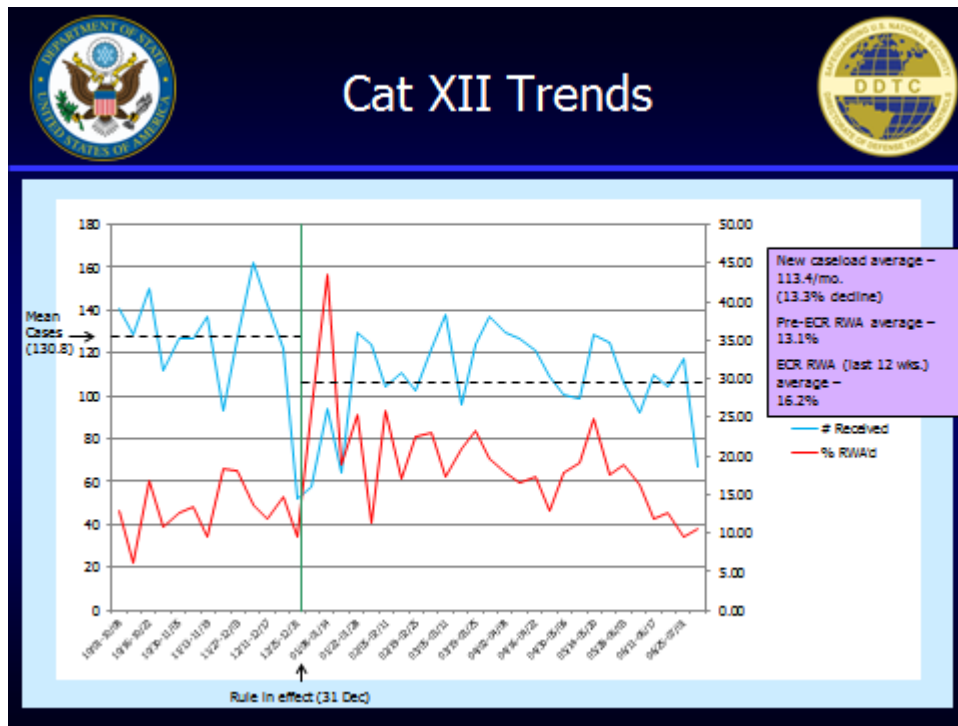


The Seventh USML to CCL Regulatory Change

Fire Control, Laser, Imaging and Guidance Equipment

December 31, 2016 to June 30, 2017

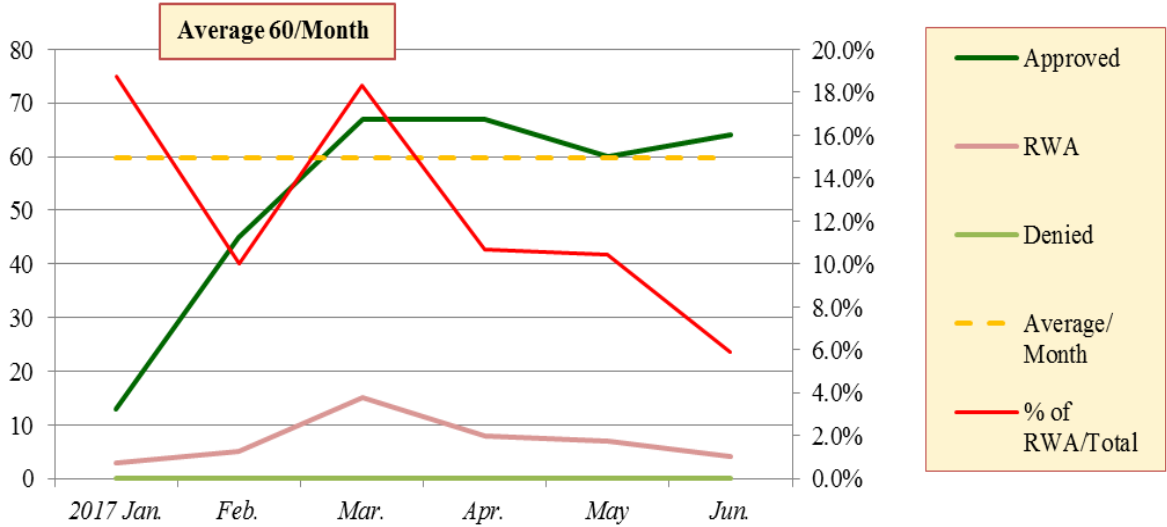
The license applications for items in category XII – Fire Control, Laser, Imaging, and Guidance Equipment of the United States Munitions List (USML) have decreased from an average of 131 to 113 per month through June 30, 2017. The average monthly drop of 18 license applications is the result of certain items transitioning to the Commerce Control List (CCL).



