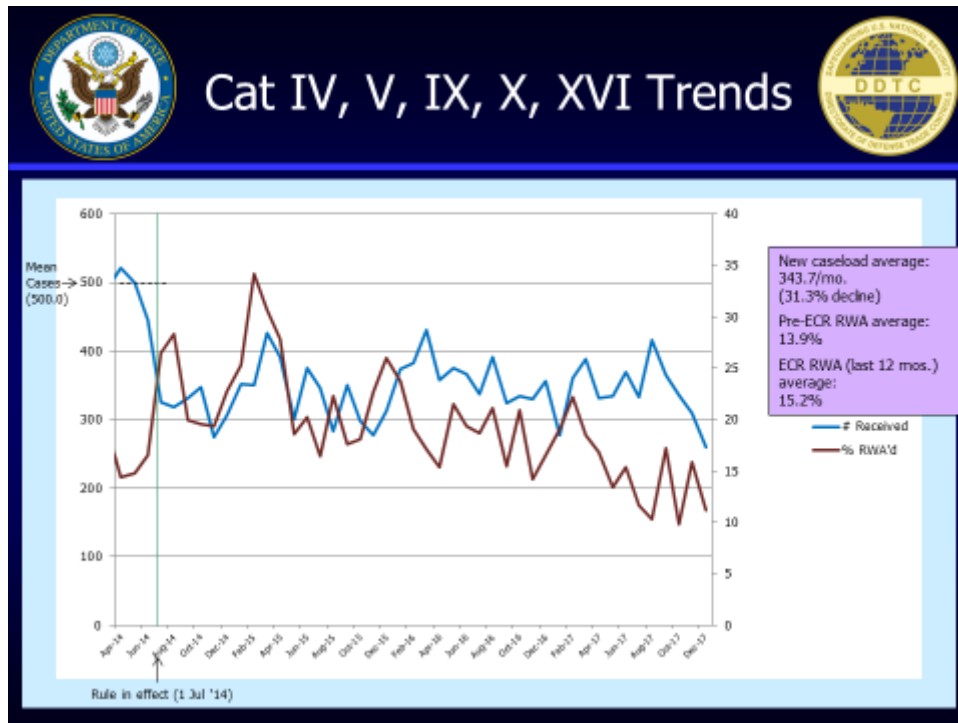


License Applications and Exports

The Third USML to CCL Regulatory Change Missiles and Explosives

July 1, 2014 to December 31, 2018

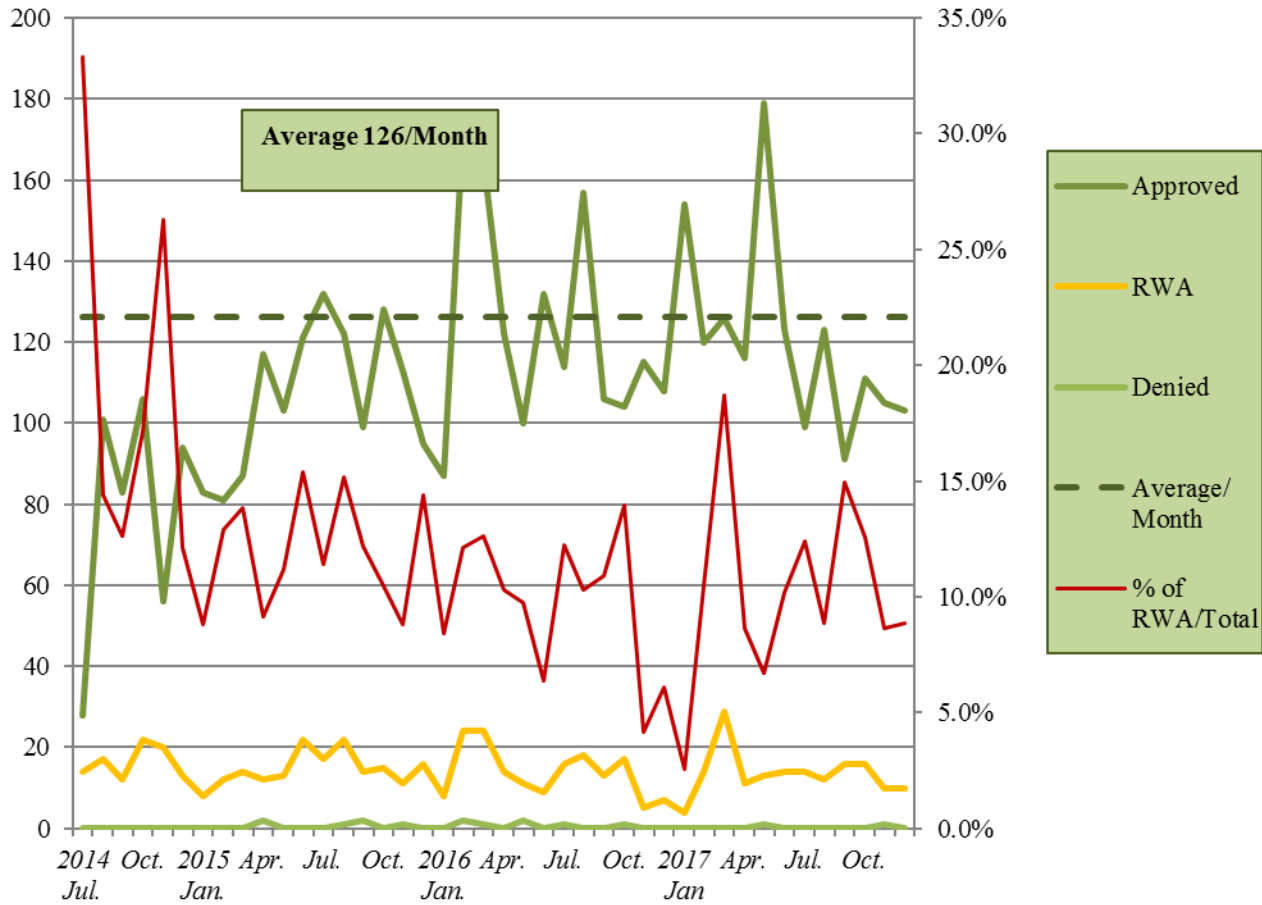
The license applications for items in categories IV (Missiles), V (Explosives), IX (Military Training Equipment), X (Protective Personnel Equipment) and XVI (Nuclear Weapons Design and Test Equipment) of the United States Munitions List (USML) have declined 31.3% from an average of 500 to 344 per month through