

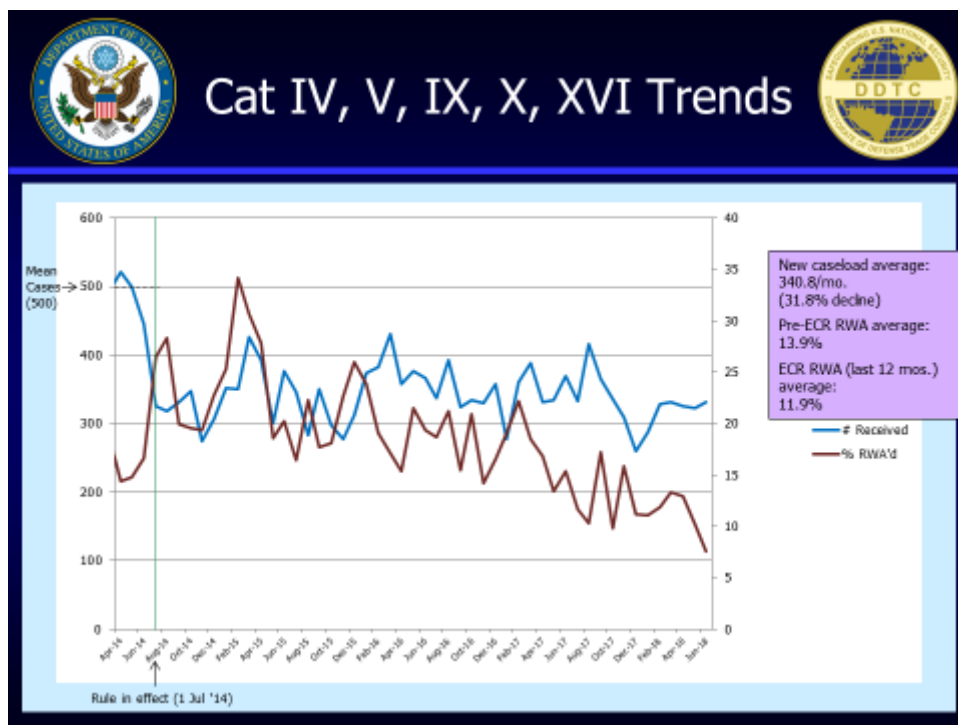
License Applications and Exports

The Third USML to CCL Regulatory Change

Missiles and Explosives

July 1, 2014 to June 30, 2018

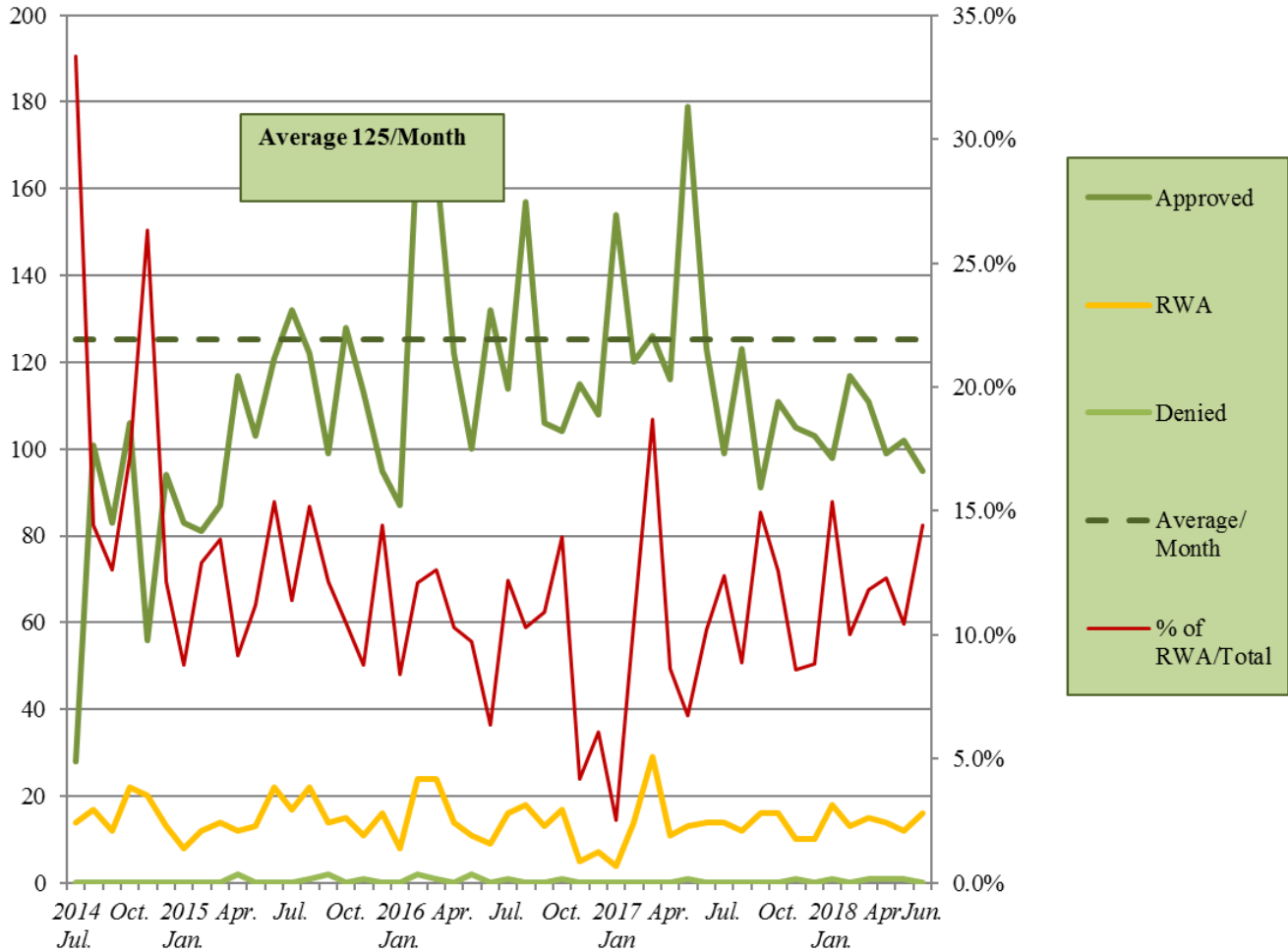
The license applications for items in categories IV (Missiles), V (Explosives), IX (Military Training Equipment), X (Protective Personnel Equipment) and XVI (Nuclear Weapons Design and Test Equipment) of the United States Munitions List (USML) have declined 31.8% from an average of 500 to 341 per month through June 30, 2018. The average monthly drop of 159 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, July 25, 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 125 per month through June 30, 2018. The approval rate is 88.2%.

BIS License Applications for the Third USML to CCL Regulatory Change
 July 1, 2014 to June 30, 2018



