



Defense Security Cooperation Agency  
**NEWS RELEASE**

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Korea – SM-2 BLOCK IIIB STANDARD Missiles

WASHINGTON, June 26, 2006-- The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to the South Korean Government of 48 SM-2 Block IIIB Tactical STANDARD missiles as well as associated equipment and services. The total value, if all options are exercised, could be as high as \$111 million.

The Government of Korea has requested a possible sale of 48 SM-2 Block IIIB Tactical STANDARD missiles with Mk 13 Mod 0 canisters, containers, Intermediate-Level Maintenance spares and repair parts, supply support, personnel training and training equipment, publications and technical data, U.S. Government and contractor technical assistance and other related elements of logistics support. The estimated cost is \$111 million.

The Government of Korea is one of the major political and economic powers in East Asia and the Western Pacific and a key partner of the United States in ensuring peace and stability in that region. It is vital to the U.S. national interest to assist our ally in developing and maintaining a strong and ready self-defense capability, which will contribute to an acceptable military balance in the area. This proposed sale is consistent with those objectives. No foreign policy or military developments affect this proposed sale.

Korea will use these missiles as the primary defensive system aboard its new KDX-III AEGIS destroyer for anti-missile ship protection. Korea has already integrated the SM-2 Block IIIA into its ship combat systems. It will have no difficulty absorbing these additional missiles into its armed forces.

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

The prime contractor will be Raytheon Systems Company of Tucson, Arizona. Offset agreements associated with this proposed sale are expected, but at this time the specific offset agreements are undetermined and will be defined in negotiations between the purchaser and contractors.

Implementation of this proposed sale will require the assignment of U.S. Government or contractor representatives for six months to assist in the installation, testing, training, and support requirements.

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.