December 31, 2017. The average monthly drop of 156 in 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, January 2018

Since the third USML to CCL regulatory change became effective on July 1, 2014, the average number of BIS license applications for the twenty 600-Series items created by this rule is 126 per month through December 31, 2017. The approval rate is 88.3%.

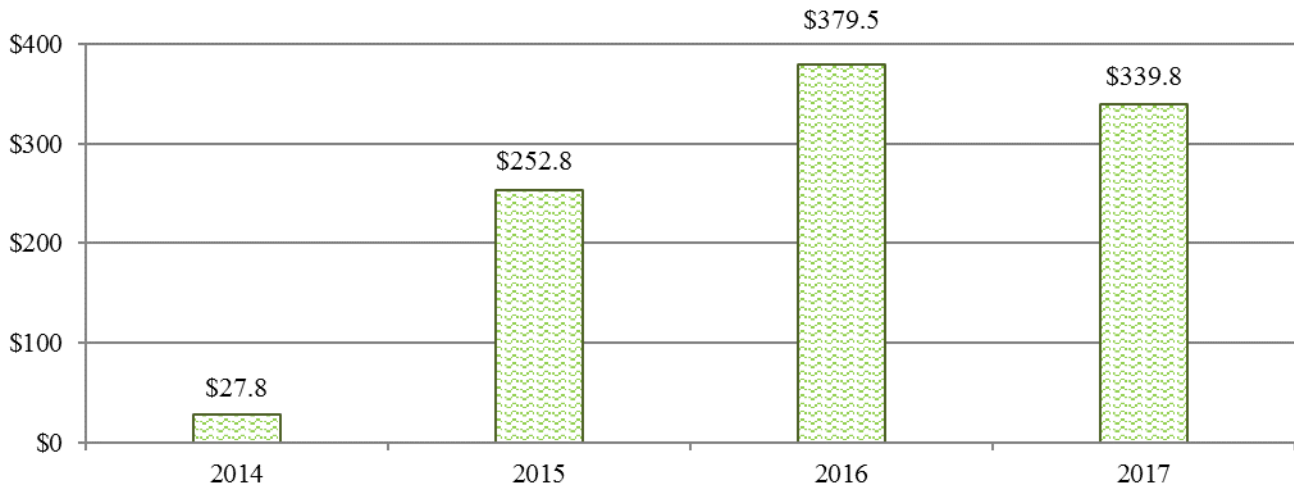
BIS License Applications for the Third USML to CCL Regulatory Change
 July 1, 2014 to December 31, 2017



