

Defense Security Cooperation Agency NEWS RELEASE

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Media/Public Contact: (703) 601-3859

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Australia - M777A2 155MM Light-Weight Howitzers

WASHINGTON, July 17, 2008 – The Defense Security Cooperation Agency notified Congress of a possible Foreign Military Sale to Australia of M777A2 155MM Light-Weight Howitzers as well as associated equipment and services. The total value, if all options are exercised, could be as high as \$248 million.

The Government of Australia has requested a possible sale of 57 M777A2 155MM Light-Weight Howitzers, 57 AN/VRC-91F Single Channel Ground and Airborne Radio Systems (SINCGARS), integration, spare and repair parts, support and test equipment, publications and technical documentation, maintenance, personnel training and training equipment, U.S. Government and contractor engineering and logistics support services, and other related elements of logistics support. The estimated cost is \$248 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.

This proposed sale would greatly contribute to Australia's military capability by making it a more sustainable coalition force to support the Global War on Terror. Australia will use these new M777A2 155MM Howitzers to protect its deployed troops, and give them the ability to operate in hazardous conditions. Australia currently operates the 100MM Hamel Howitzer and the 155MM M198 Howitzer and will have no difficulty absorbing these howitzers into its armed forces.

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

The prime contractors will be: BAE Land Systems in Hattiesburg, Mississippi, and ITT in Fort Wayne, Indiana. There are no known offset agreements proposed in connection with this potential sale.

The proposed sale requires engineering technical support for approximately two U.S. government representatives and five contractor representatives for one year.

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.