

CRS Report for Congress

F-35 Joint Strike Fighter (JSF) Program: Background, Status, and Issues

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Summary

The Defense Department's F-35 Joint Strike Fighter (JSF) is one of three aircraft programs at the center of current debate over tactical aviation, the others being the Air Force F/A-22 fighter and the Navy F/A-18E/F fighter/attack plane. In November 1996, the Defense Department selected two major aerospace companies, Boeing and Lockheed Martin, to demonstrate competing designs for the JSF, a joint-service and multi-role fighter/attack plane. On October 26, 2001, the Lockheed Martin team was selected to develop further and to produce a family of conventional take-off and landing (CTOL), carrier-capable (CV), and short take-off vertical landing (STOVL) aircraft for the U.S. Air Force, Navy, and Marine Corps and the U.K. Royal Navy as well as other allied services. Originally designated the Joint Advanced Strike Technology (JAST) program, the JSF program is a major issue in Congress because of concerns about its cost and budgetary impact, effects on the defense industrial base, and implications for U.S. national security in the early 21st century.

The JAST/JSF program evolved in response to the high cost of tactical aviation, the need to deploy fewer types of aircraft to reduce acquisition and operating costs, and current projections of future threat scenarios and enemy capabilities. The program's rationale and primary emphasis is joint-service development of a next-generation multi-role aircraft that can be produced in affordable variants to meet different operational requirements. Developing an affordable tri-service family of CTOL and STOVL aircraft with different combat missions poses major technological challenges. Moreover, if the JSF is to have joint-service support, the program must yield affordable aircraft that can meet such divergent needs as those of the U.S. Air Force for a successor to its low-cost F-16 and A-10 fighter/attack planes, those of the U.S. Marine Corps and the U.K. Royal Navy for a successor to their Harrier STOVL aircraft, and the U.S. Navy's need for a successor to its carrier-based F-14 fighters and A-6 attack planes and a complement to its F/A-18E/F fighter/attack planes.

This report discusses the background, status, and current issues of the JSF program. Continuing developments and related congressional actions will be reported in CRS Issue Brief IB92115, *Tactical Aircraft Modernization: Issues for Congress*, which also discusses the Air Force F/A-22, the Navy F/A-18EF, and the Marine Corps V-22. These aircraft and the Air Force's B-2 strategic bomber and C-17 cargo/transport plane are the most expensive U.S. military aircraft programs. (See CRS Report 95-409 F, *Long-Range Bomber Facts: Background Information*, and CRS Report RL30685, *C-17 Cargo Aircraft Program* updated periodically.) The JSF program is also addressed in CRS Report RS21488, *Navy-Marine Corps Tactical Air Integration Plan: Background and Issues for Congress*, and CRS Report RL31360, *Joint Strike Fighter (JSF): Potential National Security Questions Pertaining to a Single Production Line*.

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F-35 Joint Strike Fighter (JSF) Program: Background, Status, and Issues

Introduction¹

The Joint Strike Fighter (JSF) program is expected to develop and build a family of new-generation tactical aircraft for the Air Force, the Marine Corps, the Navy, and Britain's Royal Navy. As now projected, the JSF is the Defense Department's largest acquisition program in terms of cost and number of aircraft to be produced. Current DOD plans call for production of 2,457 aircraft in three versions.² Additional aircraft may be bought by Australia, Belgium, Canada, Denmark, Israel, the Netherlands, Norway, Singapore and other allied governments.

The Marine Corps and the Royal Navy plan to procure a short take-off vertical landing (STOVL) version of the plane to replace their current fleets of Harrier vertical/short take-off and landing (VSTOL) attack planes.³ The Navy plans to procure a carrier-capable CTOL version — termed a CV — to replace older carrier-based aircraft. The Marine Corps may also purchase some number of CV variants to replace their F/A-18 *Hornet* aircraft.⁴ The Air Force has long planned to purchase a conventional landing and takeoff (CTOL) version of the JSF to replace its current force of F-16s. In February 2003, Air Force officials announced that they would also purchase some number of the STOVL JSF to improve future close air support (CAS) capabilities.⁵ The Air Force plans on purchasing 1,763 aircraft, but the Department of the Navy is still assessing how many of its 680 JSF's will be CTOL variants, and how many will be STOVL. The United Kingdom may purchase up to 150 JSFs for its Navy and Air Force.

¹ More information about the Joint Strike Fighter may be found at the following website: Joint Strike Fighter Program Office [<http://www.jsf.mil/>].

² Fourteen of these aircraft will be purchased with RDT&E funds and will be used for developmental testing.

³ The U.S. Marine Corps and the U.K. Royal Navy and Royal Air Force operate versions of the AV-8A/B Harrier aircraft flown by these services since the early 1970s. CRS Report 81-180F. *The British Harrier V/STOL Aircraft: Analysis of Operational Experience and Relevance to U.S. Tactical Aviation*, August 15, 1981 (Out of print. For copies, contact Christopher Bolkcom at 202-707-2577).

⁴ Adam Hebert. "STOVL JSF to Replace AV-8Bs, But CV Model May Replace Marine F/A-18s." *Inside the Navy*. August 5, 2002. p.1.

⁵ Lorenzo Cortes. "Air Force to Study Acquisition of F-35-B STOVL JSF." *Defense Daily*. February 13, 2004. Gail Kaufman. "U.S. Air Force Wants STOVL JSFs." *Defense News*. February 12, 2004. Christopher Castelli. "Overall Impact of Air Force Interest in F-35 STOVL Variant is Unclear." *Inside the Navy*. March 1, 2004.

Background

The JSF program emerged in late 1995 from the Joint Advanced Strike Technology (JAST) program, which began in late 1993 as a result of the Administration's Bottom-Up Review (BUR) of U.S. defense policy and programs. Having affirmed plans to abandon development of both the A-12/AFX aircraft that was to replace the Navy's A-6 attack planes and the multi-role fighter (MRF) that the Air Force had considered to replace its F-16s, the BUR envisaged the JAST program as a replacement for both these programs. In 1994, the JAST program was criticized by some observers for being a technology-development program rather than a focused effort to develop and procure new aircraft. In 1995, in response to congressional direction, a program led by the Defense Advanced Research Projects Agency (DARPA) to develop an advanced short takeoff and vertical landing (ASTOVL) aircraft was incorporated into the JAST program, which opened the way for Marine Corps and British Navy participation.⁶ The name of the program was then changed to JSF to focus on joint development and production of a next-generation fighter/attack plane.

During the JAST/JSF program's 1994-1996 concept development phase, three different aircraft designs were proposed by Boeing, Lockheed Martin, and McDonnell Douglas (the latter teamed with Northrop Grumman and British Aerospace) in a competitive program expected to shape the future of U.S. tactical aviation and the U.S. defense industrial base.⁷ On November 16, 1996, the Defense Department announced that Boeing and Lockheed Martin had been chosen to compete in the 1997-2001 concept demonstration phase, in which each contractor would build and flight-test two aircraft (one CTOL and one STOVL) to demonstrate their concepts for three JSF variants to meet the different operational requirements of the various services. The CTOL aircraft will demonstrate concepts for an Air Force land-based (CTOL) variant and a Navy carrier-based (CV) variant, with the STOVL aircraft demonstrating concepts for a variant to be operated by the U.S. Marine Corps and the U.K. Royal Navy. On October 26, 2001, DOD selected a team of contractors led by Lockheed Martin to develop and produce the JSF. The three variants — CTOL, CV and STOVL aircraft — are to have maximum commonality in airframe, engine, and avionics components to reduce production and operation and support costs.