Source: Commerce U.S. Exports Exporter Support System, January 8, 2018

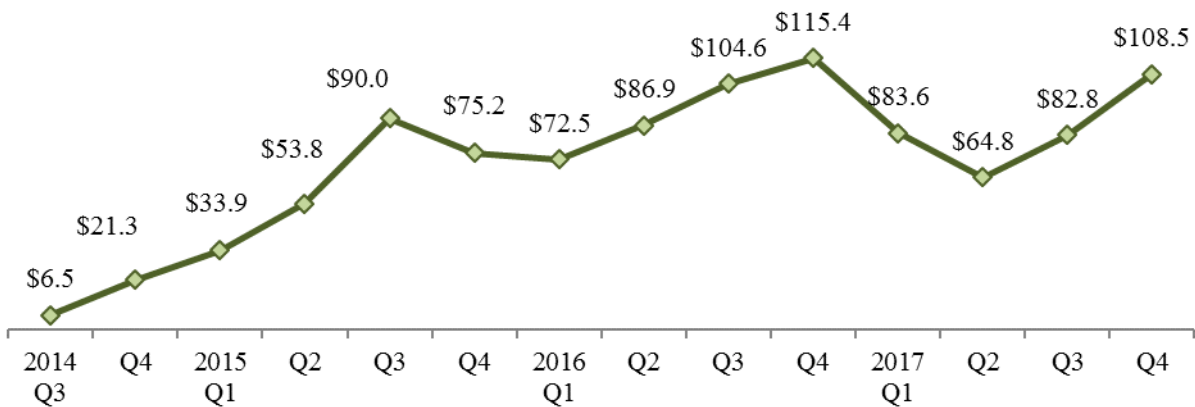
From July 1, 2014 to December 31, 2017, U.S. exports of items in the third USML to CCL regulatory change – Missiles and Explosives items (0y604, 0y614, 1y608 and 1y613) under BIS jurisdiction totaled 16,575 shipments for \$1.0 billion.

**U.S. Exports under the Third USML to CCL Regulatory Change
 under BIS Jurisdiction**
 July 1, 2014 to December 31, 2017
 \$million



Source: Automated Export System, January 2018

**U.S. Quarterly Exports under the Third USML to CCL Regulatory
 Change under BIS Jurisdiction**
 July 1, 2014 to December 31, 2017
 \$million



