

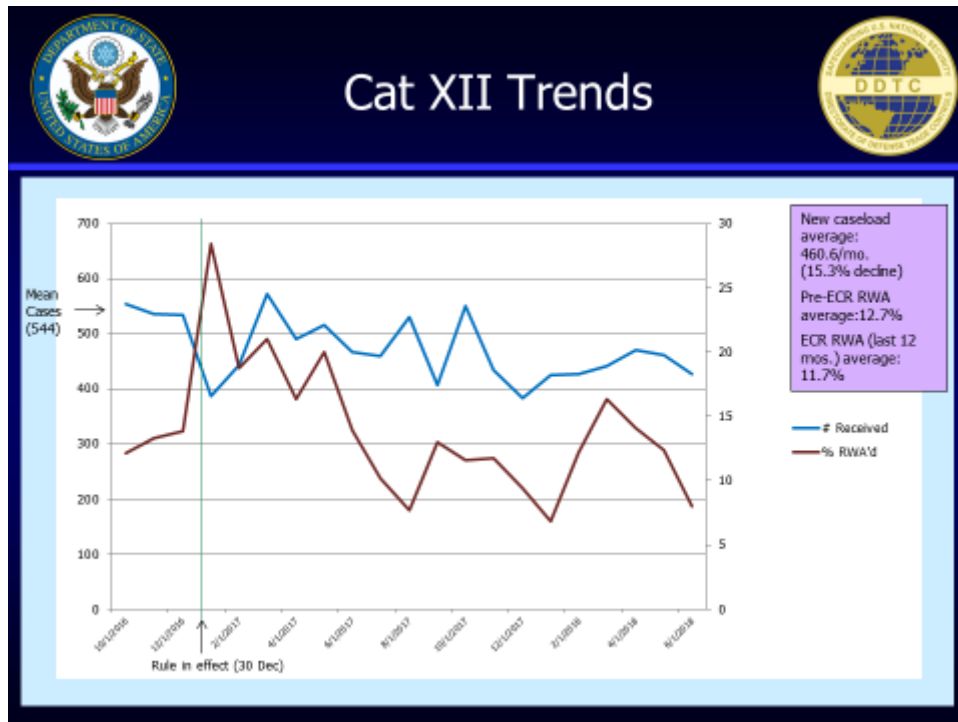
License Applications and Exports

The Seventh USML to CCL Regulatory Change

Fire Control, Laser, Imaging, and Guidance Equipment

December 31, 2016 to June 30, 2018

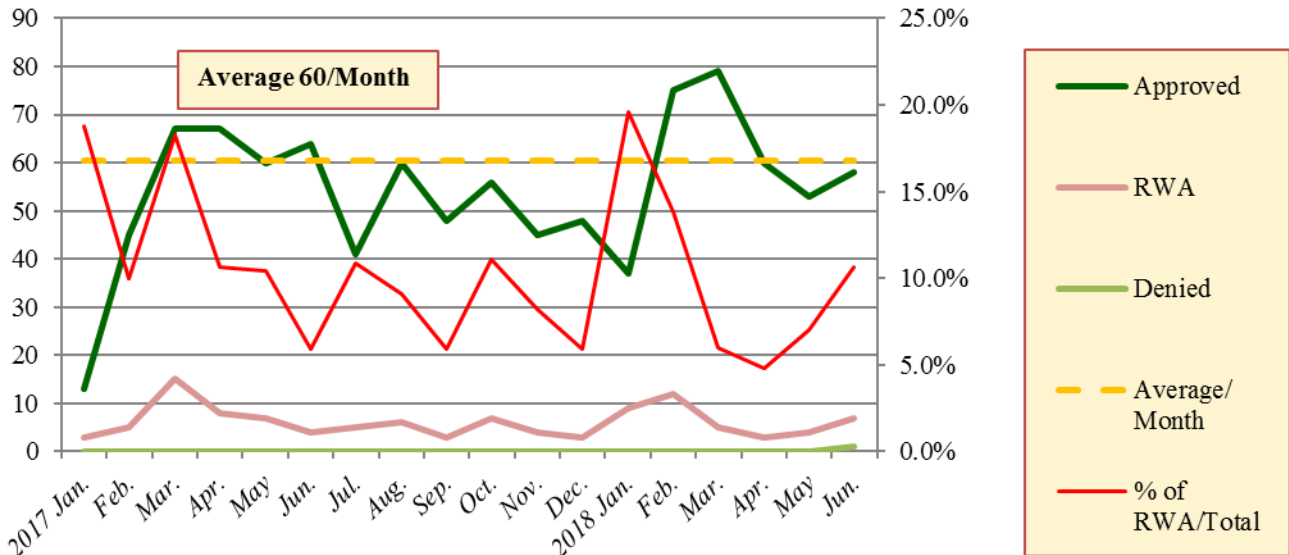
The license applications for items in category XII – Fire Control, Laser, Imaging, and Guidance Equipment of the United States Munitions List (USML) have decreased 15.3% from an average of 544 to 461 per month through June 30, 2018. The average monthly drop of 83 license applications is the result of certain items transitioning to the Commerce Control List (CCL).



