

GAO Highlights

Highlights of [GAO-13-690T](#), a testimony before the Subcommittee on Defense, Committee on Appropriations, U.S. Senate

Why GAO Did This Study

The F-35 Lightning II, the Joint Strike Fighter, is DOD's most costly and ambitious aircraft acquisition. The program is developing and fielding three aircraft variants for the Air Force, Navy, Marine Corps, and eight international partners. The F-35 is critical to long-term recapitalization plans as it is intended to replace hundreds of existing aircraft. This will require a long-term sustained funding commitment. Total U.S. investment is nearing \$400 billion to develop and procure 2,457 aircraft through 2037. Fifty-two aircraft have been delivered through 2012. The F-35 program has been extensively restructured over the last 3 years to address prior cost, schedule, and performance problems. DOD approved a new acquisition program baseline in March 2012.

This testimony is largely based on GAO's recently released report, [GAO-13-309](#). This testimony discusses (1) progress the F-35 program made in 2012, and (2) major risks that program faces going forward. GAO's work included analyses of a wide range of program documents and interviews with defense and contractor officials.

What GAO Recommends

GAO's prior reviews of the F-35 made numerous recommendations to help reduce risk and improve outcomes. DOD has implemented those recommendations to varying degrees.

View [GAO-13-690T](#). For more information, contact Michael J. Sullivan at (202) 512-4841 or sullivanm@gao.gov.

June 19, 2013

F-35 JOINT STRIKE FIGHTER

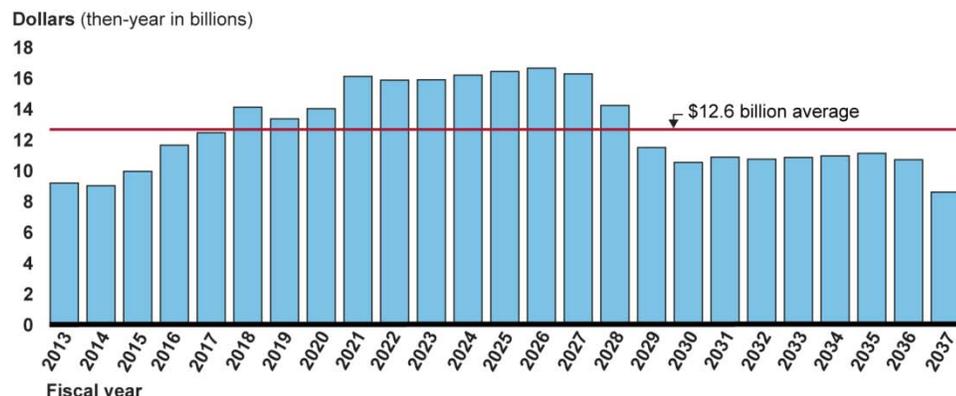
Restructuring Has Improved the Program, but Affordability Challenges and Other Risks Remain

What GAO Found

The new F-35 acquisition baseline reflects positive restructuring actions taken by the Department of Defense (DOD) since 2010, including more time and funding for development and deferred procurement of more than 400 aircraft to future years. Overall, the program progressed on several fronts during 2012 to further improve the current outlook. The program achieved 7 of 10 key management objectives and made substantial progress on one other. Objectives on aircraft deliveries and a corrective management plan were not met. The F-35 development test program substantially met expectations with some revisions to flight test plans and made considerable progress addressing key technical risks. Software management practices and some output measures improved, although deliveries to test continued to lag behind plans. Manufacturing and supply processes also improved—indicators such as factory throughput, labor efficiency, and quality measures were positive. While initial F-35 production overran target costs and delivered aircraft late, the latest data shows labor hours decreasing and deliveries accelerating.

Going forward, the F-35 program still faces considerable challenges and risks. Ensuring that the F-35 is affordable and can be bought in the quantities and time required by the warfighter will be a paramount concern to the Congress, DOD, and international partners. With more austere budgets looming, F-35 acquisition funding requirements average \$12.6 billion annually through 2037 (see below). Once fielded, the projected costs of sustaining the F-35 fleet have been deemed unaffordable by DOD officials; efforts to reduce these costs are underway. Software integration and test will be challenging as many complex tasks remain to enable full warfighting capability. The program is also incurring substantial costs for rework—currently projected at \$1.7 billion over 10 years of production—to fix problems discovered during testing. With about two-thirds of development testing still to go, additional changes to design and manufacturing are likely. As a result, the program continues to incur financial risk from its plan to procure 289 aircraft for \$57.8 billion before completing development flight testing.

F-35 Joint Strike Fighter Acquisition Funding Requirements



Source: GAO analysis of DOD data.