

F-35 Program Costs Jump to \$406.5 Billion in Latest Estimate

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F-35 Jet Estimated Program Costs Jump to \$406.5 Billion

- After declines, bill for Lockheed Martin fighter to rise 7%
- Trump has publicly lobbied to get jet's contract costs down

The cost of the F-35 jet program, already the most expensive U.S. weapons program ever, is estimated to climb further as the plane's production period gets extended, according to figures submitted to Congress on Monday.

Total acquisition costs for [Lockheed Martin Corp.'s](#) next-generation fighter may rise about 7 percent to \$406.5 billion, according to figures in a document known as a Selected Acquisition Report. That's a reversal after several years of estimates that had declined to \$379 billion recently from a previous high of \$398.5 billion in early 2014.

The Pentagon's F-35 program office said in a statement that the \$27.5 billion increase is reflected in current "then-year" dollars that cover research, development, procurement and military construction. The separate roughly \$1.1 trillion long-term operations and support estimate to keep the aircraft flying until 2070 increased by \$35.3 billion.

The increase in the total acquisition cost estimate may raise eyebrows in the White House, where President [Donald Trump](#) has taken an active role in trying to lower costs for individual F-35 jets.

"The F-35 program remains within all cost, schedule and performance thresholds and continues to make steady progress," Vice Admiral Mat Winter, the program's manager, said in a statement after the report was delivered to Capitol Hill. The F-35 office "is committed to the delivery of cost-effective war fighting capability across all areas of the program and is aggressively pursuing affordability opportunities within our three lines of effort -- Development, Production, Sustainment."

Longer Production Schedule

Winter said an estimated increase in the program's total procurement cost to \$346.2 billion from \$319.1 billion last year was "largely driven" by the adjustments to the jet's production schedule. The U.S. Air Force reduced its maximum annual rate of aircraft purchases to 60 per year from 80, a move which extended the planned procurements by six additional years from fiscal 2038 to fiscal 2044, he said. The Air Force is the largest single buyer of the fighter.

The estimate for the overall average per-jet program acquisition cost in current dollars -- the most complete measure of a weapon's cost -- increased to \$164.6 million per jet from \$154.3 million, according to the release.

The acquisition report also informed Congress that the Pentagon is adding 13 Marine Corps "B" model short-takeoff-and-vertical landing versions of the fighter that will increase the total quantity of U.S. jets purchased to 2,456 from the long-standing goal of 2,443.

F-35 Unreliability Risks Strain on Pentagon Budget, Tester Says

The F-35 "actual negotiated near-term" unit prices, that include engine cost and fees to Lockheed "continue to decline," Winter said.

Lockheed “has not had the opportunity to review the 2016 Selected Acquisition Report, but cost continues to come down on the F-35 program,” spokesman Mark Johnson said in a statement. “Working with the Joint Program Office, we have driven the per-unit cost of the F-35A down to \$94.6 million” in the latest block buy. That “represents a 62% reduction in price since 2010, and we are confident that we’ll meet our target of less than \$85 million per jet in 2019.”

Nevertheless, the program’s estimated total increase comes after the F-35 struggled for years with cost overruns and schedule delays that infuriated Congress. That prompted a major reorganization of the F-35 program management and development schedule in 2010, under then-Secretary Robert Gates, that largely stabilized the program.

Republican Senator John McCain, chairman of the Armed Services Committee, said on Twitter that the report is evidence that “after years of delays & massive cost overruns, another reminder that the true cost of the F-35 program is still TBD.” Still, McCain’s panel authorized in its version of the fiscal 2018 spending request 24 additional F-35 over the 70 the Pentagon requested.

— *With assistance by Julie Johnsson*