Mainly because of their projected costs, three tactical aircraft programs are currently subjects of debate over the types and numbers of aircraft that U.S. armed forces may need in the future — the emergent JSF program, the Air Force F/A-22 program now in low-rate initial production, and the Navy's F/A-18E/F program now in full production. Congressional decisions on these programs will have important

⁶ Since the early 1990s DARPA had funded various STOVL projects expected to develop aircraft to replace both U.S. Marine Corps AV-8B Harriers and the U.K. Royal Navy's Sea Harriers. The merger of these research-development efforts with the JAST program in early 1995 cleared the way for U.S.-U.K. collaboration in JSF development.

⁷ Tirpak, John A. "Strike Fighter," *Air Force Magazine*, October 1996: 22-28; Hough, Philip. "An Aircraft for the 21st Century," *Sea Power*, November 1996: 33-34.

implications for defense funding requirements, U.S. military capabilities, and the U.S. aerospace industry.

Design and Performance

Contrary to some misconceptions that the Joint Strike Fighter would be one aircraft used by several services for different missions, the program envisions the development and production of three highly common variants: a land-based CTOL version for the Air Force, a carrier-based CTOL version (CV) for the Navy, and a STOVL version for the Marines and the Royal Navy. The JSF program is a family of aircraft, which uses a mix of components, systems, and technologies with commonality projected at 70 to 90 percent in terms of production cost. Many of the high-cost components are common, including engines, avionics, and major structural components of the airframe. Former Secretary of Defense William Cohen stated that the JSF's joint approach "avoids the three parallel development programs for service-unique aircraft that would have otherwise been necessary, saving at least \$15 billion."⁸

The winning Lockheed Martin design closely resembles the F/A-22 *Raptor*. However, the Lockheed STOVL concept which employs a shaft-driven lift fan connected to the main engine with extra thrust provided by vectoring nozzles, is a new approach. The Boeing appeared in some ways more innovative than the Lockheed design, featuring a solid wing (with considerable space for internal-fuel) and a single direct-lift engine with nozzles for vectored thrust in STOVL operations (similar to the AV-8 Harrier's Pegasus engine). The design proposed by the McDonnell Douglas, Northrop Grumman, and British Aerospace team was an almost tailless aircraft, powered by separate lift and lift/cruise engines. The use of separate engines was reportedly a factor in the rejection of this design.⁹

The JSF will be powered by engines derived from the F/A-22's Pratt & Whitney F119 power plant, with a General Electric F120 derivative to be developed as a competing alternative engine.¹⁰ The engines of both designs will include components made by Allison (now owned by Rolls-Royce, which developed and produced the Pegasus engines powering Harrier STOVL aircraft since the 1960s). The JSF program would benefit from the broad engineering experience and the competitive

⁸ Letter from Secretary of Defense William S. Cohen to Rep. Jerry Lewis, June 22, 2000. Transcript made available by *Inside the Airforce*. June 23, 2000

⁹ Sweetman, Bill. "Decision Day Looms for Joint Strike Fighter," *Jane's International Defense Review*, September 1996: 36-39, 42-43; Bender, Bryan and Tom Breen. "Boeing, Lockheed Martin Win JSF Demonstrator Contracts," *Defense Daily*, November 18, 1996: JSF special report.

¹⁰ Sweetman, Bill. "Vectored Thrust Takes Off, Competition for JAST's Engine Design Grows," *Jane's International Defense Review*, April 1996: 30-32, 35-36, 39; Goodman, Glenn W. "The Second Great Engine War," *Armed Forces Journal International*, April 1996: 18; Warwick, Graham. "GE YF-120 Wins the Vote as JSF Competitive Engine," *Flight International*, May 22-28, 1996: 17; "Allison Unit Eyes JSF Alternate Engine Deal," *Aerospace Daily*, November 21, 1996: 1-3 (Aerospace Propulsion Extra section); "JSF Alternate Fighter Engine Program Fleshing Out," *Aerospace Daily*, May 20, 1997: 279.

environment provided by Pratt & Whitney, General Electric, and Allison/Rolls-Royce, but despite potential savings through competition the development of an alternative power plant would significantly increase the JSF's development cost. For this reason, there has been some opposition in the Defense Department to an alternate JSF engine, although there has been considerable support in Congress since 1996.¹¹

All JSF planes will be single-engine, single-seat aircraft with supersonic dash capability and some degree of stealth (low observability to radar and other sensors). Combat ranges and payloads will vary in the different service variants. For example, as currently planned, range requirements would be 450-600 nautical miles (nmi) for the Air Force, 600 nmi for the Navy, and 450-550 nmi for the Marine Corps. All three variants are planned to carry two 2,000-lb weapons internally. All versions will also carry AIM-120 AMRAAMs (advanced medium-range air-to-air missiles, with a range of about 26 nmi/48 km depending on altitude¹²). Space will be reserved for an advanced gun, if one is found that meets operational requirements at an affordable cost.¹³ JSF requirements dictate that the aircraft's gun must be able to penetrate lightly armored targets. A 27-millimeter cannon made by the German company Mauser, which is used by many European fighter programs is a likely candidate.¹⁴

Performance features in regard to radar signature, speed, range, and payload will be determined on the basis of trade-offs between performance and cost, with the latter being a critical factor. Program officials have emphasized that such cost and performance tradeoffs are critical elements of the program and were the basis for the joint-service operational requirements that determined the selection of the Lockheed Martin contractor team for the SDD phase of full-scale development.¹⁵ The 1997 QDR report observed that "Uncertainties in prospective JSF production cost warrant careful Departmental oversight of the cost-benefit tradeoffs in design to ensure that modernization and force structure remain in balance over the long term."¹⁶ In other words, production costs must be low enough that these aircraft can be bought in sufficient quantities to maintain desired force levels. Thus, the parameters of the JSF's performance and operational capabilities are subject to change for reasons of cost, technological developments, and future threat assessments.

¹¹ "Dual Engine Development Could Saddle JSF with up to \$800 Million Bill," *Inside the Navy*, August 5, 1996: 2; "Despite Demand for Second JSF Engine Source, F120 Comes up Short," *Aerospace Daily*, October 18, 1996: 102; U.S. Congressional Budget Office. *A Look at Tomorrow's Tactical Air Forces* by Lane Pierrot and Jo Ann Vines. January 1997: 53.

¹² Steven Zaloga. "AIM-120 AMRAAM," *World Missiles Briefing*. Teal Group Corp., January 1997. P.5.

¹³ "Advanced Gun Seen Likely for Some Joint Strike Fighters," *Aerospace Daily*, May 5, 1997. P.195.

¹⁴ Adam Hebert. "Strike Fighter Gun Choice Signals New Era For U.S. Aircraft Cannon," *Inside the Air Force*, October 27, 2000.

¹⁵ "Tradeoffs Will Be Made to Contain JSF Costs," *Aerospace Daily*, September 26, 1997. P.469.