Source: The Directorate of Defense Trade Controls of the U.S. Department of State, July 25, 2018

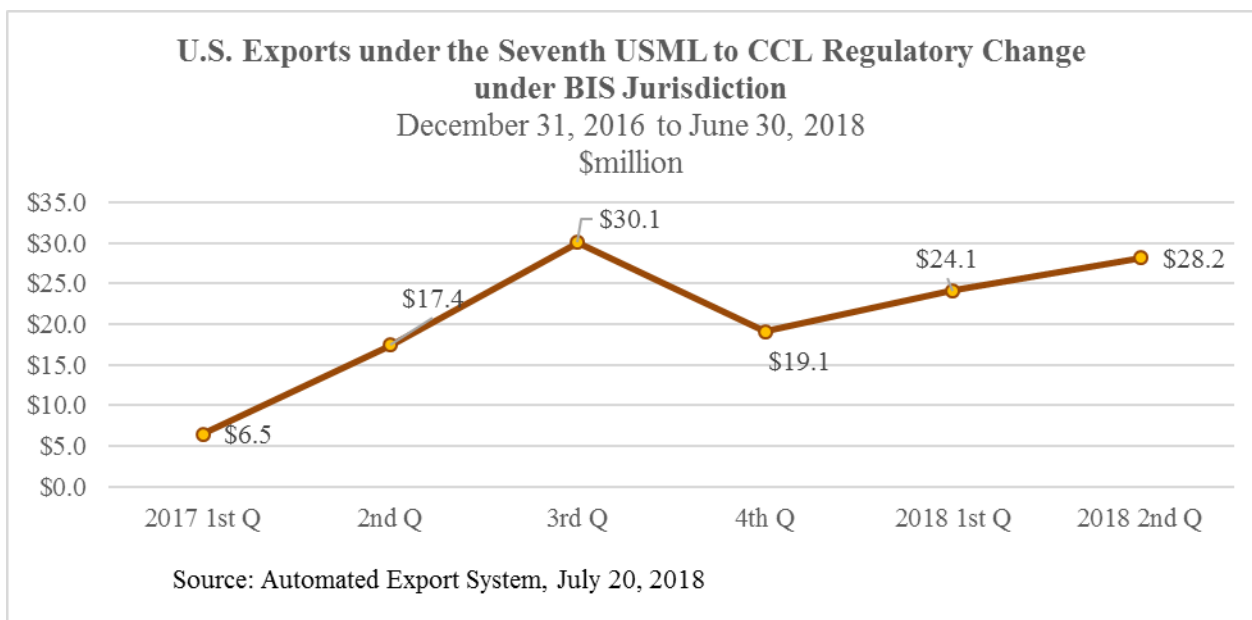
Since the seventh USML to CCL regulatory change became effective on December 31, 2016, the average number of BIS license applications for the four 600-Series items created by this rule is 60 per month through June 30, 2018. The approval rate is 89.8%.

BIS License Applications for the Seventh USML to CCL Regulatory Change
 December 31, 2016 to June 30, 2018



Source: Commerce U.S. Exports Exporter Support System, July 25, 2018

From the effective date of December 31, 2016 to June 30, 2018, U.S. exports of items in the Seventh USML to CCL regulatory change – Fire Control/sensors and night vision items (7x611) under BIS jurisdiction totaled 2,781 shipments for \$125.4 million.



