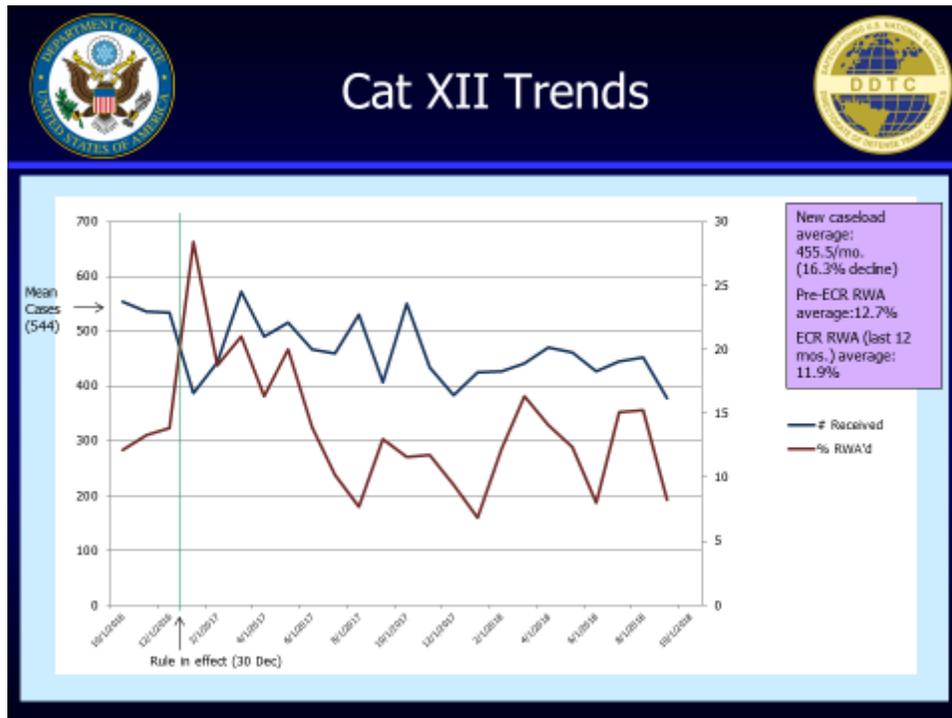


License Applications and Exports

The Seventh USML to CCL Regulatory Change Fire Control

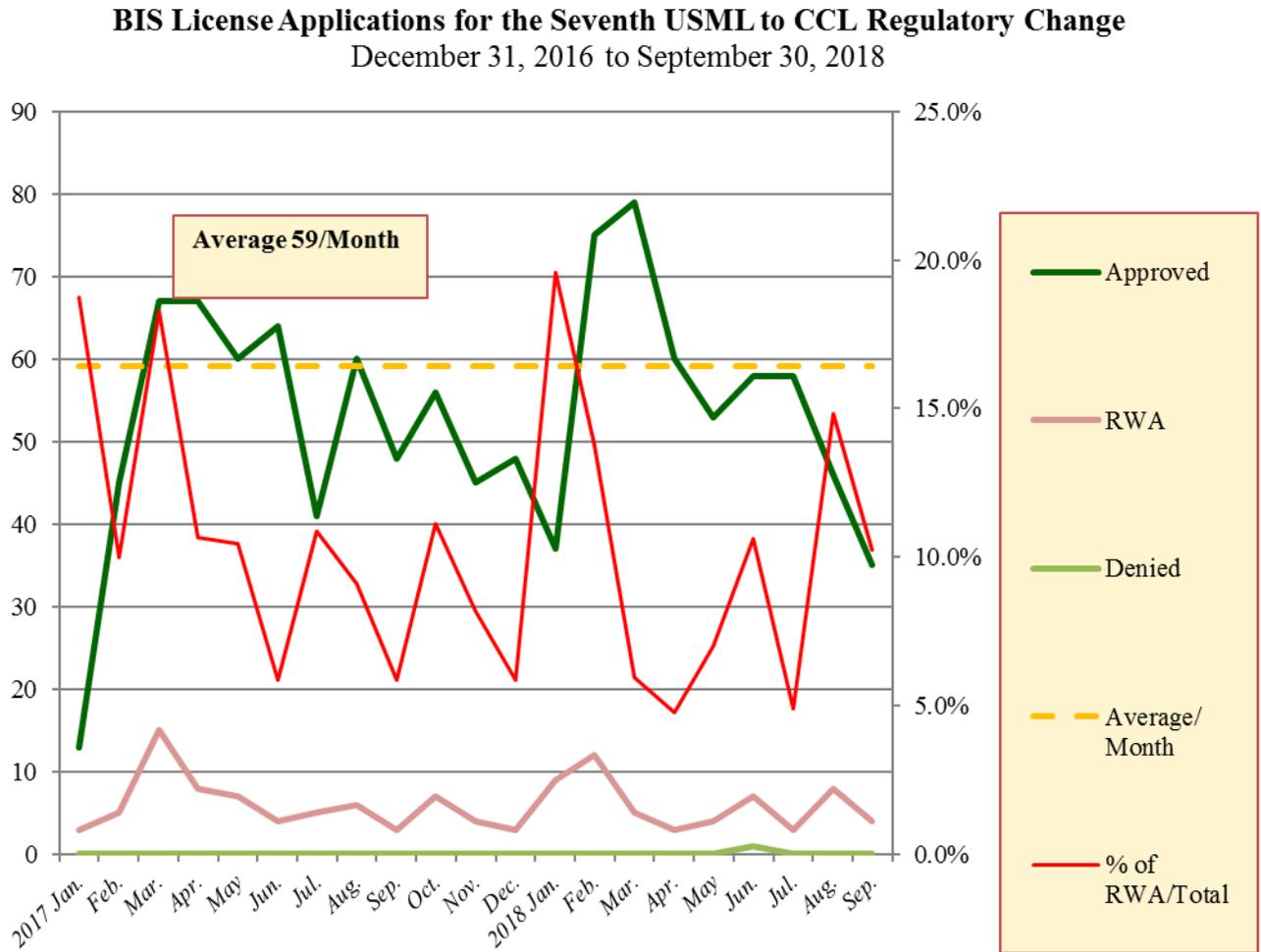
December 31, 2016 to September 30, 2018

The license applications for items in category XII – Fire Control, Laser, Imaging, and Guidance Equipment of the United States Munitions List (USML) have decreased 16.3% from an average of 544 to 456 per month through September 30, 2018. The average