



F-35 Lightning II Program

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Agreement Reached on Lowest Priced F-35s in Program History

The U.S. Department of Defense and Lockheed Martin have reached an agreement on the next lot of F-35 aircraft (LRIP 10). This lot includes 90 aircraft total - 55 jets for the U.S. services and 35 jets for international partners and foreign military sales customers. Lot 10 reflects a \$728M reduction in the total price when compared to Lot 9 and marks the first time the price for an F-35A is below \$100M. The bottom line is unit prices, including Jet, engine and fee for all three variants went down.

"The LRIP-10 contract is a good and fair deal for the taxpayers, the U.S. Government, allies, and Industry," said Lt. Gen. Chris Bogdan, F-35 Program Executive Officer. "We continue to work with Industry to drive costs out of the program."

The supersonic, multi-role F-35 represents a quantum leap in air dominance capability. It combines next generation characteristics of radar evading stealth, supersonic speed, and fighter agility with the most powerful and comprehensive integrated sensor package of any fighter aircraft in history. The F-35 is unmatched in its capability by any other tactical fighter aircraft in the world delivering unprecedented lethality and survivability.

The F-35A variant comprises approximately 85 percent of the program of record. The F-35A unit price in LRIP-10, including aircraft, engine and fee, is roughly seven percent lower than the previous LRIP-9 contract. Over the past two procurement lots (LRIP-9 and 10), the price of the F-35A has dropped 12 percent.

"With initiatives like Blueprint for Affordability and the natural learning curve, we are substantially bringing the cost of each aircraft down and at the same time the F-35 program will continue to add thousands of additional jobs to the U.S. economy as we increase production year over year," said Jeff Babione, Lockheed Martin F-35 Vice President and General Manager.

Currently, the F-35 program supports more than 1,300 suppliers in 45 states, directly and indirectly employs more than 146,000 people. There are also hundreds of suppliers around the world supporting the F-35 program, creating thousands of international jobs. By the 2020s, at full rate production, direct and indirect job growth is projected to be more than 260,000, with a majority of those jobs in the U.S.

In addition to procuring the air vehicles, this contract funds manufacturing support equipment and ancillary mission equipment. Deliveries of 90 aircraft begin in early 2018. To date, more than 200 operational F-35s are operated by eight different nations including Australia, Italy, Israel, Japan, Netherlands, Norway, United Kingdom and United States. In total, the F-35 program today plans to produce more than 3,000 aircraft with approximately 600 of those aircraft presently planned to be procured by our international allies.



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F-35 Low Rate Initial Production 10 (LRIP 10) Fact Sheet

90 Jet Breakout:

The LRIP 10 contract includes 55 jets for the U.S. Services and 35 jets for international partners and foreign military sales customers:

- 44 F-35A for the U.S. Air Force
- 9 F-35B for the U.S. Marine Corps
- 2 F-35C for the U.S. Navy
- 3 F-35B for UK
- 6 F-35A for Norway
- 8 F-35A for Australia
- 2 F-35A for Turkey
- 4 F-35A for Japan
- 6 F-35A for Israel
- 6 F-35A for South Korea

F-35 Costs:

The Lot 10 contract represents a \$728 million reduction in total price when compared to Lot 9. The approximate per variant unit prices, including jet, engine and fee are as follows:

- F-35A: \$94.6 million (7.3% reduction from Lot 9)
- F-35B: \$122.8 million (6.7% reduction from Lot 9)
- F-35C \$121.8 million (7.9% reduction from Lot 9)

Economic Impact:

The F-35 provides economic stability to the U.S. and Allied nations by creating jobs, commerce and security, and contributing to the global trade balance. Current low rate production supports more than 1,300 suppliers in 45 states, directly and indirectly employing more than 146,000 people. In addition it employees thousands of military and civil service positions at U.S bases both home and abroad making it the single largest -job generator in the Department of Defense.

Projections indicate those employment figures could more than double in the next four years following a quadrupling of production from the current 45 a year to more than 160 in 2020. For the decade 2011-2020, the F-35 program will create more jobs than any other Department of Defense initiative. In just this decade alone, the F-35 will infuse \$60 billion into the economy. This will turn into hundreds of billions of dollars as the program is schedule to last more than 50 years. Along with the American economic impact, the program will provide billions of more dollars in U.S. exports.

In the 2020s, at full rate production, direct and indirect jobs will be more than 260,000.