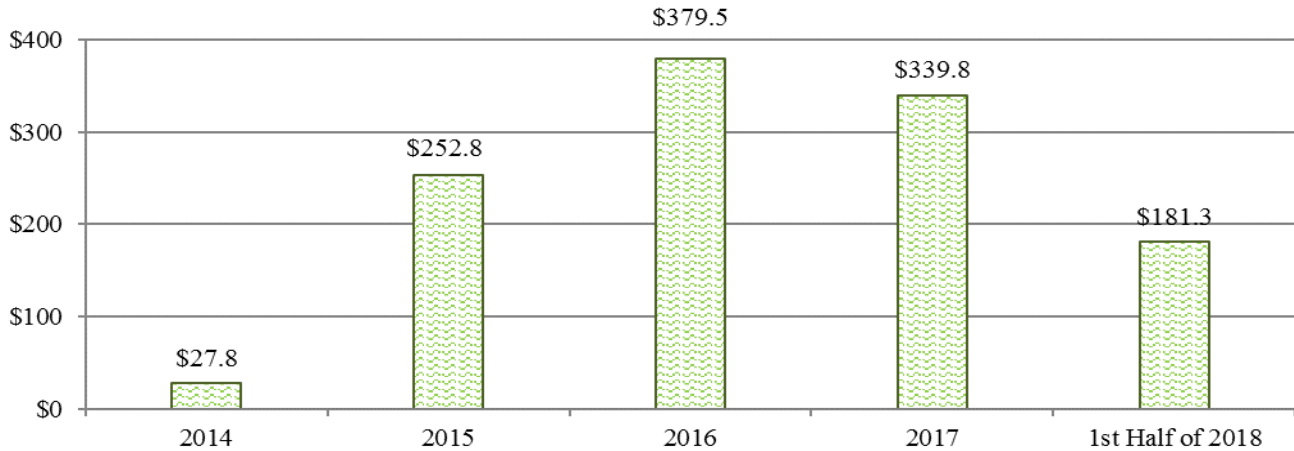
Source: Commerce U.S. Exports Exporter Support System, July 25, 2018

From July 1, 2014 to June 30, 2018, 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 20,021 shipments for \$1.2 billion

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

July 1, 2014 to June 30, 2018

\$million

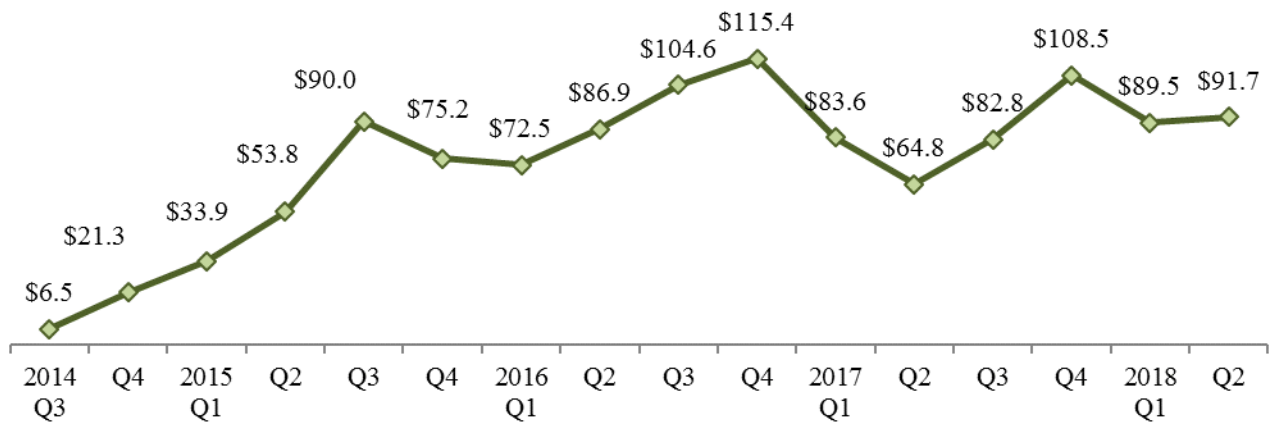


Source: Automated Export System, July 20, 2018

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

July 1, 2014 to June 30, 2018

\$million



Source: Automated Export System, July 20, 2018

**The Third USML to CCL Regulatory Change-Missiles and Explosives
 Top 15 Destinations of U.S. Exports under BIS Jurisdiction by Value**

