F-35 JOINT STRIKE FIGHTER
Preliminary Observations on Program Progress

What GAO Found

GAO’s ongoing work on the F-35 Joint Strike Fighter (F-35) program shows that the Department of Defense (DOD) has begun planning and funding significant new development work to add to the F-35’s capabilities, an effort known as Block 4. The funding needed for this effort is projected to be nearly $3 billion over the next 6 years (see figure below), which would qualify it as a major defense acquisition program in its own right.

DOD does not currently plan to manage Block 4 as a separate program with its own acquisition program baseline but rather as part of the existing baseline. As a result, Block 4 will not be subject to key statutory and regulatory oversight requirements, such as providing Congress with regular, formal reports on program cost and schedule performance. A similar approach was initially followed on the F-22 Raptor modernization program, in which the funding and content were conmingled making it difficult to separate the performance and cost of the modernization from the baseline program. Best practices recommend an incremental approach in which new development efforts are structured and managed as separate acquisition programs with their own requirements and acquisition program baselines. The F-22 eventually adopted such an approach. If the Block 4 effort is not established as a separate acquisition program, cost, schedules, and the scope of the baseline and modernization efforts will be conmingled. Therefore, it will be difficult for Congress to hold DOD accountable for achieving its cost, schedule, and performance requirements.

GAO’s ongoing work indicates that although the F-35 total program acquisition costs have decreased since 2014, the program continues to face significant affordability challenges. DOD plans to begin increasing production and expects to spend more than $14 billion annually for nearly a decade on procurement of F-35 aircraft. Currently, the program has around 20 percent of development testing remaining, including complex mission systems software testing, which will be challenging. Program officials continued to address many of the key technical risks, but the Autonomic Logistics Information System continues to be a challenge. At the same time, the contractors that build the F-35 airframes and engines continue to report improved manufacturing efficiency and supply chain performance.