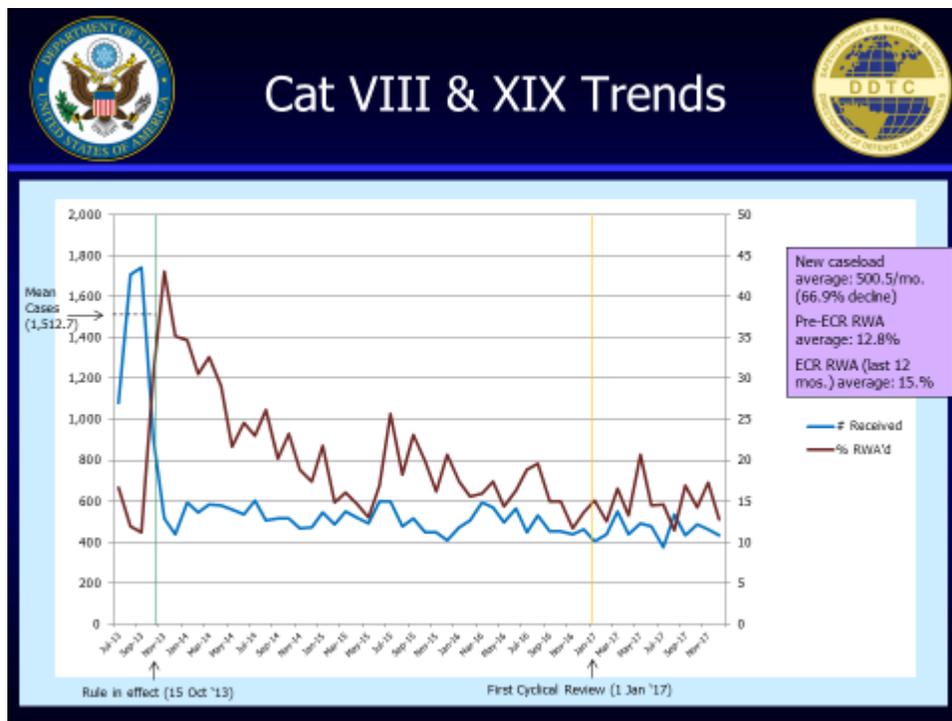


License Applications and Exports

The First USML to CCL Regulatory Change Aircraft and Gas Turbine Engines

October 15, 2013 to December 31, 2017

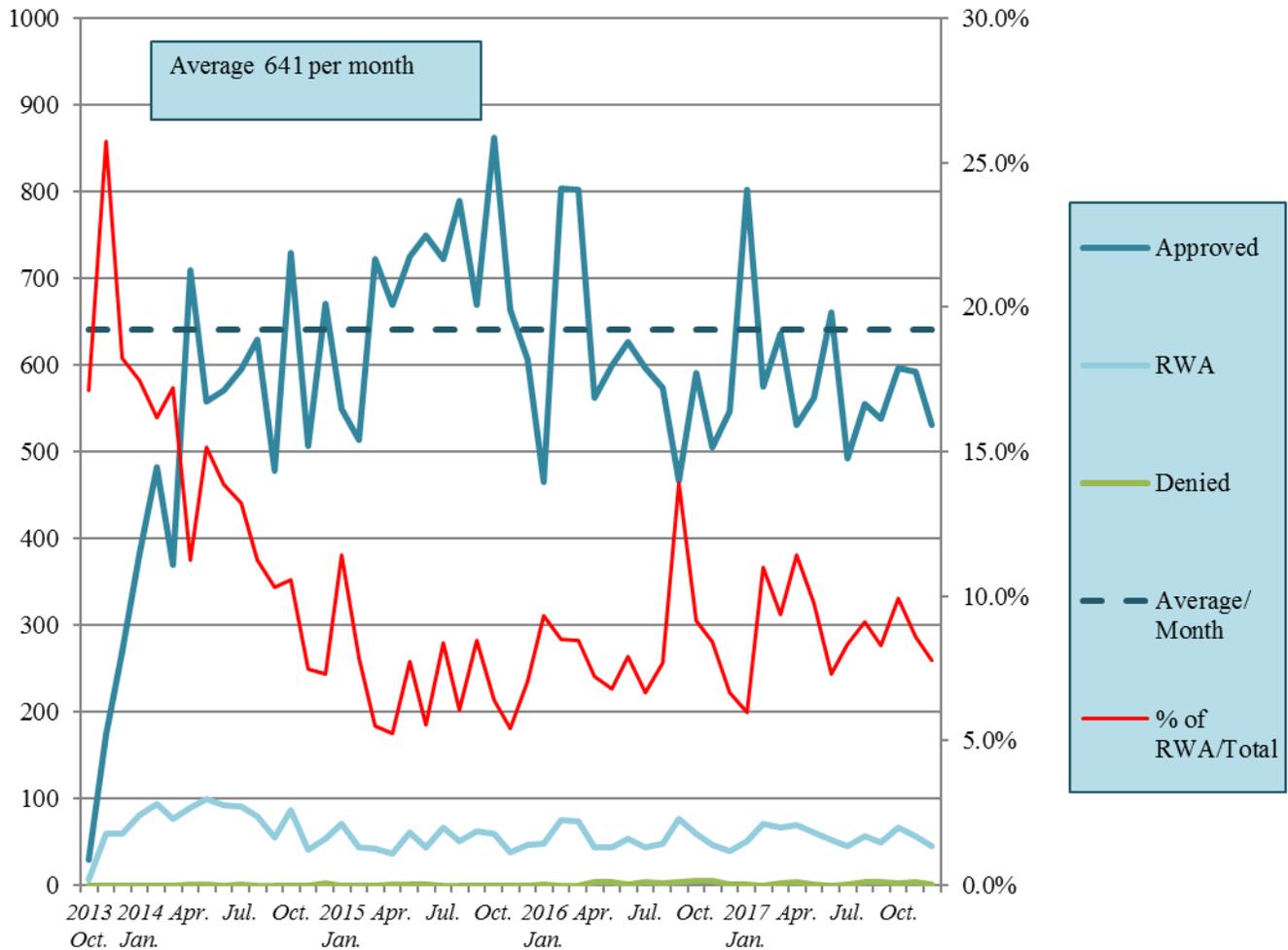
The license applications for items in categories VIII (Aircraft) and XIX (Gas Turbine Engines) of the United States Munitions List (USML) have declined 66.9% from an average of 1,513 to 501 per month through December 31, 2017. The average monthly drop of 1,012 in license applications is the result of certain items transitioning to the Commerce Control List (CCL).



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

Since the first USML to CCL regulatory change became effective on October 15, 2013, the average number of BIS processed licenses for the ten 600-Series items created by this rule is 641 per month through December 31, 2017. The approval rate is 90.6%.

BIS License Processing for the First USML to CCL Regulatory Change
 October 15, 2013 to December 31, 2017

