

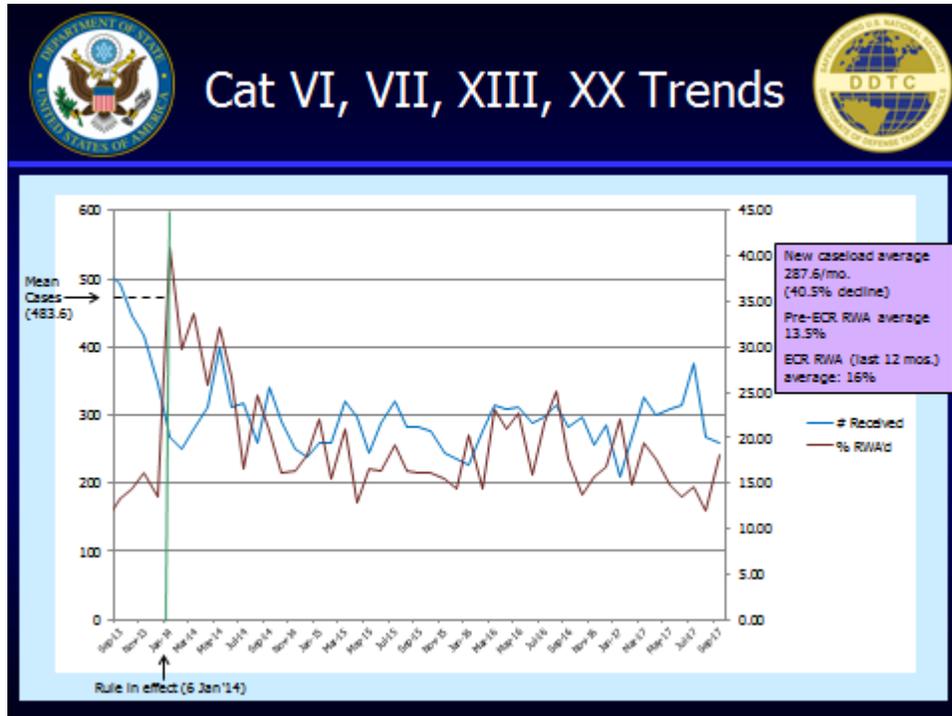
License Applications and Exports

The Second USML to CCL Regulatory Change

Vehicles and Vessels

October 15, 2013 to September 30, 2017

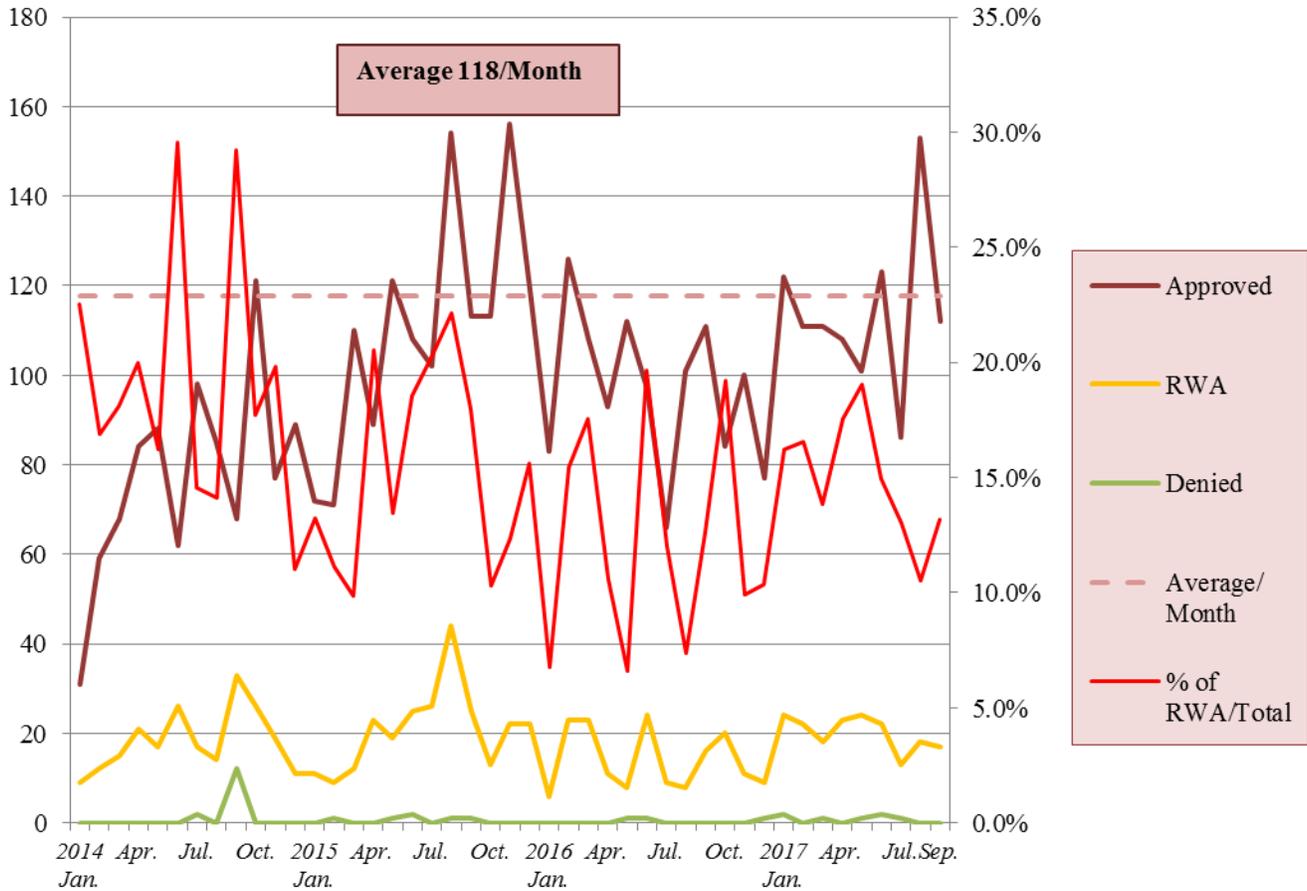
The license applications for items in categories VI (Vessels), VII (Vehicles), XIII (Auxiliary Military Equipment) and XX (Submersible Vessels) of the United States Munitions List (USML) have declined 40.5% from an average of 484 to 288 per month through September 30, 2017. The average monthly drop of 196 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, October 2017

