

We've been holding off discussion of the F-35 "Lightning II" Joint Strike Fighter (JSF) until things settled down a bit. Well, things haven't really settled down, but there's enough news that it seems a good time to take stock of the program.

Readers will recall our [previous article](#), in which we inquired how much the JSF will really cost its customers—both in the US and abroad—and noted that “time will tell who has the best at-completion estimate, the Pentagon JET evaluators or the program team.” Since then, the Obama Administration [has moved](#) to eliminate the alternate engine competition, purchases of production aircraft [have been delayed](#), the Pentagon [has fired](#) its Program Manager, and SecDef Gates announced that

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Lockheed Martin

[will lose](#)

\$614 million in budgeted award fees based on the program's problematic performance.

Oh, and a

[leaked](#)

Navy briefing reported that—

... over the lifetime of the fleet - the carrier-based and STOVL JSF versions will cost the Navy 40 per cent more, in total operating costs, than the F/A-18C/Ds and AV-8Bs that they replace. (The older aircraft costs are taken from FY2008 and include a lot of aging-aircraft issues.) This is despite a smaller fleet and fewer flight hours: the new aircraft are expected to cost more than 60 per cent more to fly per hour than their predecessors.

The Navy report suggests that the total cost of the Pentagon's JSF program will be \$705 billion in FY2002 dollars, just over twice the figure predicted at the program's inception.

But that's not all. In response to our previous question, DefenseNews.com [reported](#)

that

the Pentagon is accepting the Joint Estimating Team (JET) budget projection, and consequently is adding \$314 billion to the program's official budget (over a five-year period). But not content to stop there, the article reported that USD (AT&L) Dr. Ash Carter "is set to order [yet another] bottom-up review of the program and its costs." In the words of SecDef

Gates, "Progress and performance of the F-35 over the past two years has not been what it should, as a number of key goals and benchmarks were not met."

It should not be forgotten that the F-35 is truly an international fighter development and production program, with eight other nations participating in its funding. Those other nations are getting nervous that delays and cut-backs in the number of aircraft being purchased will raise the per-craft price—and as the per-craft price has risen, those countries have begun to consider cutting-back their production orders even more.

[This article](#) discusses the increase in price to the United Kingdom of Great Britain, and states that the aircraft's price "has risen from £37m each four years ago to £

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62m now.”

As a result, “a consensus has emerged ... that they cannot afford the 140 American Joint Strike Fighters ... they had been seeking. ... One compromise would be for the Ministry of

Defence

(

MoD

) to halve its order from 140 planes to 70.”

Officially, the program calls for delivery of 5,500 aircraft—2,400 to the US and 3,100 to the international partners. Lockheed Martin asserts that it can manage the program and catch-up schedule, while controlling cost growth. If it cannot, it may find itself the builder of a white elephant fighter whose lack of economies of scale make the plane unaffordable for its international partners. The stakes are high, not only for Lockheed Martin (whose stock has been downgraded based at least in part on its F-35 problems), but also for the US Air Force.

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