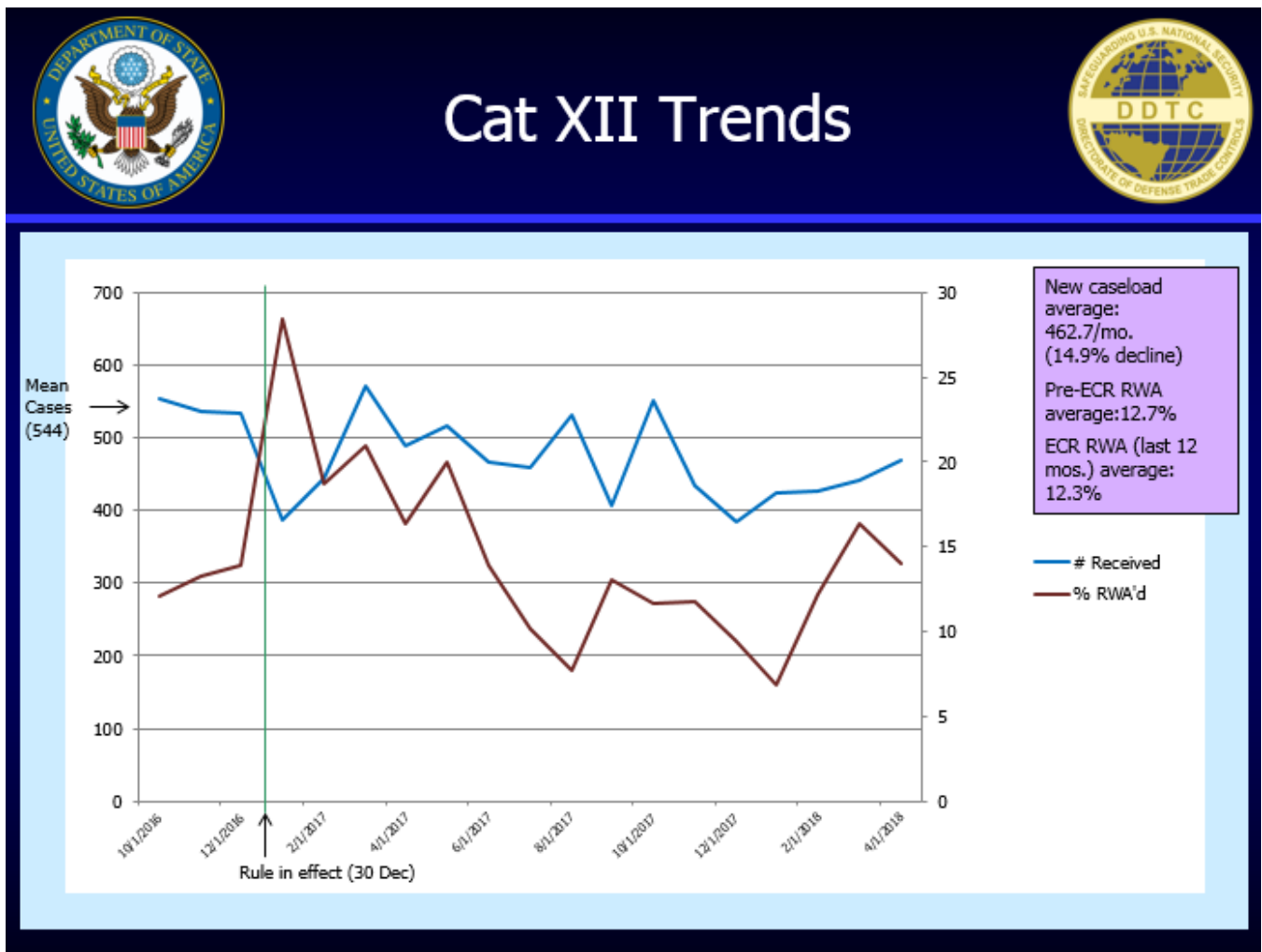


License Applications and Exports

The Seventh USML to CCL Regulatory Change Fire Control, Laser, Imaging and Guidance Equipment