Since the second USML to CCL regulatory change became effective on January 6, 2014, the average number of BIS license applications for the nineteen 600-Series items created by this rule is 118 per month through September 30, 2017. The approval rate is 83.9%.

BIS License Processing for the Second USML to CCL Regulatory Change
 January 6, 2014 to September 30, 2017

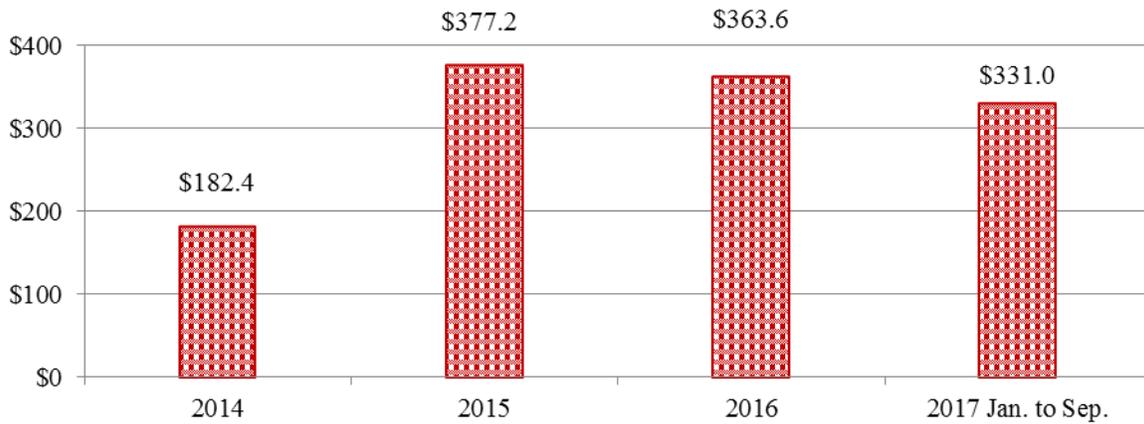


Source: Commerce U.S. Exports Exporter Support System, October 2017

From January 6, 2014 to September 30, 2017, U.S. exports of items in the second USML to CCL regulatory change – Vehicles and Vessels items (0y606, 8y609, 8y620 and 0y617) under BIS jurisdiction totaled 30,473 shipments for \$1.3 billion.

