

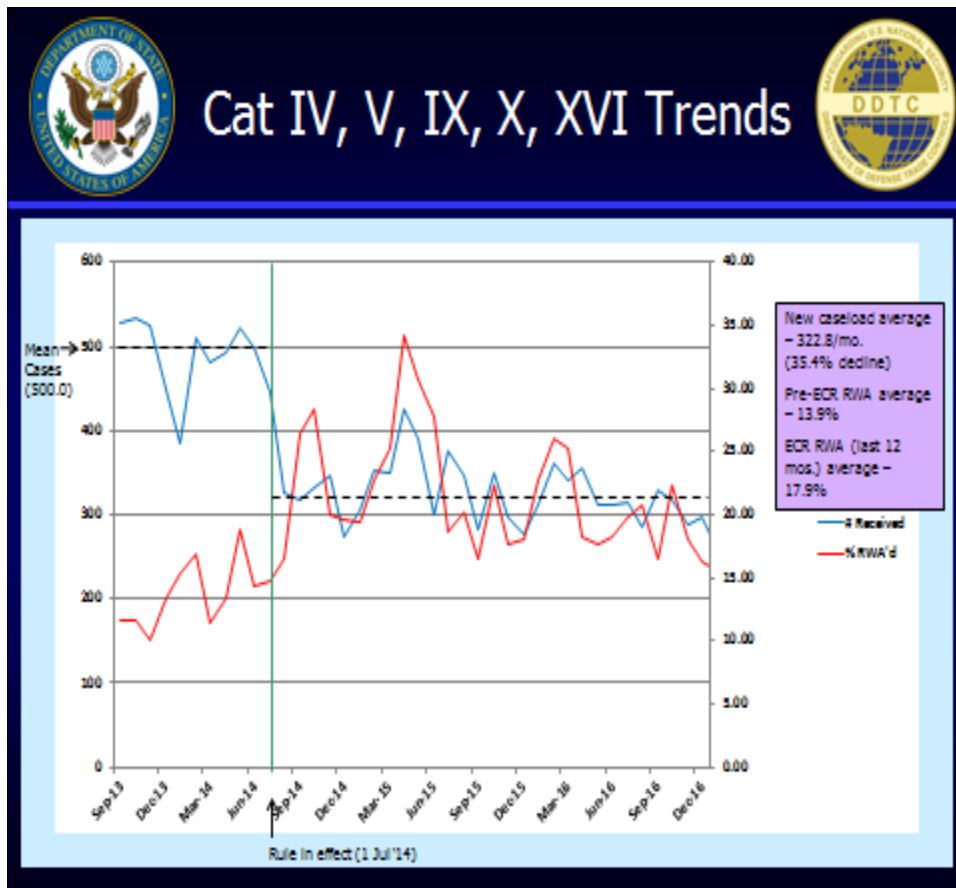
### License Applications and U.S. Exports