¹⁶ U.S. Department of Defense. *Report of the Quadrennial Defense Review* [by] William S. Cohen, Secretary of Defense. May 1997: 46.

In response to the Department of the Navy's need to replace its aging EA-6B Prowler electronic attack aircraft, Lockheed Martin has proposed the development of a two-seat electronic attack variant of the JSF. Dubbed the EA-35B, the aircraft could potentially be available by 2015, according to industry representatives. The Navy is also considering replacing the Prowler with an electronic attack version of the F/A-18E/F. The Marine Corps, which currently has no plans to procure either F/A-18E/F's or the "G" electronic attack variant, has reportedly expressed interest in the EA-35B. The EA-35B is, however, still in the very early concept phase, has received no DOD development funding.¹⁷

Program Management

The JSF program is jointly staffed and managed by the Department of the Air Force and the Department of the Navy (comprising the Navy and the Marine Corps), with coordination among the services reinforced by alternating Air Force and Navy Department officials in key management positions. For example, Lt. General George Muellner, USAF, was the program's first director in 1994, with Rear Admiral Craig Steidle, USN, serving as deputy director. Subsequently Rear Admiral Steidle directed the program, with Brigadier General Leslie Kenne, USAF, as his deputy in late 1996 and his successor as program director in August 1997. The current director is RADM Steven Enewold. Service Acquisition Executive (SAE) responsibility also alternates, with the Air Force having that responsibility when the program director is from the Navy Department and the Navy or Marine Corps in that role with an Air Force director of the program.

Funding and Projected Costs

The Defense Department's quarterly Selected Acquisition Report (SAR) of December 31, 2003, estimated the JSF program at \$2,457 million in current-year dollars for 2,457 aircraft, which equates to a program unit acquisition cost of \$99 million per aircraft. The program estimate increased \$45 billion from the previous quarterly estimate due primarily to a one year extension in the program's System Development and Demonstration phase, a corresponding one year delay in procurement (from FY2006 to FY207), revised annual quantity profiles, and revised labor and overhead rates.¹⁸ Much of this increased cost and schedule slippage was incurred to address growing weight issues in the development of the F-35B, the STOVL variant.

Program officials have expressed their "affordability goals" for flyaway cost per aircraft in FY1994 dollars: \$28 million for the Air Force CTOL variant, \$30-\$35 million for the Marine Corps STOVL variant, and \$31-\$38 million for the Navy's

¹⁷ Craig Hoyle. "US Outlines New Electronic Attack Aircraft," *Jane's Defense Weekly*, June 4, 2003.

¹⁸ Summaries of DOD's Select Acquisition Reports can be found at <http://www.acq.osd.mil/ara/am/sar/index.html>

CV variant (carrier-based CTOLs).¹⁹ On November 26, 2000, Maj. Gen Hough, the JSF program director announced that the cost estimate for the CTOL variant had increased 10% to \$31 million per aircraft in FY1994 dollars. While this increase was due to “marketplace changes,” or higher than expected labor and over head costs, Maj. Gen Hough said that the cost estimates for the CV and STOVL variants had not changed.²⁰

According to JSF officials, cost goals are expressed as unit flyaway costs because flyaway cost accounts for such a significant percentage of procurement cost that this would be the most relevant measure of cost for the cost/performance tradeoffs that will determine which contractor will build the JSF family of aircraft.²¹

In early 1997, Congressional Budget Office (CBO) analysts estimated that the total program cost of 2,978 JSF aircraft procured through the 2020s would be about \$219 billion in FY1997 dollars, including projected procurement costs of \$197.3 billion, development costs of \$21.5 billion, and some \$200 million in military construction costs. Each JSF would thus have an estimated program unit cost of \$73.5 million in FY1997 dollars. This analysis suggested that the JSF program’s “affordability goals” for unit prices might be optimistic. For example, CBO analysts assumed in their estimate that the JSF’s stealth features will entail some cost penalties in both development and production of these aircraft, which DOD’s estimates appear not to take into account.²²

Schedule

The JSF is currently in the System Development and Demonstration Phase (SDD). Figure 1, below from DOD Instruction 5000.2 *Operation of the Defense Acquisition System*, depicts how the acquisition system graphically, and where SDD fits into the process.

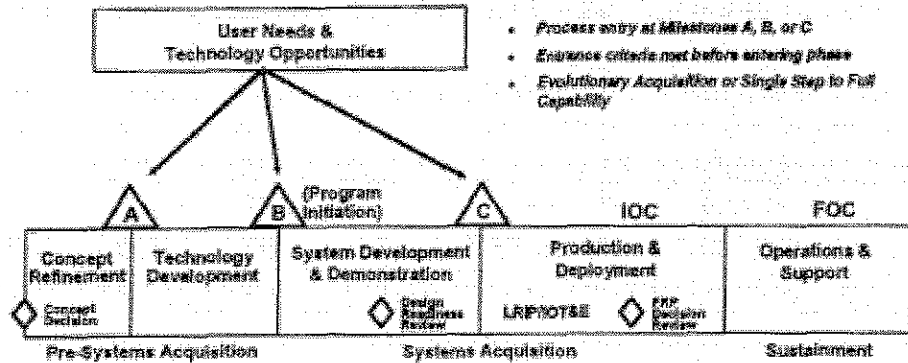
¹⁹ DOD uses a “deflator scale” to translate then-year dollars into constant year dollars and thus account for inflation. Using these deflators to translate the JSF affordability goals from FY94 dollars to FY01 dollars generates the following cost figures: COTL variant; \$30.5 million, CV variant; \$32.7 - \$38.1 million, STOVL variant; \$33.8 million - \$41.42 million.

²⁰ “Low-end cost of Joint Strike Fighter family raised to \$31 million,” *Aerospace Daily*, November 27, 2000.

²¹ Capaccio, Tony. “JSF Office Details Development Cost Issues,” *Defense Week*, May 5, 1997: 5. Flyaway cost includes only the procurement costs of airframes, engines, and avionics; it does not include the costs of equipment and manuals to maintain the aircraft, simulators for pilot training, and initial spare parts, and it excludes R&D costs and any military construction costs for special facilities. Thus, flyaway cost understates the actual cost of an aircraft, which is more fully expressed as program or acquisition cost, which includes all of the items noted above.

²² U.S. Congressional Budget Office. *A Look at Tomorrow’s Tactical Air Forces* by Lane Pierrot and Jo Ann Vines. January 1997: 83-87.

Figure 1. The Defense Acquisition Management Framework



The JSF program's SDD phase is scheduled to run until around 2008, at which time full rate production is scheduled to begin, with a projected initial operational capability around 2010. Recent schedule changes may jeopardize this plan, however. To address growing weight problems encountered in the development phase, DOD has extended the SDD phase and correspondingly delayed the F-35's scheduled first flight from late 2005 to the spring of 2006, and the beginning of low-rate initial production shifted from 2006 to 2007. The first critical design review (CDR), which will determine the design for the Air Force variant, has been delayed from April 2004 to sometime in 2005. Procurement profiles in the Future Years Defense Plan (FYDP) have been altered. The first eight aircraft will be procured in FY2007 instead of FY2006, the next 24 aircraft will be purchased in FY2008 rather than FY2007, and the purchase of 58 aircraft has been shifted from FY2008 to FY2009. The overall purchase of JSF's should not be affected by these near-term cuts.

