

Passage of priority AUKUS submarine and export control exemption legislation by the United States Congress



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Today the US Congress passed the 2024 *National Defense Authorization Act* (NDAA), which includes substantial enabling provisions for Australia's AUKUS nuclear-powered submarine program.

The NDAA will also establish a national exemption for Australia and the United Kingdom from US defence export control licensing, and adds Australia and the United Kingdom to the US Defense Production Act.

Specifically, the NDAA will:

Authorise the transfer of three Virginia class submarines to Australia, including two in-service submarines and one off
the production line. This significant contribution is vital to the pathway and will ensure there is no gap in Australia's critical



submarine capability in the lead up to delivering Australian-built SSN-AUKUS from the early 2040s. Australia will retain the option to seek congressional approval for purchase of up to two more Virginia class submarines.

- Authorise the maintenance of US submarines by Australians in Australia. This is a key component of the pathway, which includes increased port visits by UK and US nuclear-powered submarines, and will lead to a rotational presence from as early as 2027 under Submarine Rotational Force West (SRF-West). The most complex maintenance activity on a US nuclear-powered submarine in Australia to date is planned at HMAS Stirling in the second half of 2024.
- Authorise Australian contractors to train in US shipyards to support the development of Australia's submarine industrial base. Australian industry workers, alongside APS and ADF personnel, will benefit from unprecedented opportunities to enhance their skills and qualifications in US shipyards.
- Establish a mechanism for the US to accept funds from Australia to lift the capacity of the submarine industrial **base**. Australia is committed to making a fair and proportionate investment in the US submarine industrial base to help us get boats in the water faster. This will lift US capacity to deliver Virginia class submarines to Australia as soon as possible. This investment will also complement Australia's significant investment in our domestic submarine industrial base.
- Includea national exemption from US export control licencing requirements. This will be complemented by the Defence Trade Controls Amendment Bill 2023, introduced into the Australian Parliament by the Albanese Government on 30 November 2023, and will allow the transfer of controlled goods and technology between Australia, the United Kingdom, and the United States without the need for an export licence. This is a significant step forward for Australian Defence Industry.
- Directs expedited decision-making for Foreign Military Sales and exports not covered by the national exemption. This includes a pre-clearance list and expedited decision process for Foreign Military Sales and a maximum of 45 days for a decision on exports not covered by the national exemption. This will expedite the delivery of critical defence capability.
- Adds Australia and the United Kingdom to Title III of the US Defense Production Act. This Act allows the US Government to incentivise its industrial base to expand the production and supply of critical materials and goods. Australia's addition will open new opportunities for Australian based industry to directly compete for business with the US Government.

The Albanese Government welcomes the significant and tangible steps the US Congress and the Biden Administration have taken to deliver on its commitment to both Pillar I and Pillar II of AUKUS.

The NDAA will see the transfer of Virginia Class Submarines to Australia- the first time in the US' history- and will streamline the flow of defence trade between AUKUS partners.

Quotes attributable to Deputy Prime Minister, Richard Marles:

"The US Congress has provided unprecedented support to Australia in passing the National Defense Authorization Act which will see the transfer of submarines and streamlined export control provisions, symbolising the strength of our Alliance, and our shared commitment to the AUKUS partnership.

"We are on the precipice of historic reform that will transform our ability to effectively deter, innovate, and operate together."

"AUKUS is a game-changer for Australia, the United Kingdom and the United States – the legislation passed by US Congress will enhance our individual and collective capacity to support security, peace, and prosperity in the Indo-Pacific.

"I thank the United States Congress for their support for AUKUS."

Quotes attributable to Minister for Defence Industry, Pat Conroy:

"Australia's alliance with the United States is unprecedented in scale, scope and significance, underscored by this momentous day for the AUKUS partnership which demonstrates the historic AUKUS agreement is being implemented at pace.

"The Congressional approval of the National Defense Authorization Act brings us closer to realising a generational opportunity to ensure Australia is best equipped to not only protect Australians and their interests but to also support stability and security in the Indo-Pacific.

"Crucially, the passage of the NDAA will revolutionise and enable unprecedented levels of collaboration, scientific, technological and industrial cooperation and co-development and paves the way for Australia to continue to build up its sovereign workforce capacity."

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To defend Australia and its national interests in order to advance Australia's security and prosperity

