



F-35 Joint Program Office

9 April 2019

F-35 PEO: \$75M Unit Cost By Lot 14 'Within The Art Of The Possible'

By Courtney Albon, Inside Defense

The unit cost of the F-35A could do as low as \$75 million in Lot 14 of low-rate initial production if the program can improve supply chain and production line performance, the head of the program recently told *Inside Defense*.

The joint program office has been working with the prime contractor Lockheed Martin and engine-maker Pratt & Whitney to reduce the cost of the F-35A to \$80 million by 2020. Program officials have said they think the jet's price tag could fall even lower, and in an April 5 interview, Program Executive Officer Vice Adm. Mat Winter offered more specifics, telling *Inside Defense* that an F-35A in the mid-to-high \$70 million range is "absolutely within the art of possible."

"We'd like to be in the \$75 [million] to \$77 million range for Lot 14," Winter said. "I would say in the high 70s is achievable for Lot 14."

Winter offered a caveat to that possibility, though, noting that the program won't meet its target if supply chain performance and production line efficiencies don't improve.

Suppliers are still not meeting their scheduled deliveries in the volume and price point the program needs – largely because they're spread too thin building production parts, completing spare parts packages and fixing components in the fleet, Winter said. One way the program is looking to address this is by moving the repair work to the Air Force, Navy and Marine Corps depots so that suppliers can focus on building the parts.

The program office is also working with Lockheed and Pratt to fine-tune production-line efficiencies and reduce the time it takes to build the airframe and engine. Winter noted that he wants to see more automation on both companies' production lines, saying "the amount of automation that is not present is staggering."

"They need to truly invest in their people and their capital...to increase the production flow and rate," Winter said. "The faster you go, the less it costs. The faster you go, the less time you have to make mistakes."

Lockheed Martin spokesman Mike Friedman told *Inside Defense* in an April 9 email that today's F-35 production line features "more advanced manufacturing than any fighter jet production line in the world."

"As we continue to ramp up production, we are evaluating, investing and integrating additional automation to further improve efficiencies and reduce costs," he added.



F-35 Joint Program Office

Lockheed has reduced the amount of touch labor on its production line by about 75 percent in recent years, Friedman noted. The company expects to increase production by 40 percent in 2019 with the delivery of 131 aircraft.

###