



Direct Commercial Sales and Export Control Reform

Munitions Executive Summit

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USML Categories

III: Ammunition/Ordnance

- CY 2012: \$835.6 million

IV: Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs and Mines

- CY 2012: \$1,513.7 million

V: Explosive and Energetic Materials, Propellants, Incendiary Agents and Their Constituents

- CY 2012: \$87.6 million

EXPORT CONTROL REFORM



USML Categories IV and V published as final rule on January 2, 2014.

Will go into effect on July 1, 2014.

Category III?

Revised USML Cat IV

Revised rule transfers to Commerce licensing jurisdiction:

- Demolition blocks and detonators (ECCN 0A604.a)
- Military explosive excavating devices (ECCN 0A604.b)

Category IV(b) (launch vehicles, missile and anti-missile systems) revised to include 12 subcategories (specificity)

Same for IV(d) (missile and space launch vehicle powerplants)

Category IV(d) (ablative materials) moved to Category XIII(d)

Revisions to USML Category V



Revised rule transfers to Commerce licensing jurisdiction:

- Spherical aluminum powder (ECCN 1C111.a.1) – not 600 series
- Hydrazine and its derivatives (ECCN 1C608)

Deletes catch-all language (“any other explosive not elsewhere identified ... specifically designed... for military application”)

- Adds Tetazines, LAX-112, and PNO

Commerce rule controls (ECCN 1C608.n) any explosives, propellants, oxidizers, pyrotechnics, fuels, binders, or additives that are “specially designed” for military application and not listed in USML Category V or elsewhere on the USML.

Commerce 600 Series

- Items removed from USML
- Commerce license required for all destinations
- BUT some new license exemptions apply
 - Most important: Strategic Trade Authorization (STA)
 - For governments of 36 friendly countries and their suppliers
 - Record keeping and certification required.

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