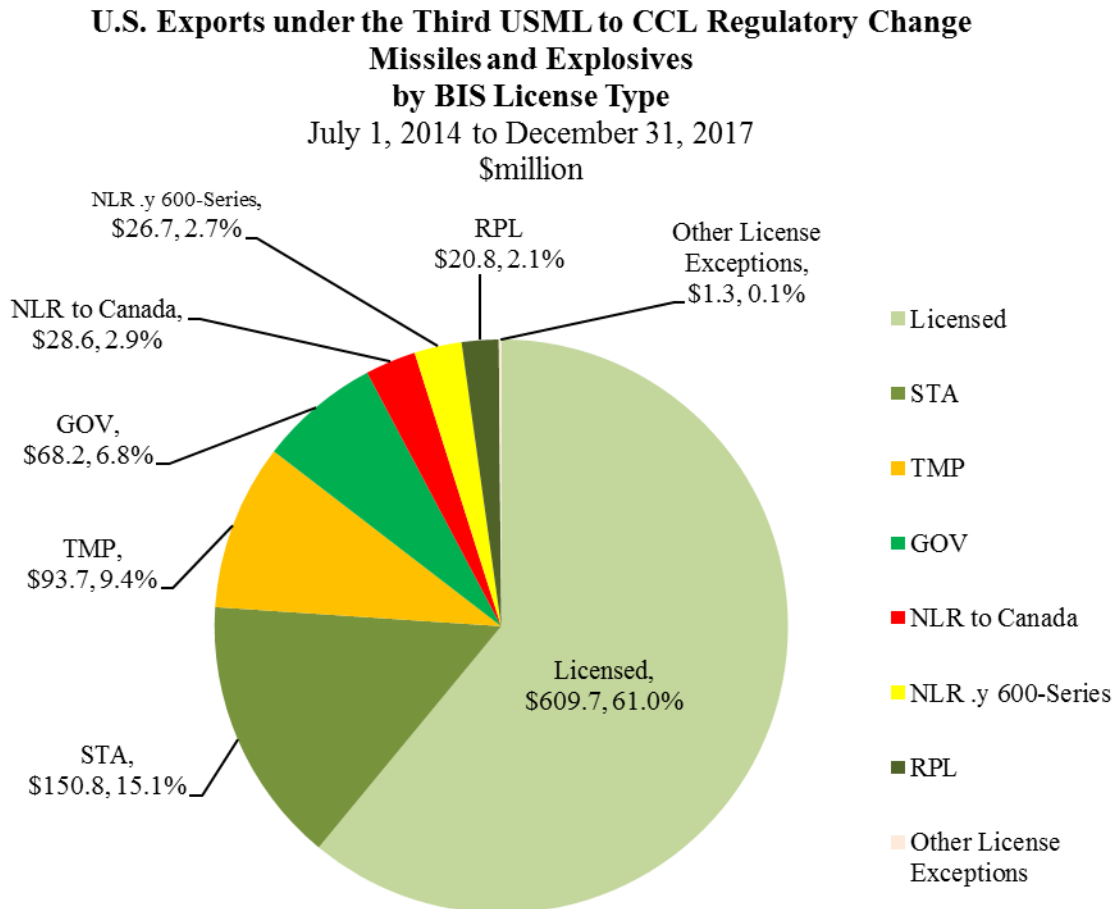
Source: Automated Export System, January 2018

**The Third USML to CCL Regulatory Change-Missiles and Explosives
 Top 15 Destinations of U.S. Exports under BIS Jurisdiction by Value
 July 1, 2014 to December 31, 2017**

Country	Shipment Count	% of Total Shipment Count	Value \$million	% of Total Value
Japan	1,452	8.8%	\$170.3	17.0%
United Kingdom	2,245	13.5%	\$130.9	13.1%
Mexico	2,114	12.8%	\$102.2	10.2%
Australia	595	3.6%	\$81.1	8.1%
Turkey	192	1.2%	\$60.8	6.1%
Israel	765	4.6%	\$58.2	5.8%
United Arab Emirates	210	1.3%	\$56.1	5.6%
Germany	1,302	7.9%	\$40.5	4.1%
South Korea	440	2.7%	\$39.2	3.9%
Saudi Arabia	225	1.4%	\$38.0	3.8%
Canada	1,667	10.1%	\$29.5	2.9%
Netherlands	235	1.4%	\$17.8	1.8%
Greece	166	1.0%	\$15.2	1.5%
Italy	165	1.0%	\$15.1	1.5%
Belgium	45	0.3%	\$13.9	1.4%
Top 15 Total	11,818		\$868.8	
Top 15 Total/ Grand Total		71.3%		86.9%
Grand Total	16,575		\$999.8	

Source: Automated Export System, January 2018

Of the \$1.0 billion of U.S. exports of 600-series items in the third USML to CCL regulatory change under BIS jurisdiction from July 1, 2014 to December 31, 2017, licensed exports totaled \$609.7 million (61.0% of the total); Strategic Trade Authorization (STA) totaled \$150.8 million (15.1%); and Temporary imports, exports, reexports, and transfers (in-country) (TMP) totaled \$93.7 million (9.4%).



Source: Automated Export System, January 2018

BIS License Exceptions:

STA: Strategic Trade Authorization

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

NLR: No License Required

RPL: Servicing and replacement of parts and equipment