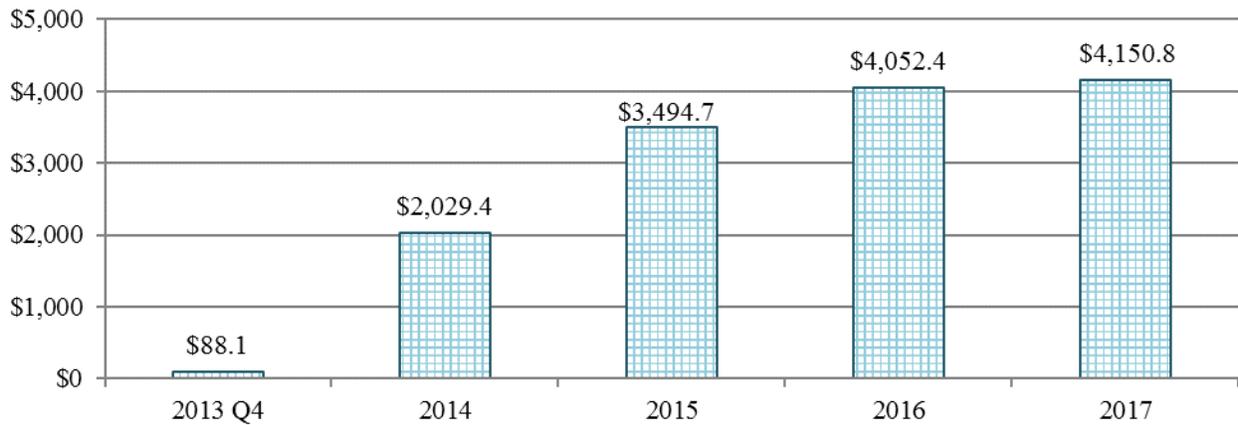


Source: Commerce U.S. Exports Exporter Support System, January 8, 2018

From October 15, 2013 to December 31, 2017, U.S. exports of items under the first USML to CCL regulatory change – Aircraft and Gas Turbine Engines items (9x610 and 9y619) under BIS jurisdiction totaled 262,341 shipments for \$13.8 billion.

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

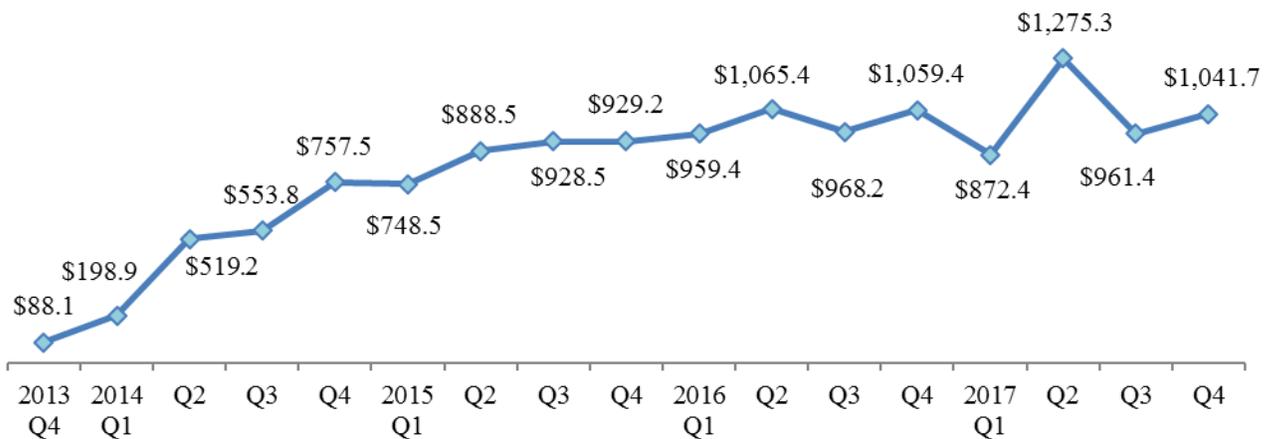
October 15, 2013 to December 31, 2017
 \$million



Source: Automated Export System, January 2018

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

October 15, 2013 to December 31, 2017
 \$million



Source: Automated Export System, January 2018

**The First USML to CCL Regulatory Change-Aircraft and Gas Turbines
 Top 15 Destinations of U.S. Exports under BIS Jurisdiction by Value**

