia	843	4.8%	\$54.5	4.9%
United Arab Emirates	291	1.7%	\$48.1	4.3%
South Korea	851	4.8%	\$47.5	4.2%
Germany	977	5.6%	\$45.2	4.0%
Italy	935	5.3%	\$31.7	2.8%
Israel	738	4.2%	\$31.0	2.8%
Saudi Arabia	367	2.1%	\$30.7	2.7%
Taiwan	267	1.5%	\$27.4	2.4%
Luxembourg	80	0.5%	\$25.1	2.2%
France	727	4.1%	\$19.4	1.7%
India	411	2.3%	\$17.3	1.5%
Afghanistan	385	2.2%	\$15.4	1.4%
<b>Top 15 Total</b>	<b>12,985</b>		<b>\$931.9</b>	
<b>Top 15 Total/Grand Total</b>		<b>74.0%</b>		<b>83.2%</b>
<b>Grand Total</b>	<b>17,550</b>		<b>\$1,120.3</b>	

Source: Automated Export System, January 2017

Of \$1.1 billion in exports of 600-series items in the Fifth ECR transition rule under BIS jurisdiction, licensed exports totaled \$388.3 million (34.7% of the total); Strategic Trade Authorization (STA) totaled \$348.1 million (31.1%) and Servicing and replacement of parts and equipment (RPL) totaled \$127.4million (11.4%).



Source: Automated Export System (AES), January 2017

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 transfer (in-country)