The JSF is expected to remain in production at least through the 2020s. Current plans call for the JSF to be manufactured in several locations. Lockheed Martin will build the aircraft's forward section in Fort Worth, TX. Northrop Grumman will build the midsection in Palmdale, CA, and the tail will be built by BAE Systems in the United Kingdom. Final assembly of these components will take place in Fort Worth.

In 1996, the program included over 3,000 aircraft: 2,036 for the Air Force, 642 for the Marines, 300 for the U.S. Navy and 60 for the Royal Navy. In May 1997, however, the QDR recommended reducing projected procurement for the U.S. armed forces from 2,978 JSF aircraft to 2,852: 1,763 for the Air Force, 609 for the Marines, and up to 480 for the Navy.²³ Thus, the program would comprise 2,912 aircraft (2,852 U.S. and 60 U.K. JSFs), based on these recommendations. The 1997 QDR also concluded that some 230 of the Navy's projected buy of 480 JSFs could instead be F/A-18E/Fs, depending on the progress of the JSF program and the price of its Navy variant compared to the F/A-18E/F. Former Defense Secretary William Cohen and other DOD officials stated in May 1997 that they anticipated a "creative tension" between contractors producing the F/A-18E/F and those developing the JSF, which

²³ Quadrennial Defense Review Cuts Procurement in FY1999, 2000. *Aerospace Daily*, May 20, 1997: 280.

would result in a competitive situation similar to what occurred in the C-17 program in response to Boeing's proposed alternatives for Air Force transport planes.²⁴

As part of an FY2004 budget briefing, on February 3, 2003 OSD Comptroller Dov Zackheim confirmed that as part of the Navy and Marine Corps Tactical Air Integration Plan (TAI) the Navy is planning to reduce JSF purchases from 1,089 to 680 aircraft.²⁵ According to news accounts, the proposed reduction would cut 259 jets from the Marine Corps buy, and 50 from the Navy purchase.²⁶ Navy officials say that this reduction in aircraft is consistent with attempts to transform the services, and that the final decision on the number of JSF's to procure rests with top officials in DoD.²⁷

Some have speculated that the Air Force plan to purchase 1,760 aircraft may also change in light of budget pressures. The Air Force is studying integrating some number of Active and Reserve squadrons, which would save money in part by cutting the number of aircraft needed to equip these squadrons. Also, the commitment to purchase 1,760 JSF's is based on a strategy to replace legacy aircraft (F-16s and A-10s) on a one-for-one basis. Considering the JSF's improved capabilities over today's aircraft, some say that a one-for-one strategy is not required and that fewer JSF's can do the job of a greater number of today's aircraft.²⁸

Since the JSF is a long-term program now in its early stages, currently projected quantities are more subject to change than in the case of aircraft already in some stage of production. Near-term reductions in quantity could be made up in future years either through increased U.S. purchases or through foreign sales. However, concerns have been raised that near-term quantity reductions could scare off foreign participation, and raise the aircraft's unit price.

²⁴ Muradian, Vago. QDR Tac Air Cuts Will Save \$30 Billion, Ralston Says. *Defense Daily*, May 20, 1997: 301-302; F/A-18E/F Buy Depends on JSF Progress, Cohen Tells SASC. *Aerospace Daily*, May 21, 1997: 285, 288. See also CRS Issue Brief IB93041, *C-17 Cargo Aircraft Program*.

²⁵ DOD News Transcript. *Undersecretary Zackheim Briefs on 2004 Defense Budget*. February 3, 2003. See also: Anne Marie Squeo. "Pentagon Might Slash Its Plans to Buy Fighter Jets By About 30%." *Wall Street Journal*. March 22, 2002.

²⁶ Vago Muradian. "DoD Assesses Navy Proposal to Scale Back JSF Purchase by 409 Jets." *Defense News*. March 22, 2002.

²⁷ Marc Selinger. "Navy Chief Defends Willingness to Look At JSF, Super Hornet Cuts." *Aerospace Daily*. March 29, 2002.

²⁸ Sharon Weinberger. "Air Force Considers Cuts to F-35, F/A-22." *Defense Daily*. October 17, 2003. p.1.

Congressional Action

The Bush Administration's FY2005 budget requested \$ 4.5 billion in funding for the Joint Strike Fighter. The Air Force requested \$ 2.3 in RDT&E funds, and the Navy requested \$2.2 billion in RDT&E funds.

The Bush Administration's FY2004 budget requested \$4.3 billion in research and development funds for the Joint Strike Fighter. (The first request for procurement money is expected in 2006.)

In their report, H.Rept. 108-106 (H.R. 1588), House authorizers matched the administration's request for JSF funding. Expressing their concern that "the U.S. is becoming dependent on foreign sources for many essential and critical items..." (Sec. 812, p.343) House authorizers recommend requiring DOD to buy more American-made defense products. While the JSF is not specifically mentioned in the House provisions, the "Critical Items Identification and Domestic Production Capabilities Improvement Program," could, if enacted, could strongly affect the program. Both White House and industry spokesmen have claimed that the legislation could force a major modification of the JSF program, or even its termination.²⁹

In their report, S.Rept. 108-46 (S. 1050), Senate authorizers added \$56 million to the administration's funding request to keep the F136 interchangeable engine development on its original schedule. The Senate Armed Services Committee noted that the F136 engine was funded at \$174.7 million in FY2003, and wrote that "The committee believes that the interchangeable engine should be made available for competitive procurement as early as possible." (P.185). Senate authorizers also expressed concern over the Department of the Navy's Tactical Air Integration Plan (TAI), and directed the Comptroller General of the United States to conduct an analysis of the plan to determine the impact on the Naval and Marine Corps reserve force structure, and the feasibility fo a smaller force to meet operational requirements. (P.123)

In their report, H.Rept. 108-187 (H.R. 2658) House appropriators reduced the FY2004 JSF funding request by \$132 million.\$45 million was cut because resolving the VSTOL variant's excessive weight will likely force a slip in the flight test schedule and critical design review, currently scheduled for the 3rd quarter of 2004. (P.210) The Committee cut \$87 million because it believed that the budgetary requirements for JSF mission support were overstated.

In their report, S.Rept. 108-87 (S. 1382), Senate appropriators added \$16.8 million to the Administration's FY2004 JSF funding request. The Committee expressed its "dismay" that the JSF program office took a reduction for inflation savings disproportionately against the F136 Interchangeable Engine. Senate appropriators sought to redress this situation by adding \$20 million for F136 risk

²⁹ Marc Selinger. "White House: JSF Jeopardized By House Defense Bill." *Aerospace Daily*. May 23, 2003. William Matthews. "Congress, Bush Dispute 'Buy American' Bills." *Defense News*. June 16, 2003.

reduction, and recommending that \$56 million be cut from the JSF, except for the F136 program.