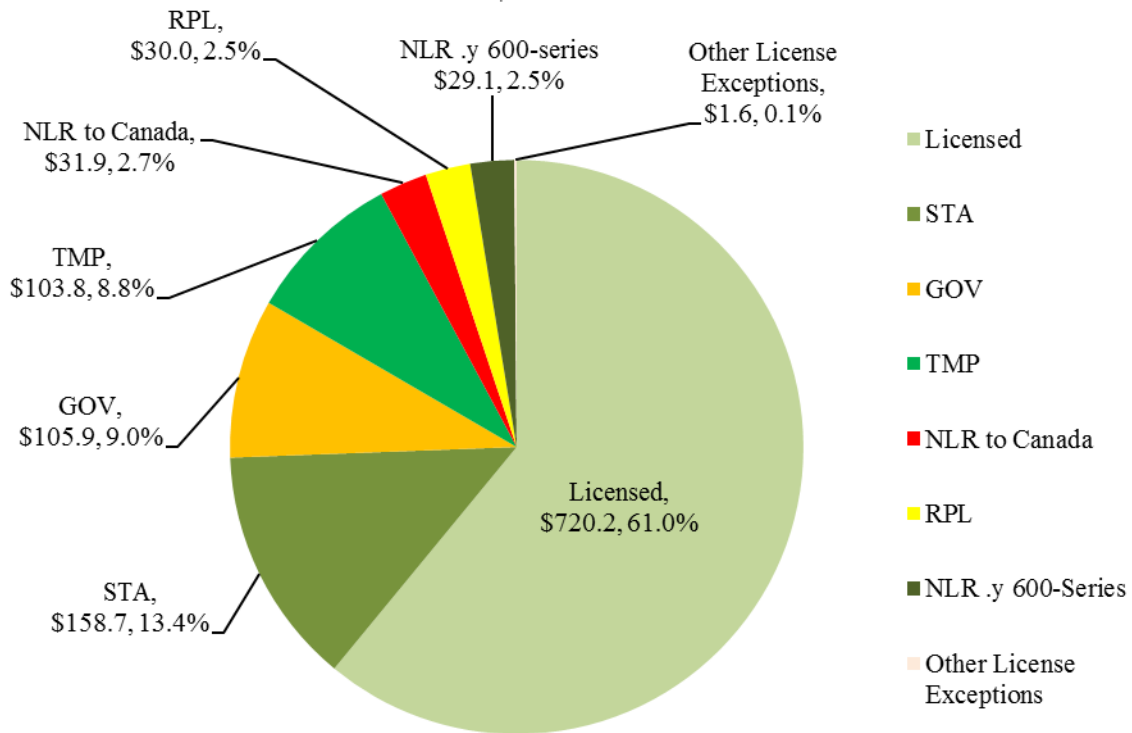
July 1, 2014 to June 30, 2018

Country	Shipment Count	% of Total Shipment Count	Value \$million	% of Total Value
Japan	1,743	8.7%	\$207.5	17.6%
United Kingdom	2,795	14.0%	\$153.4	13.0%
Mexico	2,426	12.1%	\$109.4	9.3%
Australia	706	3.5%	\$86.2	7.3%
Israel	944	4.7%	\$78.2	6.6%
Germany	1,664	8.3%	\$73.1	6.2%
Turkey	234	1.2%	\$63.7	5.4%
United Arab Emirates	237	1.2%	\$63.0	5.3%
Saudi Arabia	273	1.4%	\$44.3	3.8%
South Korea	507	2.5%	\$42.6	3.6%
Canada	2,044	10.2%	\$33.0	2.8%
Netherlands	291	1.5%	\$19.6	1.7%
Italy	198	1.0%	\$18.2	1.5%
Greece	186	0.9%	\$16.7	1.4%
Belgium	52	0.3%	\$14.1	1.2%
Top 15 Total	14,300		\$1,023.1	
Top 15 Total/ Grand Total		71.4%		86.6%
Grand Total	20,021		\$1,181.1	

Source: Automated Export System, July 20, 2018

Of the \$1.2 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 June 30, 2018, licensed exports totaled \$720.2 million (61.0% of the total); Strategic Trade Authorization (STA) totaled \$158.7 million (13.4%); and Governments, international organizations, international inspections under the Chemical Weapons Convention and the International Space Station (GOV) totaled \$105.9 million (9.0%).

**U.S. Exports under the Third USML to CCL Regulatory Change
 Missiles and Explosives
 by BIS License Type
 July 1, 2014 to June 30, 2018
 \$million**



Source: Automated Export System, July 20, 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