



Defense Security Cooperation Agency  
**NEWS RELEASE**

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## **Australia – MK 41 Vertical Launch Systems**

Washington, July 14, 2006 - The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Australia of MK 41 Vertical Launch Systems as well as associated equipment and services. The total value, if all options are exercised, could be as high as \$1 billion.

The Government of Australia requested a possible sale of up to three (3) MK 41 Vertical Launch System Baseline VII ship sets (includes 24 modules), modification of up to three (3) MK 7 AEGIS Weapon 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, launch system software development and maintenance and other related elements of logistics support. The estimated cost is \$1 billion.

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 operations Iraqi and Enduring Freedom peacekeeping and humanitarian operations have made a significant impact to 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 Vertical Launcher Systems and modification of the 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 Royal Australian Navy's ability to participate in coalition operations, will provide common logistical support with the U.S. Navy, and will enhance the lethality of its Air Warfare Destroyer platform. The Royal Australian Navy 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 Systems and Sensors  
(two locations)  
Raytheon Corporation, Equipment Division  
General Dynamics, Armament Systems

Moorestown, New Jersey  
Eagan, Minnesota  
Andover, Massachusetts  
Burlington, Vermont

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 36 months during the preparation, equipment installations, and equipment test and checkout of the MK 41 Vertical Launch Systems on the ships.

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.