In their report, H.Rept. 108-283 (H.R. 2658), appropriations conferees agreed to cut \$43.2 million from the JSF request. Conferees cut \$54 million due to excessive management support and added \$14 million for risk reduction on the F-136 interchangeable engine. To reflect their concerns that the JSF Program Office had applied disproportionately to the F-136 engine inflation adjustments, conferees cut \$56 million from the entire program and reinstated \$52.8 million to the F-135 development

The Administration's FY2003 budget request included \$3.5 billion in funding for the Joint Strike Fighter; \$1.7 billion in RDT&E funds for the Air Force and the Department of the Navy. In their markup of the FY2003 defense authorization bill (H.R. 4546), House authorizers fully supported the Administration's request for JSF funding.³⁰ Senate authorizers (S.Rept. 107-151, S. 2514) also fully funded the JSF. In their report (H.Rept. 107-772, H.R. 4546), authorization conferees matched the Administration's request for JSF funding.

House appropriators (H.Rept. 107-532, H.R. 5010) provided full funding for the JSF.³¹ Senate appropriators (S.Rept. 107-213, H.R. 5010) recommended cutting \$10 million from both Navy and Air Force RDT&E, and adding \$35 million to the Navy's JSF RDT&E account for the F136 Interchangeable Engine. In H.Rept. 107-732 (H.R. 5010), Appropriations Conferees followed the Senate by cutting \$10 million from both the Air Force and the Navy requests for JSF RDT&E funding, citing excessive growth in inflation and overhead estimates. Conferees also added \$29.7 million to the Navy's account to promote development and testing of two interchangeable engines for the JSF.

FY1994 - FY2002

Reflecting their plan to move the JSF into the SDD phase in October 2001, the Administration's \$1.5 billion FY2002 request for JSF funding was entirely in the SDD account. Expressing their support for the program, but also their doubt that the DOD would be prepared to enter JSF SDD on schedule, the Senate Armed Services Committee reduced SDD funding. Concept development funds were increased to keep contractor teams together, but the net authorization was a reduction of \$247.2 million. House authorizers supported the Administration's request, and increased it by \$10 million to reduce development schedule risk of JSF alternate engine common hardware components. Authorization conferees (S. 1438, H.Rept. 107-333) supported the Administration's request for SDD funding. Conferees also expressed their concern regarding industrial base issues and

³⁰ *House Armed Services Committee Reports Fiscal Year 2003 Defense Authorization Legislation*. Press Release. U.S. House of Representatives. Committee on Armed Services. May 1, 2002.

³¹ "House Passes FY2003 Defense Appropriations Bill." Press Release. United States House of Representatives. Committee on Appropriations. June 28, 2002.

direct the Under Secretary of Defense for Acquisition, Technology, and Logistics to submit a report, with the sub-mission of the fiscal year 2003 budget request, which details: (1) projections for the military aircraft industrial base, to include foreign military sales, between now and fiscal year 2015; and (2) actions taken by the DOD to encourage teaming arrangements in the JSF program that make the most efficient use of the expertise in the industrial base.³²

Following Senate authorization, Senate appropriators transferred \$30 million from SDD to concept development in anticipation of a delay in the downselect. Senate appropriators also recommended a \$247.2 million reduction to the request, evenly split between the Navy and Air Force. House authorizers supported the Administration's plan as requested. In their report H.R. 3338 (H.Rept. 107-350), appropriations conferees matched the Administration's request for JSF SDD funds, and increased the Navy's account by \$2.5 million for the Alternate Engine Program.

From FY1994 to FY2001 Congress provided funding within about \$329 million of the approximately \$4.3 billion requested by the Administration. Congress imposed its largest funding cut in FY2001 (\$168 million), but provided more than requested in fiscal years 1998, 1999, and 2000.

Over this time period, Congress has consistently expressed concern regarding the following issues: (1) the pace of the JSF program, (2) its affordability in the context of overall DOD tactical aviation modernization, (3) the ability to procure a joint aircraft with widely different STOVL and COTL flight parameters, and (4) the JSF program's lack of synchronization with the 1997 Quadrennial Defense Review (QDR).

The Senate Appropriations Committee recommended FY1997 funding for the JSF as requested, but the Committee questioned "the current pace of the Joint Strike Fighter program, given the costs to continue it, the potential for cost growth, and the need to fund other service priorities now and in the future."³³

Table 1. JAST/JSF Funding
(in millions of then year dollars)

	Request	Appropriation
FY1994	50	29.7
FY1995	201.4	182.1
FY1996	331.2	190.2
FY1997	589	571

³² 107th Congress, 1st Session. U.S. House of Representatives. Report 107-333 (S. 1438) National Defense Authorization Act for Fiscal Year 2002. Conference Report. December 12, 2001. p.574.

³³ U.S. Congress. Senate Appropriations Committee. FY1997 Defense Appropriation Act; report on S. 1894. Washington, U.S. Govt. Print. Off., 1996. 104th Congress, 2nd session. S.Rept. 104-286: 99.

	Request	Appropriation
FY1998	930.9	945.9
FY1999	919.5	927
FY2000	476.6	491.6
FY2001	856.7	688.6
FY2002	1,536.7	1,539.2
Total	5892	5565.3

Concerns about the significantly different flight parameters of conventional and STOVL aircraft were reflected in the House version of the FY1997 defense authorization bill, which denied funding for a STOVL variant of the JSF (H.R. 3230, Sec. 220), thus precluding participation by the U.S. Marines and U.K. Royal Navy in the program.³⁴ The language denying funds for a STOVL aircraft was not included in the conference version of the FY1997 defense authorization bill, but the conferees retained a House provision calling for a report detailing force structure requirements for projected threats in 2000-2025 as well as alternative force mixes of aircraft and munitions and the estimated costs, operational effectiveness, and delivery schedules of these weapon systems. (H.Rept. 104-724: 37-38).³⁵

When considering the FY1998 defense budget request, Congress discussed the JSF program as well as the F/A-22 and F/A-18E/F programs in terms of their long-term affordability rather than specific preferences among these three programs. When language directing the Defense Department to indicate a preference in case of insufficient funds for all three programs was proposed during Senate debate on the defense authorizations bill, the provision was soundly defeated.

The House National Security Committee's³⁶ FY1998 authorization report directed the Defense Department by February 15, 1998, to provide details on funding for full development and flight testing of an alternative engine for the JSF. In recommending decreased Air Force R&D funding, the report noted the Committee's concern "that the current pace of tactical aviation programs is both unaffordable and not coordinated with the ... Quadrennial Defense Review."³⁷

³⁴ Robinson, John and Sheila Foote. "Management Concerns Drove Critical JSF Language, Weldon Says," *Defense Daily*, May 9, 1996: 236-237. See also in *Congressional Record*, May 14, 1996: H4933-H4934 and H2939 the remarks of Rep. Douglas Peterson and Rep. Paul McHale in opposition to language in Section 220 denying funding for STOVL versions.

³⁵ The Defense Department's Institute for Defense Analysis (IDA) provided the defense committees information and periodic briefings in response to these questions during 1996-1997. Conversations with Dr. Dean Simmons, IDA, August 21 and November 4, 1997.

³⁶ The House National Security Committee was renamed the House Armed Services committee in January 1999.