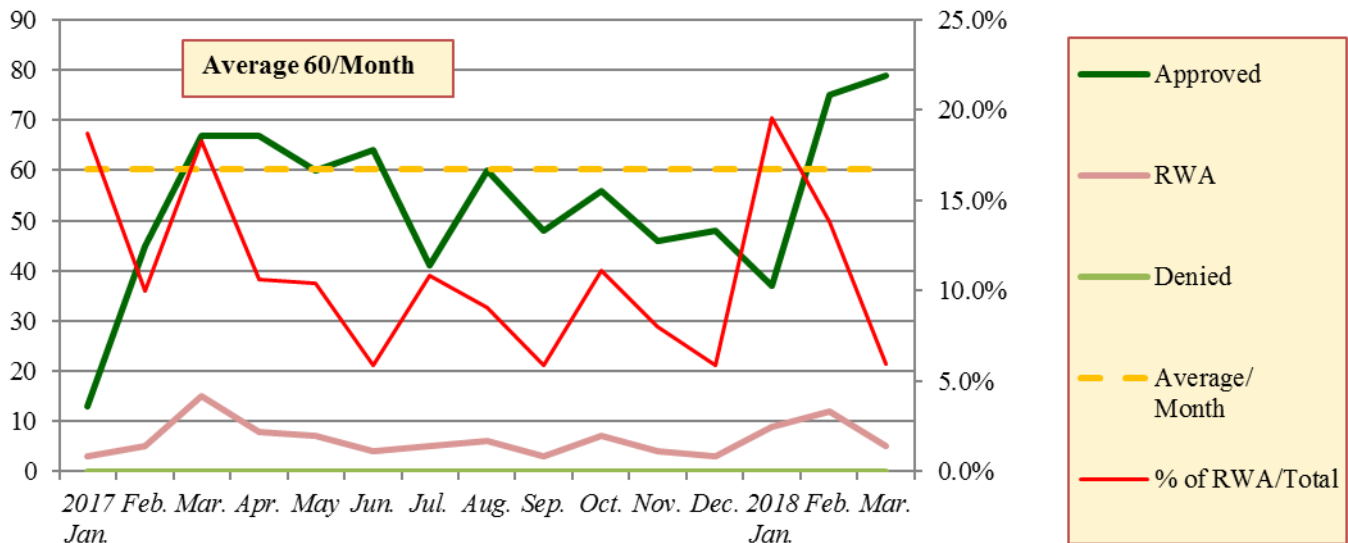
The license applications for items in category XII – Fire Control, Laser, Imaging, and Guidance Equipment of the United States Munitions List (USML) have decreased 14.9% from an average of 544 to 463 per month through March 31, 2018. The average monthly drop of 81 license applications is the result of certain items transitioning to the Commerce Control List (CCL).



Source: The Directorate of Defense Trade Controls of the U.S. Department of State, June 5, 2018

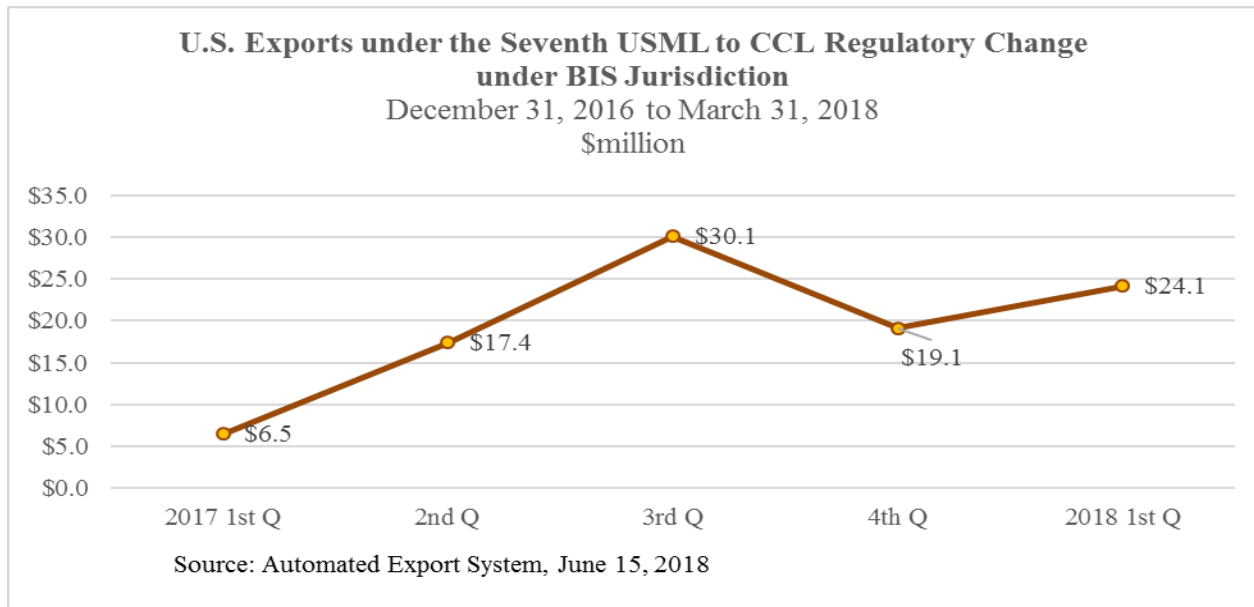
Since the seventh USML to CCL regulatory change became effective on December 31, 2016, the average number of BIS license applications for the four 600-Series items created by this rule is 60 per month through March 31, 2018. The approval rate is 89.4%, and there have not been any denied applications.

