

Pentagon, Lockheed Reach Deal to Reduce Cost of F-35A by 12.8%



Two U.S. Navy variant F-35C Lightning II aircraft from Naval Air Station Lemoore, California, fly in formation over the Sierra Nevada Mountain Range after completing a training mission. U.S. Navy/Lt. Cmdr. Darin Russell

FORT WORTH, Texas – The F-35 Joint Program Office and Lockheed Martin finalized a \$34 billion agreement for the production and delivery of 478 F-35s at the lowest price in the history of the program, according to a Lockheed release. The contract includes all U.S., international partners and Foreign Military Sales (FMS) aircraft in Lots 12, 13 and 14.

In the deal, the F-35 program exceeds its cost-reduction targets for each variant of the joint strike fighter – and the price per unit of the F-35A, the U.S. Air Force version, including aircraft and engine, is below \$80 million in both Lots 13 and 14.

The F-35A unit cost represents an estimated overall 12.8% reduction from Lot 11 costs for the F-35A conventional landing variant and an average of 12.7% savings across all three variants from Lot 11 to 14. The other variants are the vertical take-off and landing F-35B, the U.S. Marine Corps version, and the F-35C, equipped for U.S. Navy aircraft carrier operations.

“Driving down cost is critical to the success of this program. I am excited that the F-35 Joint Program Office and Lockheed Martin have agreed on this landmark three-lot deal,” said Air Force Lt. Gen. Eric Fick, F-35 program executive officer. “This \$34 billion agreement is a truly historic milestone for the F-35 Enterprise.”

The agreement includes 291 aircraft for the U.S. armed services, 127 for F-35 international partners and 60 for FMS customers.

“With smart acquisition strategies, strong government-industry partnership and a relentless focus on quality and cost reduction, the F-35 Enterprise has successfully reduced procurement costs of the fifth-generation F-35 to equal or less than fourth-generation legacy aircraft,” said Greg Ulmer, Lockheed Martin’s F-35 program vice president and general manager.

More than 450 F-35s operate from 19 bases around the globe. More than 910 pilots and 8,350 maintainers have been trained, and the F-35 fleet has surpassed more than 220,000 cumulative flight hours. Eight nations have F-35s operating from bases on their home soil and seven services have declared initial operating capability for the aircraft.