monthly drop of 88 license applications is the result of certain items transitioning to the Commerce Control List (CCL) under USML to CCL Transition Rule Seven effective on December 31, 2016.



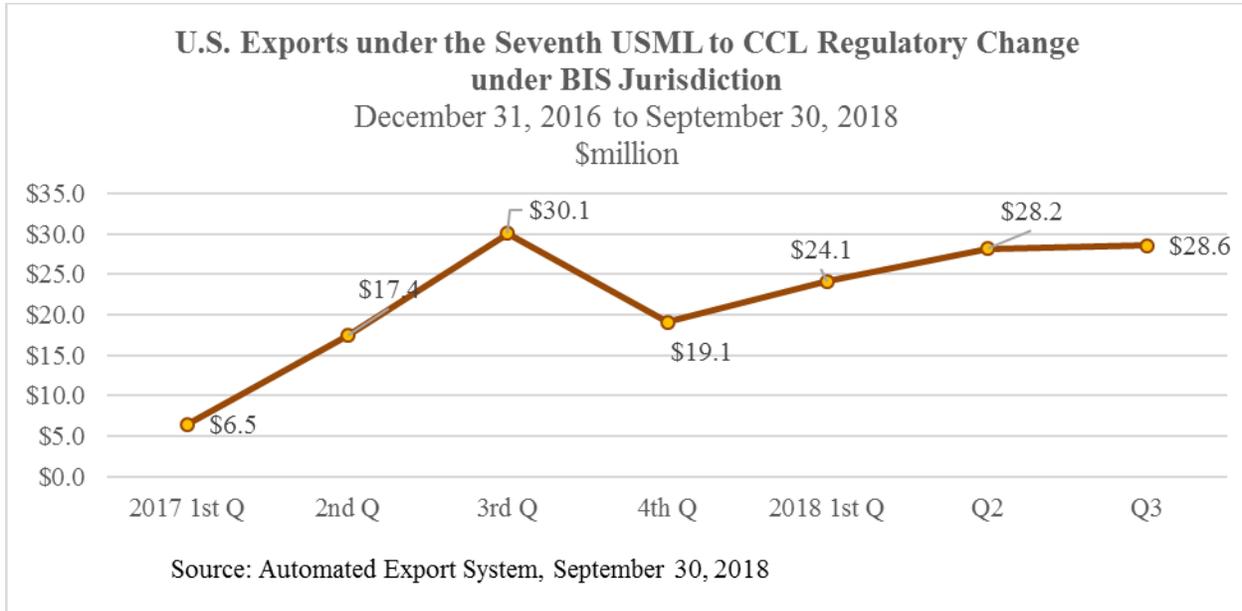
Source: The Directorate of Defense Trade Controls of the U.S. Department of State, October 26, 2018

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 59 per month through September 30, 2018. The approval rate is 89.8%.



