



Defense Security Cooperation Agency
NEWS RELEASE

On the web: <http://www.dsca.mil>

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Australia – AEGIS Weapons Systems

On 23 May 2005, the Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Australia of three MK 7 AEGIS Weapons Systems as well as associated equipment and services. The total value, if all options are exercised, could be as high as \$350 million.

The Government of Australia has requested a possible sale of three MK 7 AEGIS Weapons Systems, support equipment, testing, computer programs and maintenance support, ship integration, spare and repair parts, supply support, publications and technical data, training, U.S. Government and contractor technical assistance, and other related elements of logistics support. The estimated cost is \$350 million.

Australia is an important ally in the Western Pacific. The strategic location of this political and economic power significantly contributes to ensuring peace and economic stability in the region. It is vital to the U.S. national interest to assist the Royal Australian Navy (RAN) in modernizing its surface combatant fleet so as to maintain a strong and ready self-defense capability and contribute to an acceptable military balance in the area. This procurement also aids in maintaining the U.S. Navy (USN) production base and will improve interoperability between RAN and USN forces. This proposed sale is consistent with those objectives, and facilitates burden sharing with our allies.

The proposed sale of AEGIS Weapons Systems to Australia will contribute to U.S. security objectives by providing a coalition partner with significantly improved Air Warfare capability. This will improve the RAN's ability to participate in coalition operations, provides common logistical support with the USN, and enhances the lethality of its Air Warfare Destroyer platform. The RAN can easily integrate the capabilities of the AEGIS Weapons Systems into their concept of operations. Australia will have no difficulty absorbing these systems into its armed forces.

The proposed sale of this equipment and support will not affect the basic military balance in the region.

The principal contractors will be:

Lockheed-Martin Maritime System and Sensors	Moorestown, New Jersey
Raytheon Company, Equipment Division	Andover, Massachusetts
General Dynamics, Armament Systems	Burlington, Vermont
Lockheed Martin Maritime Systems and Sensors	Eagan, Minnesota

There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of up to three U.S. Government and contractor representatives to Australia.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

This notice of a potential sale is required by law; it does not mean that the sale has been concluded.