



Defense Security Cooperation Agency
NEWS RELEASE

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Australia - AEGIS Combat System Components for Air Warfare Destroyer Program

WASHINGTON, May 5, 2008 – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Australia of AEGIS Combat System components as well as associated equipment and services. The total value, if all options are exercised, could be as high as \$450 million.

The Government of Australia requested a possible sale of the AEGIS Combat System and select combat system and communication components consisting of 3 AN/SPQ-9B Horizon Search Radars, 3 Cooperative Engagement Capability Systems, 3 Naval Fire Control Systems, 3 Multi-Functional Information Distribution Systems, AN/SLQ-25A Nixie Countermeasure Suite, MK160 Gun Computer System, AIMS MK XII Identification Friend or Foe (IFF) for the Air Warfare Destroyer platform, communication and information distribution systems, U.S. Government and contractor engineering and logistics personnel services, personnel training and training equipment, support and test equipment, spare and repair parts, publications and technical documentation, and other related elements of logistics support. The estimated cost is \$450 million.

Australia is one of our most important allies in the Western Pacific. The strategic location of this political and economic power contributes significantly to ensuring peace and economic stability in the region. Australia's efforts in peacekeeping and humanitarian operations in Iraq and in Afghanistan have had a significant impact on regional political and economic stability and have served U.S. national security interests. This proposed sale is consistent with those objectives and facilitates burden sharing with our allies.

The proposed sale of the AEGIS Combat System and components to Australia will contribute to U.S. security objectives by providing a coalition partner with significantly improved Air Warfare capability. This will improve the Royal Australian Navy's ability to participate in coalition operations, will enhance the lethality of its Air Warfare Destroyer platform, and will provide common logistical support with the U.S. Navy. The Royal Australian Navy can easily integrate the capabilities of the AEGIS Weapons Systems into its 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 Systems and Sensors (two locations)	Moorestown, New Jersey Eagan, Minnesota
Raytheon Systems Company	St. Petersburg, Florida
Northrop Grumman Corporation	Melville, New York

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

Implementation of this proposed sale will require the assignment of three contractor representatives in Australia for approximately 3 months during the preparation, equipment installations, and equipment test and checkout of Cooperative Engagement Capability systems and the AN/SPQ-9B radar.

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.