³⁷ U.S. Congress. House National Security Committee. FY1998 National Defense Authorization Act; report on H.R. 1119. Washington, U.S. Govt. Print. Off., 1997. 105th

Congressional action on the JSF in FY2001 again raised concerns about schedule and affordability. Specifically, more than one committee voiced concern regarding the acquisition strategy. Some were concerned that DOD would abandon its “winner take all strategy” and split the award of the SDD contract between the leading candidates. While this strategy might prove beneficial to the U.S. aerospace industrial base in the long run, legislators opined that it would significantly raise JSF costs. Appropriations conferees (H.R. 4576, H.Rept.106-754. p. 220) endorsed DOD’s winner take all strategy, and wrote that “...industrial base concerns can best be addressed after the source selection decision.” Also, more than one committee raised concerns about the maturity of key JSF technologies and whether the program was ready to graduate from the demonstration/validation phase to SDD as per DOD plans.

Reflecting a three month delay in moving the JSF program to the SDD phase, appropriations conferees cut the FY2001 SDD request by \$393 million, and increased concept development funds, for a net reduction to the program of \$168 million. The conferees also directed that all flight testing — including at least 20 hours for the STOVL design — should be completed and fully evaluated prior to the selection of a JSF SDD design (H.R. 4205, p. 717).

Major Issues

The Joint Strike Fighter program poses a number of policy issues concerning (1) the need for such new aircraft to cope with future military threats, (2) the affordability of this program in its full-scale development and production phases after 2000, (3) the feasibility of such a joint-service approach to diverse service requirements, (4) potential alternatives to the JSF, (5) the implications for the U.S. defense industrial base, and (6) Foreign sales and allied participation.

Need for New-Generation Aircraft

Some argue that future threat scenarios will not require the combat capabilities promised by JSF aircraft. According to this view, continued production of modified versions of the Air Force F-16, the Marine Corps AV-8B, and the Navy F/A-18E/F along with the Air Force’s stealthy B-2 bombers and F/A-22 fighters in conjunction with sea-launched missiles and air-launched precision-guided munitions would suffice for the most probable combat scenarios.³⁸ As noted above, CBO analysts considered the relative costs of several options involving greater reliance on upgrades of existing aircraft vs. development and procurement of the JSF. GAO analysts have also questioned the need for new-generation aircraft such as the F/A-22 and the F/A-18E/F as well as the JSF, arguing that current aircraft would provide more capability than was needed during the 1991 Gulf War and concluding that it would be unlikely

³⁷ (...continued)

Congress, 1st session. H.Rept. 105-132: 189-190, 212, 243.

³⁸ Center for Strategic and Budgetary Assessments. *U.S. Tactical Aircraft Plans: Preparing for the Wrong Future?* by Steven Kosiak, CSBA Backgrounder, October 3, 1996: 5-10.

that potential adversaries could prevent U.S. forces from achieving their military objectives in future conflicts.³⁹

JSF proponents argue that it would be more cost-effective to acquire new-generation aircraft than to upgrade current aircraft to such an extent that they could perform effectively after 2010, maintaining that existing planes would require major modifications at considerable cost and would provide less combat effectiveness than a new JSF family of fighter/attack aircraft. In this view, the proliferation of Russian and other advanced surface-to-air and air-to-air missiles to hostile countries is likely to continue, which would pose much more serious threats to U.S. and allied aircraft than they faced in the 1991 Gulf War. Moreover, many currently operational aircraft will need to be replaced by the time JSF types could be in full production in the 2010s, when most of these planes will be about twenty years old, according to defense analyst Lawrence Korb, who recommends reducing procurement of F/A-22s and F/A-18E/Fs in order to fund the JSF program.⁴⁰ Given the difficulties of accurately predicting what might be needed in future conflict scenarios, how combat-effective JSF aircraft would be, and what it would cost to develop, procure, and operate these aircraft, any analyses of military requirements and the combat effectiveness and budgetary costs of such new-generation aircraft allow for a range of conjecture and debate.

Affordability of Program

JSF program officials anticipate major savings due to a high degree of commonality in components and systems among the three versions, which are to be built on a common production line. They also expect significant savings to be achieved by basing performance requirements on tradeoffs between cost and performance features, with industry and the services working together as a team. The contractors are expected to use new technologies and manufacturing techniques that reportedly could greatly reduce the JSF's development and production costs; e.g., wider use of composite materials in place of metal, CAD/CAM (computer-aided design/computer-aided manufacture) systems, and a recently developed plastic laminate that can be used instead of paint on the airframe.⁴¹ Composite materials have frequently proven more expensive than metal, raising questions about the savings to be achieved via composites.

³⁹ U.S. General Accounting Office. *Combat Air Power: Joint Mission Assessments Needed Before Making Program and Budget Decisions*. GAO/NSIAD-96-177, September 20, 1996: 9-10. See also GAO testimony before the House National Security Committee's Subcommittees on Military Research and Development and Military Procurement, June 27, 1996. GAO/T-NSIAD-96-196: 4-5 ("Forces of Potential Adversaries Are Limited and Likely Slow to Improve").

⁴⁰ Korb, Lawrence J. "Should We Pay \$21 Billion for This Plane? — Yes, It's a Bargain for the Future," *Christian Science Monitor*, November 25, 1996: 19.

⁴¹ Steidle, Craig E. "The Joint Strike Fighter Program," *Johns Hopkins APL Technical Digest*, v. 18, no. 1, January-March 1997: 6-8, 10-13, 17-18; "Kaminski Praises Industry Response to DOD Initiatives," *Aerospace Daily*, February 16, 1996: 249; Bender, Bryan. "'Paintless' Design to Save JSF an Estimated \$3 Billion," *Defense Daily*, July 18, 1997: 108-109.

Program officials are also counting on the availability of adequate funding to procure the aircraft at efficient rates of production. Moreover, they expect either Boeing or Lockheed Martin to be able to produce the JSF at less cost than was the case with previous military aircraft, when cost controls were less compelling. For example, the F-16's production costs declined by 38% between mid-1992 and early 1997, largely due to more efficient production methods and reduced labor costs, even though production rates fell from 20 to 25 aircraft per month in 1991 to about six aircraft per month in 1994-95, soon after Lockheed Martin acquired the F-16 plant in Fort Worth, Texas, from General Dynamics.⁴² Similarly, Boeing's experience in high-volume production of commercial transport planes is expected to facilitate cost-efficient production of military aircraft such as the JSF.⁴³

Others doubt these optimistic forecasts, citing past experience with new aircraft programs, concern about budget deficits, and support for non-defense programs in this post-Cold War period, which might preclude procurement of the JSF at projected rates.⁴⁴ According to this view, we cannot afford to launch a new JSF program while having to continue buying improved and ever more expensive versions of current planes to maintain force structures during what may be a long interim if the JSF runs into technical or budgetary problems.⁴⁵ It can also be argued that critical performance features may have to be traded off to make the JSF affordable enough to be procured in the quantities deemed necessary to maintain force structures.⁴⁶

Disagreements over performance and capability versus cost and affordability may threaten multi-service support of the JSF program. CBO analysts have noted that the performance/capability compromises required to achieve commonality "... could mean that the service with the most modest requirements in terms of capability (the Air Force) would have to accept a higher price and capability [compared to the F-16] than it needs so that the needs of the services with the greater capability requirements (the Navy and Marine Corps) could be met." They argue that if history is a guide, JSF planes "... are apt to be more costly than Air Force requirements might dictate, but provide less capability than the Navy might desire." They note further that "... price increases and decreases in capability are consistent with the history of

⁴² Scott, William C. "Lockheed Martin Reconstructs TAS [Tactical Aircraft Systems] Unit as 'Fighter Enterprise,'" *Aviation Week & Space Technology*, July 28, 1997: 64-66.