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



Source: Commerce U.S. Exports Exporter Support System, June 5, 2018

From the effective date of December 31, 2016 to March 31, 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 2,184 shipments for \$97.3 million.



Source: Automated Export System, June 15, 2018

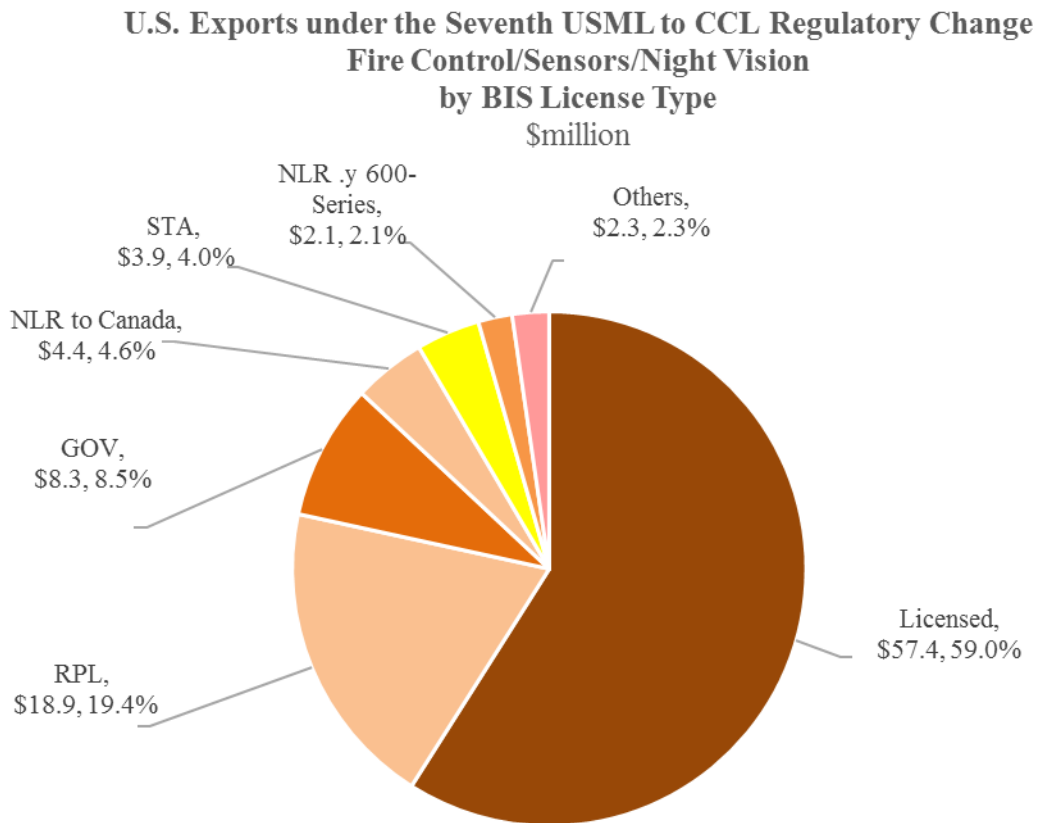
**The Seventh USML to CCL Regulatory Change - Fire Control
 Top 10 Destinations of U.S. Exports under BIS Jurisdiction by Value**

December 31, 2016 to March 31, 2018

Country	Shipment Count	% of Total Shipment Count	Value \$million	% of Total Value
Japan	135	6.2%	\$25.0	25.7%
United Kingdom	456	20.9%	\$13.9	14.2%
South Korea	173	7.9%	\$6.6	6.8%
France	70	3.2%	\$5.0	5.1%
Canada	207	9.5%	\$4.4	4.6%
Saudi Arabia	53	2.4%	\$4.0	4.1%
United Arab Emirates	86	3.9%	\$3.3	3.4%
Italy	49	2.2%	\$3.2	3.3%
Australia	100	4.6%	\$2.9	3.0%
Israel	79	3.6%	\$2.8	2.9%
Top 10 Total/ Grand Total	1,408	64.5%	\$71.0	73.0%
Grand Total	2,184		\$97.3	

Source: Automated Export System, June 15, 2018

Of the \$97.3 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 March 31, 2018, licensed exports totaled \$57.4 million (59.0% of the total); Servicing and replacement of parts and equipment totaled \$18.9 million (19.4%); and Governments totaled \$8.3 million (8.5%).



Source: Automated Export System, June 15, 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