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

January 6, 2014 to September 30, 2017
 \$million



Source: Automated Export System, October 2017

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

January 6, 2014 to September 30, 2017
 \$million

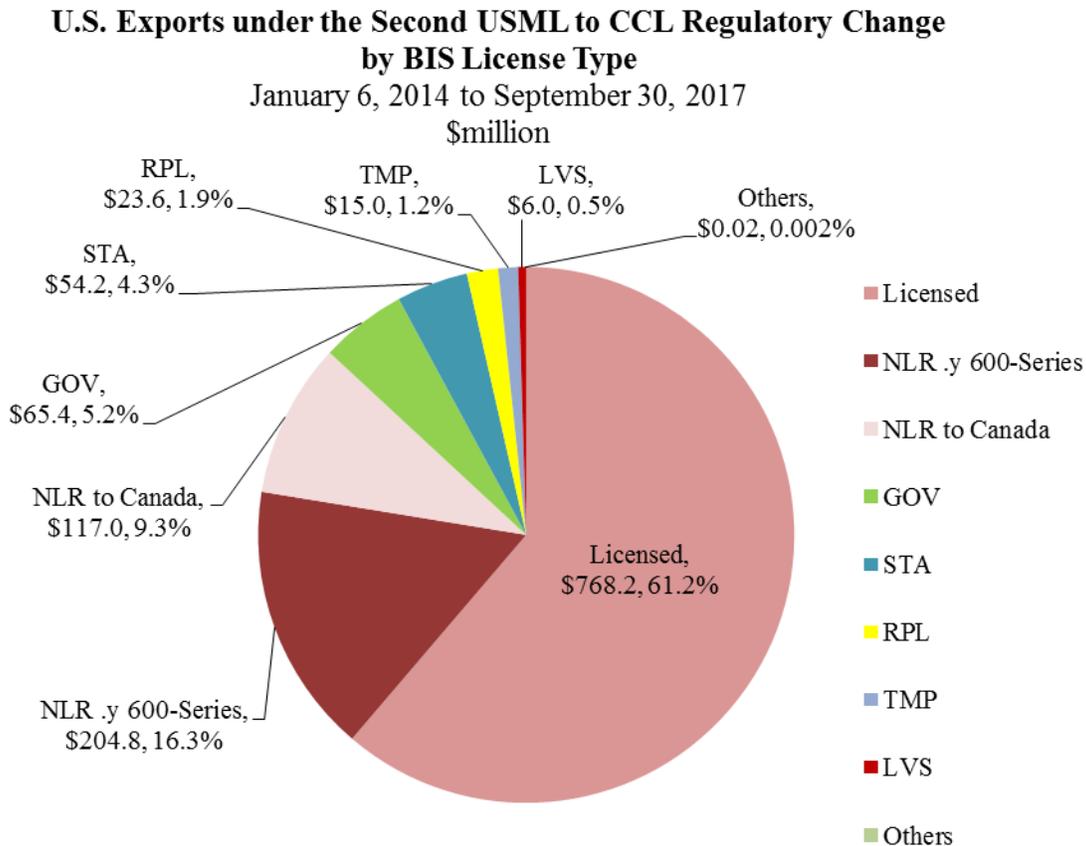


Source: Automated Export System, October 2017

The Second USML to CCL Regulatory Change
Top 15 Destinations of U.S. Exports under BIS Jurisdiction by Value
 January 6, 2014 to September 30, 2017

Country	Shipment Count	% of Total Shipment Count	Value \$million	% of Total Value
Israel	2,777	9.1%	\$186.4	18.2%
South Korea	4,659	15.3%	\$176.3	12.6%
Canada	5,660	18.6%	\$155.2	9.3%
Iraq	120	0.4%	\$97.8	8.2%
Turkey	587	1.9%	\$61.8	3.7%
United Kingdom	5,144	16.9%	\$51.4	3.7%
Saudi Arabia	485	1.6%	\$47.7	3.4%
Japan	3,083	10.1%	\$46.1	3.4%
United Arab Emirates	392	1.3%	\$45.9	3.2%
Australia	793	2.6%	\$43.0	2.9%
Germany	1,069	3.5%	\$38.8	2.7%
Kuwait	306	1.00%	\$36.4	2.4%
Belgium	157	0.5%	\$26.8	1.8%
Tunisia	9	0.0%	\$25.2	1.6%
Afghanistan	237	0.8%	\$19.8	1.5%
Top 15 Total	25,478		\$1,058.6	
Top 15 Total/ Grand Total		83.6%		84.4%
Grand Total	30,473		\$1,254.3	
Source: Automated Export System, October 2017				

Of the \$1.3 billion in U.S. exports of 600-series items in the second USML to CCL regulatory change under BIS jurisdiction from January 6, 2014 to September 30, 2017, licensed exports totaled \$768.2 million (61.2% of the total); No License Required (NLR) for .y 600-series items totaled \$204.8 million (16.3%); and NLR for 600-series items to Canada totaled \$117.0 million (9.3 %).



Source: Automated Export System, October 2017

BIS License Exceptions:

NLR: No License Required

GOV: Governments, international organizations, international inspections under the Chemical Weapons Convention and the International Space Station

STA: Strategic Trade Authorization

RPL: Servicing and replacement of parts and equipment

TMP: Temporary imports, exports, reexports, and transfers (in-country)

LVS: Shipments of limited value