#### The Third Transition Rule

#### Missiles and Explosives

July 1, 2014 to March 31, 2017

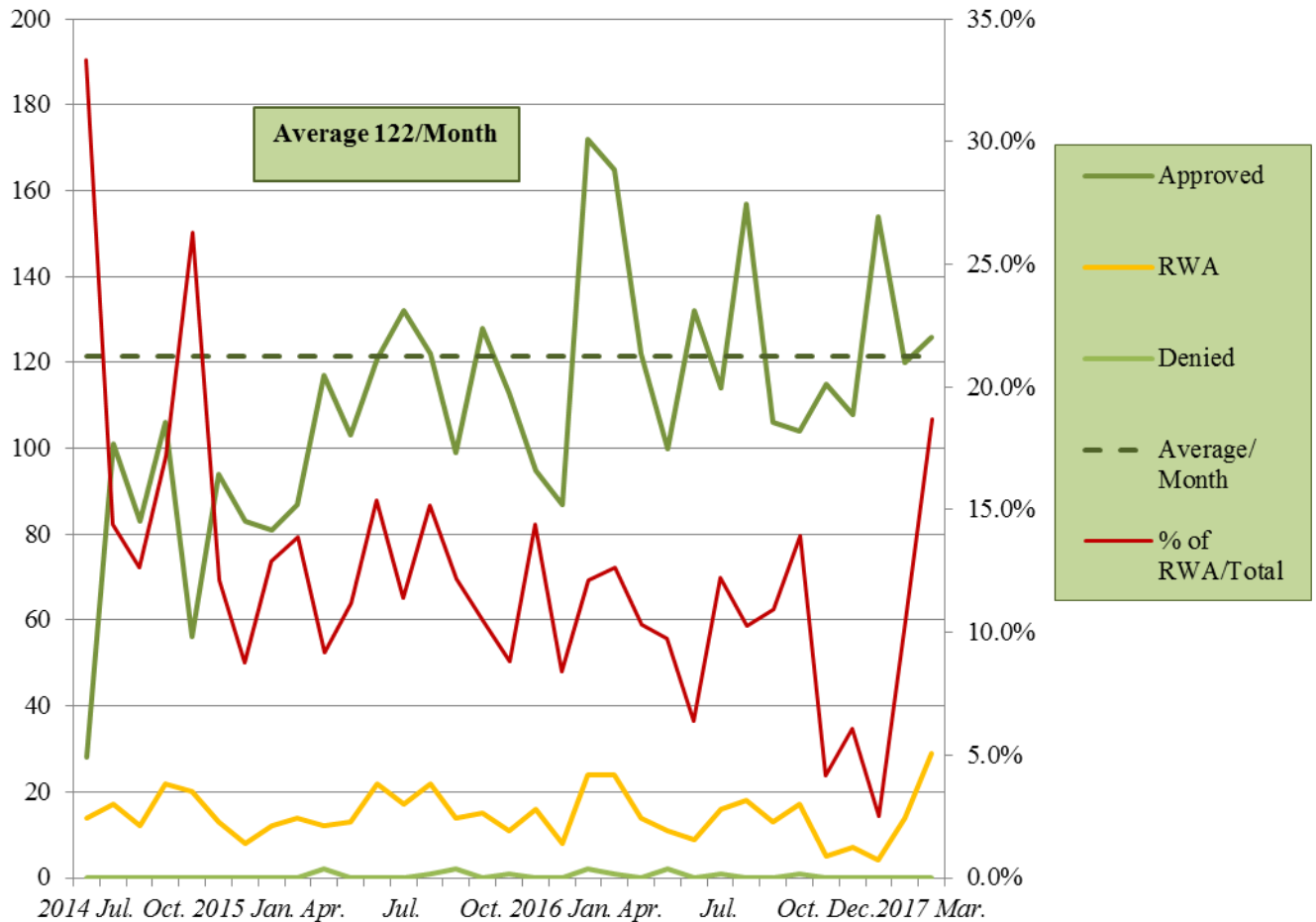
The license applications for items in categories IV (Missiles), V (Explosives), IX (Military Training Equipment), X (Protective Personnel Equipment) and XVI (Nuclear Weapons Design and Test Equipment) of the United States Munitions List (USML) have declined 35.4% from an average of 500 to 323 per month through March 31, 2017. The average monthly drop of 177 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, April 2017

Since the Third ECR Transition Rule became effective on July 1, 2014, the average number of BIS license applications for the twenty 600-Series items created by this rule is 122 per month through March 31, 2017. The approval rate is 87.9%.

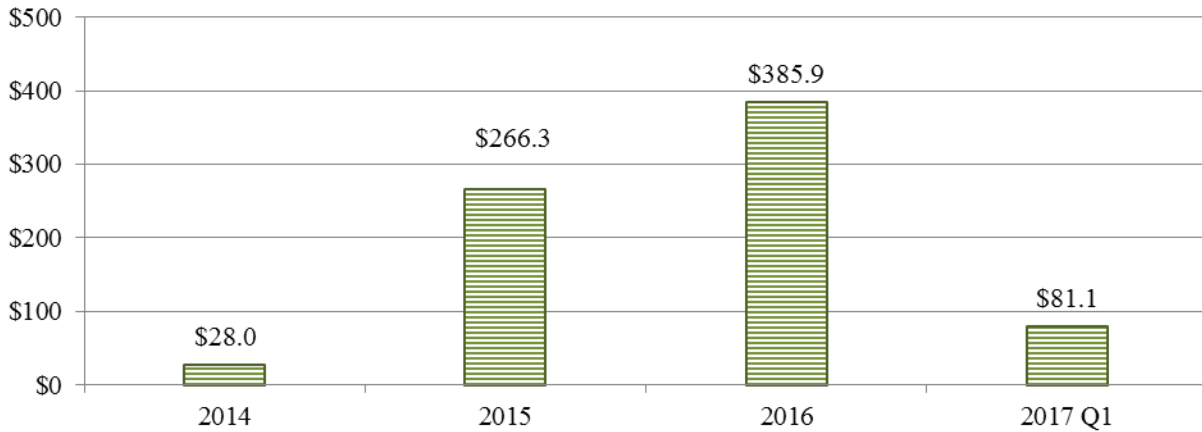
**BIS License Applications for the Third ECR Transition Rule  
July 1, 2014 to March 31, 2017**



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

From July 1, 2014 to March 31, 2017, U.S. exports of items in the Third ECR transition Rule – Missiles and Explosives items (0y604, 0y614, 1y608 and 1y613) under BIS jurisdiction totaled 12,341 shipments for \$761.6 million.

