

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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MEMORANDUM

July 15, 2020

To: Members of the Committee on Oversight and Reform

Fr: Committee Staff

Re: Full Committee Hearing on “F-35 Joint Strike Fighter: Ensuring Safety and Accountability in the Government’s Trillion Dollar Investment”

On Wednesday, July 22, 2020, at 10:00 a.m., in room 2154 of the Rayburn House Office Building and over WebEx, the Committee will hold a hearing on the F-35 Joint Strike Fighter program. The hearing will focus on issues related to maintenance of the aircraft and excess costs incurred by the Department of Defense (DOD) because the prime contractor, Lockheed Martin, provided defective spare parts and an inadequate information technology system for the F-35.

I. BACKGROUND

The F-35 Joint Strike Fighter is DOD’s largest and most costly acquisition program, with sustainment costs estimated at more than \$1 trillion over a 60-year life cycle.¹

Under its sustainment contracts with DOD, Lockheed Martin is required to deliver F-35 spare parts. Most parts have an electronic equipment log that tracks key information for the spare part. Information on parts is housed in the F-35’s complex information technology system, referred to as the Autonomic Logistics Information System (ALIS, pronounced “ALICE”). Lockheed Martin is the prime contractor for ALIS.

According to a report issued by the DOD Inspector General (IG) in June 2019, “Lockheed Martin has failed to adequately deliver spare parts for the F-35 program since 2015.” The IG estimated that more than \$300 million was spent on additional labor costs between 2015 and 2018 as a result of Lockheed Martin’s failure to provide F-35 spare parts with logs and that DOD will continue to pay \$55 million a year if issues are not resolved.²

¹ Congressional Research Service, *F-35 Joint Strike Fighter (JSF) Program* (Apr. 23, 2018).

² Department of Defense Inspector General, *Audit of F-35 Ready-For-Issue Spare Parts and Sustainment Performance Incentive Fees* (June 13, 2019) (online at <https://media.defense.gov/2019/Jun/17/2002145901/-1/-1/1/DODIG-2019-094.PDF>).

During bipartisan staff delegations to military bases with F-35s, Committee staff confirmed that unresolved and persistent problems with F-35 spare parts and ALIS lead to excess costs for the military, which must divert personnel to troubleshoot these issues and use extensive workarounds to keep F-35 planes in operations.

On March 6, 2020, GAO reported that F-35s frequently fly despite having parts installed without electronic logs. A risk of personnel disregarding alerts from F-35 parts with missing electronic logs is that they may ignore alerts for potentially dangerous aircraft issues.³

On May 19, 2020, the Committee heard from four military representatives from across the services that described the significant administrative burden caused by the unresolved problems with ALIS. The briefers expressed the need to quickly resolve the issues so that the military can focus on meeting the needs of warfighters and ensuring military readiness.

II. HEARING PURPOSE

The hearing will examine the impact on military personnel and military readiness of unresolved problems with spare parts, the extent of overpayments to Lockheed Martin, and options to mitigate and resolve issues with defective spare parts.

III. WITNESSES

The Honorable Ellen Lord

Under Secretary for Acquisitions and Sustainment
Department of Defense

Lieutenant General Eric T. Fick

Program Executive Officer, F-35 Joint Program Office
Department of Defense

Ms. Diana Maurer

Director, Defense Capabilities and Management
Government Accountability Office

Ms. Theresa Hull

Assistant Inspector General
Department of Defense, Office of the Inspector General

Mr. Gregory M. Ulmer

Vice President and General Manager, F-35 Lightning II Program
Lockheed Martin Corporation

Staff contacts: Erinn Sauer, Krista Boyd, or Matthew Patane at (202) 225-5051.

³ Government Accountability Office, *Weapon System Sustainment: DOD Needs a Strategy for Re-Designing the F-35's Central Logistics System* (Mar. 6, 2020) (online at www.gao.gov/assets/710/705154.pdf).