



Defense Security Cooperation Agency  
**NEWS RELEASE**

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pm-cpa@state.gov

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## **Australia –SM-2 Block IIIB STANDARD Missiles**

WASHINGTON, May 31, 2016 - The State Department has made a determination approving a possible Foreign Military Sale to Australia for SM-2 Block IIIB STANDARD missiles, equipment, and support. The estimated cost is \$301 million. The Defense Security Cooperation Agency delivered the required certification notifying Congress of this possible sale on May 27, 2016.

The Government of Australia requested a possible sale of:

Major Defense Equipment (MDE):

Up to eighty (80) STANDARD Missile, SM-2 Block IIIB Vertical Launching Tactical All-Up Rounds, RIM-66M-09

Up to fifteen (15) MK 97 SM-2 Block IIIB Guidance Sections (GSs)

This request also includes the following Non-MDE: MK 13 MOD 0 Vertical Launching System Canisters, operator manuals and technical documentation, U.S. Government and contractor engineering, technical and logistics support services.

The total estimated value of MDE is \$216 million. The total overall estimated value is \$301 million.

Australia is one of the major political and economic powers in Southeast Asia, a key democratic partner of the United States in ensuring regional peace and stability, a close coalition ally in major/lesser regional contingency operations, and a close cooperative and international exchange agreement partner. It is vital to U.S. national interests that Australia develops and maintains a strong and ready self-defense capability. This sale is consistent with U.S. regional objectives.

The SM-2 Block IIIB missiles proposed in this purchase will be used for anti-air warfare test firings during Combat Systems Ship Qualification Trials for the Royal Australian Navy's three new Air Warfare Destroyers (AWD) currently under construction. The SM-2 Block IIIB missiles, combined with the Aegis combat systems in the AWDs, will provide significantly enhanced area defense capabilities over critical South East Asian air-and-sea-lines of communication. Australia has already integrated the SM-2 Block IIIA into its Perry-class FFGs and recently upgraded its Intermediate-Level Maintenance Depot at Defense Establishment Orchard Hills with new guided missile test equipment capable of maintaining the SM-2 All-Up Round. Australia will have no difficulty absorbing these new missiles.

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

The principal contractors will be Raytheon Missile Systems Company, Tucson, Arizona; Raytheon Company, Camden, Arkansas; and BAE of Minneapolis and Aberdeen, South Dakota. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this sale will not require the assignment of any U.S. or 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 and does not mean the sale has been concluded.

All questions regarding this proposed Foreign Military Sale should be directed to the State Department's Bureau of Political Military Affairs, Office of Congressional and Public Affairs, [pm-cpa@state.gov](mailto:pm-cpa@state.gov).