**U.S. Exports of the Third ECR Transition Rule Items  
under BIS Jurisdiction**  
July 1, 2014 to March 31, 2017  
\$million



Source: Automated Export System, July 2017

**U.S. Quarterly Exports of the Third ECR Transition Rule Items  
under BIS Jurisdiction**  
July 1, 2014 to March 31, 2017  
\$million

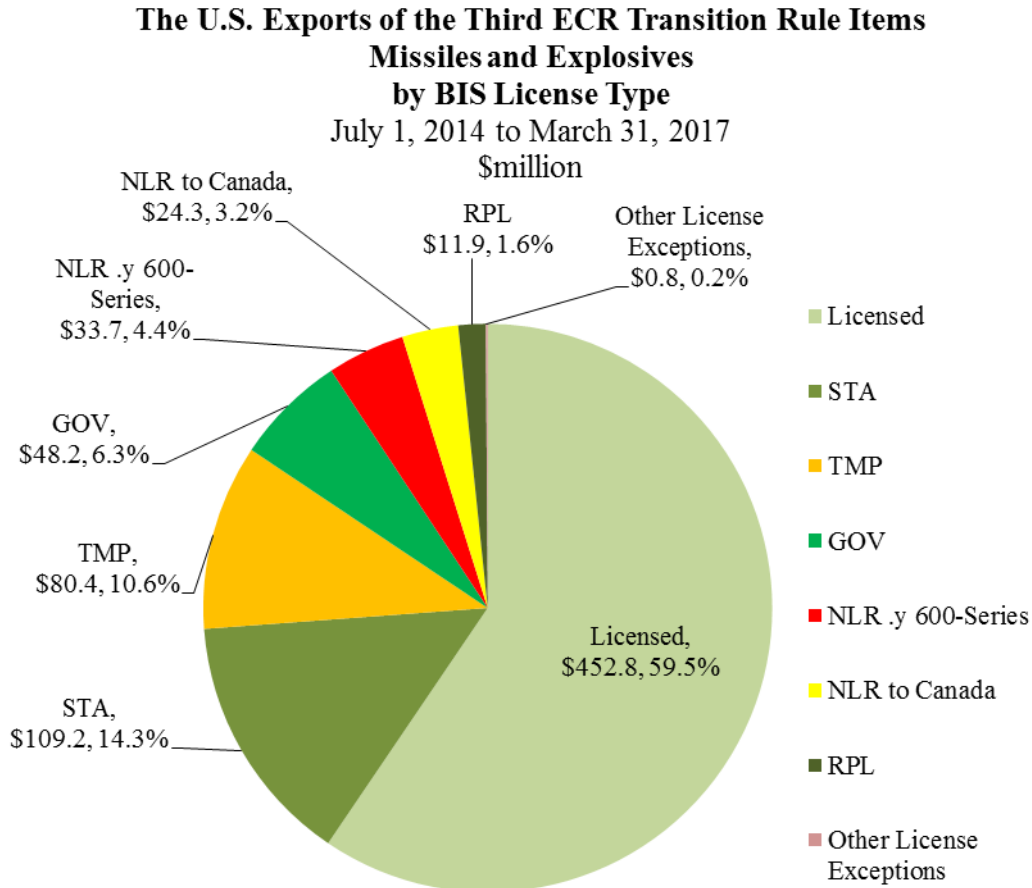


Source: Automated Export System, July 2017

<b>The Third Transition Rule-Missiles and Explosives</b> <b>Top 15 Destinations of U.S. Exports under BIS Jurisdiction</b> October 15, 2013 to March 31, 2017				
Country	Shipment Count	% of Total Shipment Count	Value \$million	% of Total Value
Japan	1,055	8.5%	\$120.4	15.8%
Mexico	1,808	14.7%	\$98.1	12.9%
United Kingdom	1,585	12.8%	\$81.4	10.7%
Australia	455	3.7%	\$72.9	9.6%
United Arab Emirates	154	1.2%	\$53.1	7.0%
Turkey	132	1.1%	\$52.5	6.9%
Israel	543	4.4%	\$34.5	4.5%
South Korea	324	2.6%	\$30.7	4.0%
Germany	891	7.2%	\$27.4	3.6%
Canada	1,240	10.0%	\$24.4	3.2%
Saudi Arabia	166	1.3%	\$20.8	2.7%
Netherlands	168	1.4%	\$14.9	2.0%
Belgium	36	0.3%	\$13.6	1.8%
Italy	127	1.0%	\$9.7	1.3%
Norway	243	2.0%	\$9.2	1.2%
<b>Top 15 Total</b>	<b>8,927</b>		\$663.6	
<b>Top 15 Total/ Grand Total</b>		<b>72.3%</b>		<b>87.1%</b>
<b>Grand Total</b>	<b>12,341</b>		<b>\$761.6</b>	

Source: Automated Export System, July 2017

Of the \$761.6 million of U.S. exports of 600-series items in the Third ECR transition rule under BIS jurisdiction, licensed exports totaled \$452.8 million (59.5% of the total); Strategic Trade Authorization (STA) totaled \$109.2 million (14.3%); and Temporary imports, exports, reexports, and transfers (in-country) (TMP) totaled \$80.4 million (10.6%).



Source: Automated Export System, July 2017

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