⁴³ Schneider, Greg. "Boeing Aftershocks," *The [Baltimore] Sun*, December 22, 1996: 1D, 3D.

⁴⁴ For discussion of budgetary constraints and competing defense programs, see Center for Strategic and Budgetary Assessments. *U.S. Tactical Aircraft Plans: Preparing for the Wrong Future?* by Steven Kosiak, CSBA Backgrounder, October 3, 1996: 4-5.

⁴⁵ Muradian, Vago and John Robinson. "Public Confidence at Odds with Private Concerns about Tacair," *Defense Daily*, November 19, 1996: 277; Shanahan, John J. "Should We Pay \$219 Billion for This Plane? — No, It's Squandering on Imaginary Enemies," *Christian Science Monitor*, November 25, 1996: 19.

⁴⁶ The difficulties of balancing performance and cost in the JSF program are discussed in detail in CBO's *A Look at Tomorrow's Tactical Air Forces*, January 1997: 48-50; see also Cole, Jeff, Andy Pasztor, and Thomas E. Ricks. "The Sky, the Limit: Do Lean Times Mean Fighting Machines Will Be Built for Less?" *Wall Street Journal*, November 18, 1996: A1.

many single service programs as well,” since development programs usually provide less capability at higher prices than early estimates suggest, and they conclude that the JSF program’s success “... will depend on persuading the services to lower their expectations from the stand-alone programs they might have without the Joint Strike Fighter.”⁴⁷

Feasibility of Joint-Service Aircraft

Those skeptical of developing aircraft to meet the needs of several services often point to the TFX program in the 1960s as a classic example of DOD’s failure to produce an aircraft that was both carrier-capable as well as suitable for land-based Air Force operations.⁴⁸ Analogies between TFX and JSF are rejected, however, by those who argue that TFX problems will be avoided in the JSF program by developing variants of a family of aircraft that can meet service requirements while sharing many common components and subsystems, such as engines, avionics, communications, and munitions.

Their argument is supported by an analyst who compared the origins of the two programs and concluded that JSF has thus far avoided the pitfalls of TFX by an apparent commitment to much better coordination of service requirements and the development of three variants for the Air Force, Navy, and Marine Corps/Royal Navy instead of one all-purpose airframe for both land- and carrier-based operations.⁴⁹ CBO analysts have noted, however, that “Many defense programs begin with the expectation of joint purchases by the services, but those expectations are seldom met.” For example, in the mid-1980s the Navy and Air Force planned to buy each other’s next-generation aircraft: the Navy’s Advanced Tactical Aircraft — the A-12 that was cancelled in 1991 — and the Air Force F/A-22, in which the Navy has not been interested since the early 1990s. Similarly, the V-22 program began in 1981 as the JVX tilt-rotor aircraft to be used by the Army, Marine Corps, Navy, and Air Force, but the Army soon dropped out and the other services reduced their projected buys.⁵⁰

While designing an aircraft that meets both the Air Force’s and the Navy’s needs is challenging, the Marine Corps’ STOVL requirement may be what makes or breaks this joint program because it appears the most technologically challenging

⁴⁷ U.S. Congressional Budget Office. *A Look at Tomorrow’s Tactical Air Forces* by Lane Pierrot and Jo Ann Vines. January 1997: 48-50.

⁴⁸ For background on the TFX program, which produced the Air Force’s F-111 and FB-111 strategic bombers in the 1960s, see Art, Robert. *The TFX Decision — McNamara and the Military* (Boston, 1968); see also and Coulam, Robert. *Illusions of Choice*. (Princeton, 1977).

⁴⁹ Rolleston, Mort. *Learning the Lessons of TFX: the Joint Strike Fighter and Acquisition Reform*. Unpublished manuscript by Master of Arts graduate in Security Policy Studies, Elliot School of International Affairs, George Washington University, February 1997.

⁵⁰ U.S. Congressional Budget Office. *A Look at Tomorrow’s Tactical Air Forces* by Lane Pierrot and Jo Ann Vines. January 1997: 47-48. For discussion of the V-22 program, see CRS Issue Brief IB86103, *V-22 Osprey Tilt-Rotor Aircraft Program*.

variant and is a leading cost driver. The costs and complications of pursuing the STOVL variant (including reducing weight growth), are leading some to suggest that the JSF program would be more feasible and more affordable if the F-35B were cancelled. In this case, the Marine Corps would buy the CV JSF instead of the STOVL variant.

The top ranking civilians in both the Air Force and the Navy have both expressed their strong support for the STOVL variant, calling it critical to the entire program.⁵¹ Air Force procurement of STOVL may reduce the unit costs of these aircraft, with favorable implications for the program's affordability and multi-service support in the annual competition for funding.

Others point out that cancelling the STOVL version of JSF is complicated by the UK's investment in the program. Regardless, DOD is studying the incorporation of Marine Corps fixed wing aviation into the Navy, which would eliminate the requirement for STOVL.⁵²

Multi-service support of the JSF has also been threatened by concerns on the part of some Navy officials that the costs of developing these aircraft may be too high, given the service's other funding priorities. In August 1997, the Navy began a review of JSF costs, raising questions about the service's continued support. Chief of Naval Operations Admiral Jay Johnson described this cost review as a routine exercise that in no way indicated a lack of support for the program, adding that "The Navy is committed to the Joint Strike Fighter as much as our shipmates in the Marine Corps and the Air Force."⁵³ The Air Force and the Marine Corps are the major participants in the program in terms of projected procurement; however, the Air Force is strongly committed to funding its F/A-22 stealth fighter/attack plane while the Marine Corps is strongly committed to funding its V-22 tilt-rotor aircraft. Perhaps concerned that the Navy and Air Force might not fully support the Joint Strike Fighter program in their long-term budget plans and that this lack of support would slow down or even jeopardize the program, former Deputy Defense Secretary Rudy de Leon issued a letter on May 2, 2000 to leaders of both departments, directing them to fully fund the tri-service fighter program. Stating that the JSF program was at a "critical juncture," de Leon reminded the Navy and Air Force leadership that the JSF will be the "cornerstone of U.S. tactical aviation for decades to come."⁵⁴

⁵¹ Gordon Trowbridge, "Roche Voices Strong Support for Short-Takeoff-Vertical Landing Fighter." *AirForceTimes.com*. March 24, 2004. Lorenzo Cortes. "England Says STOVL Version of JSF is 'Critical Design' of Entire Program." *Defense Daily*. April 5, 2004.

⁵² Frank Wolfe, "Navy to Submit Study on Incorporating Marine Corps Fixed-Air Wing." *Defense Daily*. September 4, 2001.

⁵³ Ricks, Thomas E., "Navy Begins to Question New Attack Jet That Air Force and Marines Support," *Wall Street Journal*, September 9, 1997: A4; Bender, Bryan. "Navy Says It's Fully Committed to Joint Strike Fighter," *Defense Daily*, September 12, 1997: 423-424.