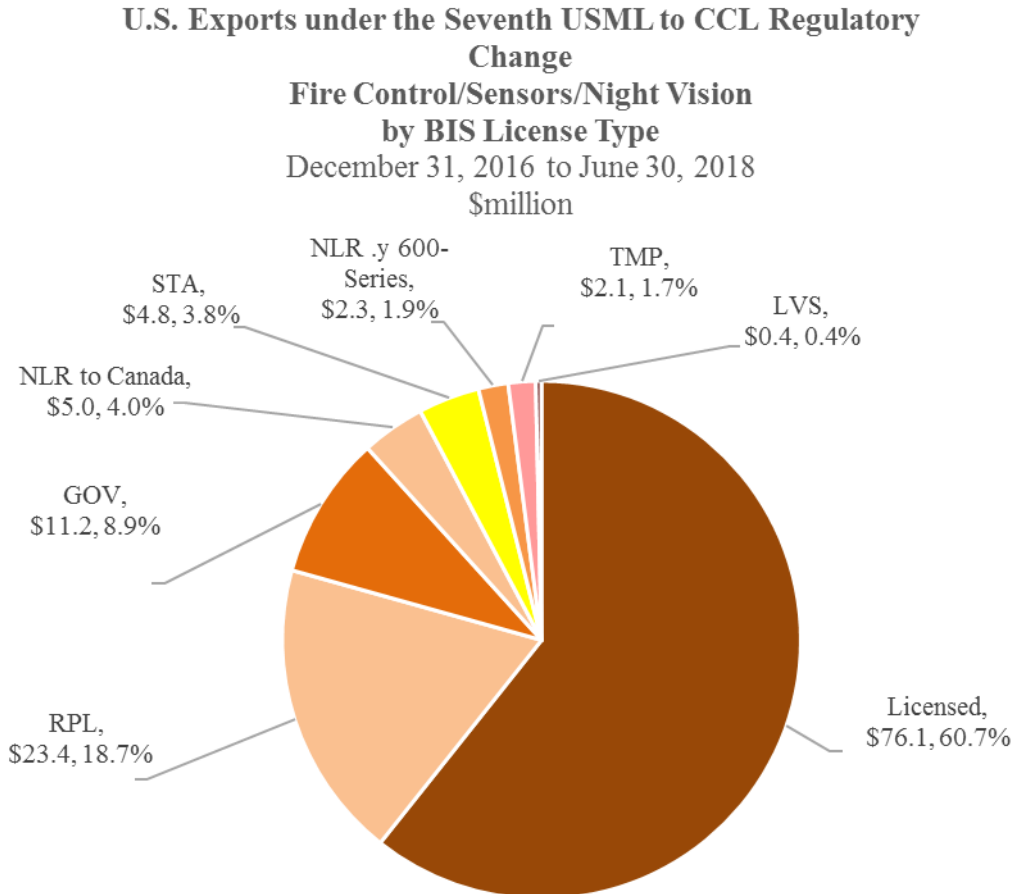
Source: Automated Export System, July 20, 2018

The Seventh USML to CCL Regulatory Change - Fire Control
Top 10 Destinations of U.S. Exports under BIS Jurisdiction by Value
 December 31, 2016 to June 30, 2018

Country	Shipment Count	% of Total Shipment Count	Value \$million	% of Total Value
Japan	165	5.9%	\$34.4	27.4%
United Kingdom	558	20.1%	\$16.0	12.8%
South Korea	232	8.3%	\$8.6	6.9%
France	90	3.2%	\$6.1	4.8%
Canada	263	9.5%	\$5.3	4.3%
Australia	126	4.5%	\$5.3	4.2%
Saudi Arabia	59	2.1%	\$4.6	3.7%
Israel	97	3.5%	\$4.4	3.5%
United Arab Emirates	104	3.7%	\$4.0	3.2%
Italy	59	2.1%	\$3.3	2.6%
Top 10 Total/ Grand Total	1,753	63.0%	\$91.9	73.3%
Grand Total	2,781		\$125.4	

Source: Automated Export System, July 20, 2018

Of the \$125.4 million in U.S. exports of 600-series items in the seventh USML to CCL regulatory change under BIS jurisdiction from December 30, 2014 to June 30, 2018, licensed exports totaled \$76.1 million (60.7% of the total); Servicing and replacement of parts and equipment totaled \$23.4 million (18.7%); and Governments totaled \$11.2 million (8.9%).



Source: Automated Export System, July 20, 2018

BIS License Exceptions:

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

STA: Strategic Trade Authorization