Source: The Directorate of Defense Trade Controls of the U.S. Department of State, August 2017

Since the seventh USML to CCL regulatory change became effective on December 31, 2016, the average number of BIS license applications for the four 600-Series items created by this rule is 60 per month through June 30, 2017. The approval rate is 88.3%.

BIS License Applications for the Seventh USML to CCL Regulatory Change
December 31, 2016 to June 30, 2017

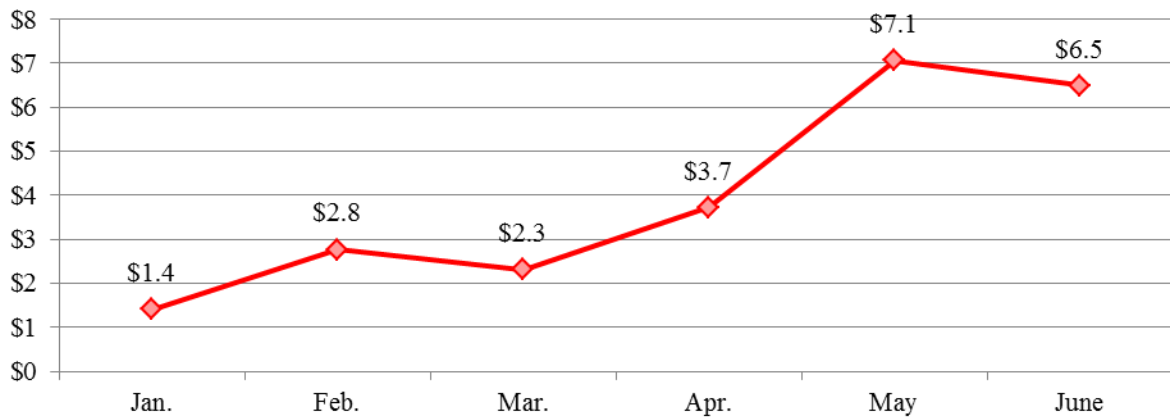


Source: Commerce U.S. Exports Exporter Support System, August 2017

From the effective date of December 31, 2016 to June, 2017, U.S. exports of items in the Seventh USML to CCL regulatory change – Fire Control, Laser, Imaging and Guidance equipment items (7x611) under BIS jurisdiction totaled 612 shipments for \$23.8 million, mainly exported to the United Kingdom (19.6% of the total exported value), Japan (11.7%) and South Korea (9.6%).

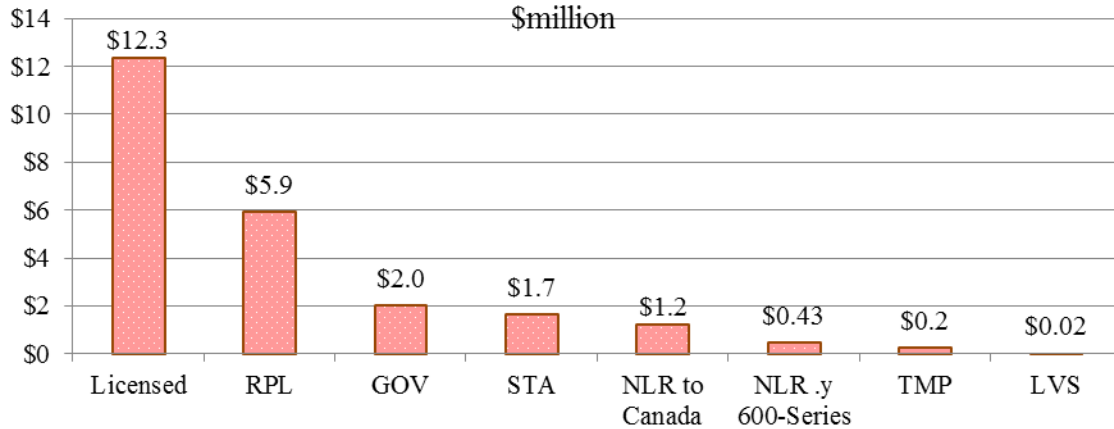
**U.S. Exports under the Seventh USML to CCL Regulatory Change
under BIS Jurisdiction**

December 31, 2016 to June 30, 2017
\$million



**U.S. Exports under the Seventh USML to CCL Regulatory Change
Fire Control/Sensors/Night Vision
by BIS License Type**

December 31, 2016 to June 30, 2017
\$million



Source: Automated Export System, August 2017