Source: Commerce U.S. Exports Exporter Support System, October 3, 2018

From the effective date of December 31, 2016 to September 30, 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 3,360 shipments for \$154.0 million.

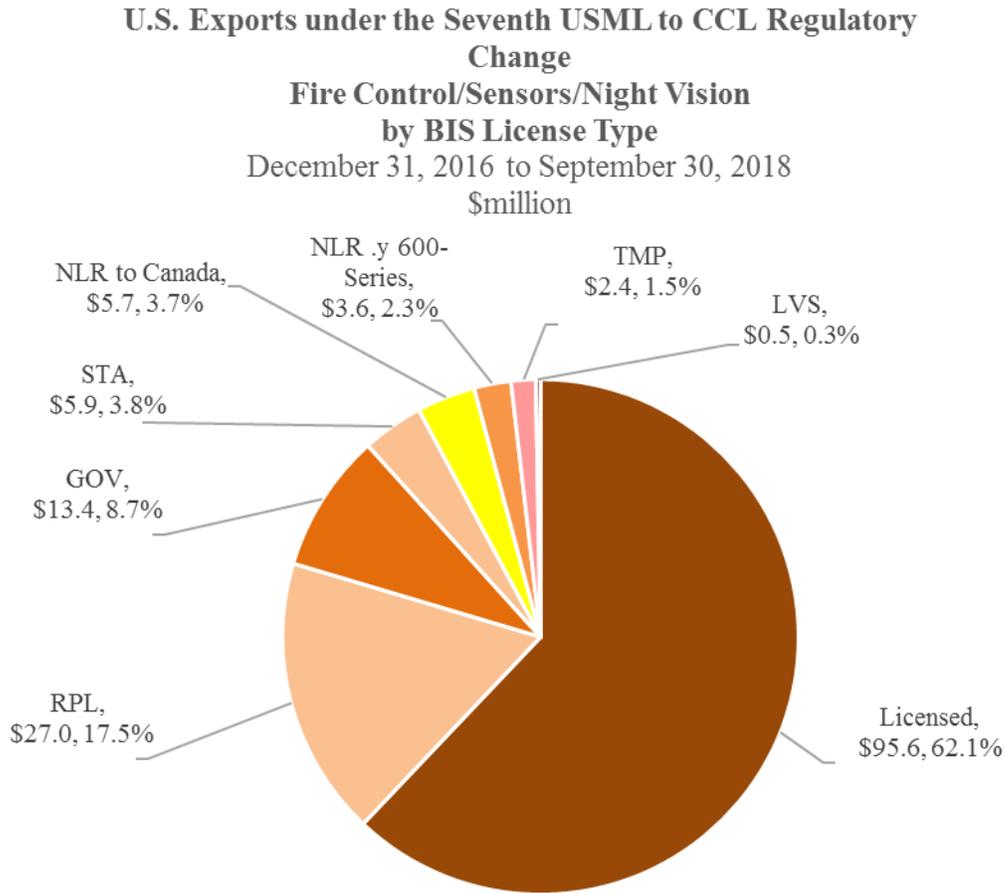


**The Seventh USML to CCL Regulatory Change - Fire Control
 Top 10 Destinations of U.S. Exports under BIS Jurisdiction by Value**
 December 31, 2016 to September 30, 2018

Country	Shipment Count	% of Total Shipment Count	Value \$million	% of Total Value
Japan	200	6.0%	\$42.0	27.3%
United Kingdom	682	20.3%	\$18.7	12.1%
South Korea	300	8.9%	\$11.2	7.3%
France	108	3.2%	\$7.4	4.8%
United Arab Emirates	123	3.7%	\$7.3	4.8%
Canada	312	9.3%	\$6.6	4.3%
Australia	155	4.6%	\$5.9	3.8%
Saudi Arabia	80	2.4%	\$5.4	3.5%
Israel	118	3.5%	\$5.0	3.2%
Germany	152	4.5%	\$4.5	2.9%
Top 10 Total/ Grand Total	2,230	66.4%	\$113.9	74.0%
Grand Total	3,360		\$154.0	

Source: Automated Export System, November 9, 2018

Of the \$154.0 million in U.S. exports of 600-series items in the sixth USML to CCL regulatory change under BIS jurisdiction from December 30, 2014 to September 30, 2018, licensed exports totaled \$95.6 million (62.1% of the total); Servicing and replacement of parts and equipment totaled \$27.0 million (17.5%); and Governments and international organizations totaled \$13.4 million (8.7%).



Source: Automated Export System, November 9, 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

STA: Strategic Trade Authorization

NLR: No License Required

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