October 15, 2013 to December 31, 2017

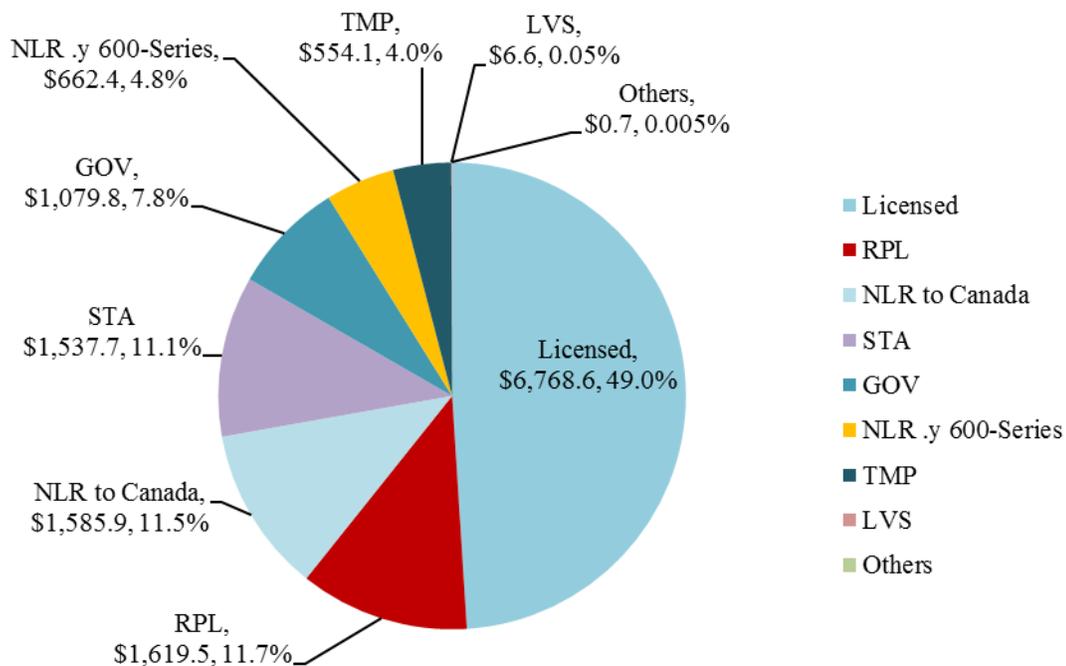
| Country | Shipment Count | % of Total Shipment Count | Value \$million | % of Total Value |
|--------------------------------------|----------------|---------------------------|-------------------|------------------|
| Japan | 22,946 | 8.7% | \$2,339.6 | 16.9% |
| Canada | 20,081 | 7.7% | \$1,718.4 | 12.4% |
| United Kingdom | 27,730 | 10.6% | \$1,529.7 | 11.1% |
| South Korea | 18,517 | 7.1% | \$1,052.3 | 7.6% |
| Germany | 10,219 | 3.9% | \$500.1 | 3.6% |
| Italy | 8,487 | 3.2% | \$498.6 | 3.6% |
| Israel | 9,766 | 3.7% | \$498.0 | 3.6% |
| United Arab Emirates | 12,149 | 4.6% | \$445.0 | 3.2% |
| Singapore | 13,658 | 5.2% | \$409.4 | 3.0% |
| Spain | 8,032 | 3.1% | \$390.4 | 2.8% |
| Taiwan | 7,673 | 2.9% | \$379.3 | 2.7% |
| Saudi Arabia | 4,569 | 1.7% | \$310.3 | 2.2% |
| Poland | 6,085 | 2.3% | \$239.4 | 1.7% |
| Australia | 8,552 | 3.3% | \$236.5 | 1.7% |
| France | 6,728 | 2.6% | \$195.6 | 1.4% |
| Top 15 Total | 185,192 | | \$10,742.6 | |
| Top 15 Total/ Grand Total | | 70.6% | | 77.8% |
| Grand Total | 262,341 | | \$13,815.3 | |

Source: Automated Export System, January 2018

Of the \$13.8 billion in U.S. exports of 600-series items in the first USML to CCL regulatory change under BIS jurisdiction from October 15, 2013 to December 31, 2017, licensed exports totaled \$6.8 billion (49.0% of the total); Servicing and replacement of parts and equipment totaled \$1.6 billion (11.7%) and No License Required to Canada totaled \$1.6 billion (11.5%).

**U.S. Exports under the First USML to CCL Regulatory Change
 by BIS License Type**

October 15, 2013 to December 31, 2017
 \$million



Source: Automated Export System, January 2018

BIS License Exceptions:

RPL: Servicing and replacement of parts and equipment

NLR: No License Required

STA: Strategic Trade Authorization

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

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

LVS: Shipments of limited value