⁵⁴ Christopher Castelli, "Air Force, Navy Directed to Fully Fund Joint Strike Fighter Program," *Inside the Air Force*. May 5, 2000.

Alternatives to JSF

According to some critics of the program, the U.S. armed services have alternatives to the JSF in the Air Force F-16, the Marine Corps AV-8B, and the Navy F/A-18E/F, which could be produced in upgraded and modified versions that would maintain force structures while providing at least some of the performance capabilities promised by the JSF. Moreover, they argue that more advanced versions of current aircraft designs might be developed and procured at less cost and with less risk of delays and technological problems than an entirely new family of aircraft variants may entail. Upgraded versions of existing aircraft designs could probably also be sold to allied governments that are likely to be JSF customers.

Noting the JSF's projected cost as well as past experience with new aircraft programs, Congressional Budget Office (CBO) analysts have suggested options that would either cancel development of the JSF, reduce procurement of the aircraft, or alter the types developed and their distribution among the services. CBO analysts have identified a number of alternatives to developing, procuring, and using JSF aircraft as currently proposed. These alternative options include reliance on modification of current fighter/attack planes already in operation or expected to be in service soon, such as the Navy F/A-18E/F and the Air Force F/A-22, as well as procuring fewer JSFs than proposed or none of these aircraft, with their place being taken by F-16s, AV-8Bs, and F/A-18E/Fs.⁵⁵

A CBO report requested by the House National Security Committee's Subcommittee on Military Research and Development and published in January 1997 analyzed the budgetary implications of the Administration's tactical aircraft modernization plans in regard to the JSF, F/A-22, and F/A-18E/F programs. The study evaluated one option that assumed procurement of only the 1,320 JSFs planned for Air Force buys through 2020 but no Marine Corps or Navy JSF versions; this was estimated to save about \$2.5 billion FY1997 dollars in average annual procurement funding over the 2002-2020 period compared to current Administration plans, estimated to cost some \$11.9 billion annually. Another option assumed procurement of 660 STOVL variants of the JSF for the Marines and the Navy, with the Air Force using F-16s and F-15Es in lieu of JSFs and F/A-22s, respectively, which was estimated to save about \$4.5 billion (FY1997 \$) per year from 2002 to 2020. The study also evaluated a share-the-pain option that would cap procurement funding for fighter/attack planes in 2002-2020 at the same level as the historical average for Air Force and Navy fighter/attack aircraft funding from 1974 to 1997. This option would continue current development plans, but because of the JSF cost cap it would be able to purchase only about 40% of the JSFs currently planned (42% for the Air Force, 30% for the Marine Corps, and 51% for the Navy) and about 50% of planned F/A-22s and 58% of planned F/A-18E/Fs, with estimated average savings of \$5.6 billion (FY1997 \$) in annual procurement funding. Each of these options presents risks and opportunities. The last option, for instance would save \$5.6 billion (FY1997 \$) in annual procurement funding but would also result in a smaller and older fighter force with less combat capability.

⁵⁵ U.S. Congressional Budget Office. *A Look at Tomorrow's Tactical Air Forces* by Lane Pierrot and Jo Ann Vines. January 1997: 55-71.

Lockheed Martin has initiated a study, and has briefed initial results to Air Force officials, of a radically modified version of the Raptor called the FB-22 (Fighter/Bomber). The purpose of this variant would be to significantly increase the F/A-22's air-to-ground capabilities; primarily through a redesign that would double the aircraft's range, and significantly increase the aircraft's internal payload. These improvements would likely result in some performance tradeoffs, such as reduced acceleration and maneuverability.

Although not officially part of the F/A-22 program, and still very much in the conceptual phase, some Air Force leaders have expressed enthusiasm for the idea. Secretary of the Air Force James Roche, reportedly touts the FB-22 idea as the potential platform of choice for providing better close air support for tomorrow's ground forces.⁵⁶ Other Air Force leaders appear less enthusiastic at this point.⁵⁷ Potential costs and schedule of the FB-22 concept are still quite notional. How this multi-role aircraft would compete with — or conversely compliment — the JSF has not yet been determined.

Another potential alternative to the JSF is the Unmanned Combat Aerial Vehicle (UCAV). The UCAV is being jointly pursued by the Air Force and the Defense Advanced Research Projects Agency and is still in the development stage.⁵⁸ Originally designed to execute a relatively small range of missions, UAV advocates argue that the technology is evolving so rapidly, that UCAVs could soon replace manned combat aircraft, not merely augment them. This perspective not universally held among defense analysts.

Implications for U.S. Defense Industry

Some fear that those firms selected as prime contractors for both development and production of the JSF (Boeing or Lockheed Martin for the airframe and Pratt & Whitney or General Electric for the engine) will dominate U.S. defense industry to such an extent that competition will be seriously impaired.⁵⁹ These concerns are increased by the continuing consolidation of U.S. aircraft and defense companies, highlighted in 1997 by Boeing's acquisition of McDonnell Douglas and Lockheed Martin's proposed purchase of Northrop Grumman. Competition in weapons production is important not only because of cost-control implications but also for preservation of a broad base of technical skills and competing ideas. Lawrence Korb has warned that "the Pentagon's enthusiastic embrace of defense industry consolidation will ultimately leave it dependent on three giant companies that will

⁵⁶ Ron Laurenzo. "Roche Envisions Close Air Support F-22." *Defense Week*. July 1, 2002.

⁵⁷ Bill Sweetman. "Smarter Bomber." *Popular Science*. June 25, 2002.

⁵⁸ See CRS Report RL31014 *Unmanned Combat Air Vehicles: Issues and Outlook*, for more information on UCAVs.

⁵⁹ Richard Aboulafia, "From JAST to JSF — The Future of the Combat Aircraft Business, or More Doomed Paper Airplanes," *Military Technology*, May 1996: 84.

have neither the incentive nor the capacity to come up with the technology breakthroughs that have been the foundation of U.S. military power.”⁶⁰

Others believe that there will still be enough work on combat aircraft programs to sustain a robust and competitive defense industrial base, arguing that firms not awarded prime contracts can still play important and profitable subcontractor roles in the JSF program as well as compete in other weapons programs.⁶¹ In this view, production of the JSF could be shared by Boeing and Lockheed Martin, just as production of the F/A-22 is currently shared by these companies, which would preserve some degree of competitiveness in development and production of fighter aircraft although with additional budgetary cost.

To ensure that the “winner-take-all” strategy is in fact in the country’s best interests, DOD acquisition chief Jacques Gansler empaneled a three-member committee to study the issue. On June 22, 2000 Under Secretary of Defense Gansler announced that for now, DOD would adhere to its original plan to award the JSF contract to a single company. In a letter to Rep. Jerry Lewis, Secretary of Defense William S. Cohen wrote “The Department has examined a number of options for continuing the JSF program once concept demonstration is completed. These options all assume the selection of a single, winning design. They range from winner-take-all to competition throughout production.” Cohen also stated that DOD and the RAND Corp. would continue to examine these options so that the next Administration could make their own judgement on the strategy that most prudently addresses industrial base concerns. In a letter to the leadership for the Senate Armed Services Committee, Undersecretary of Defense for Acquisition Aldridge confirmed the Bush Administration’s adherence to the winner take all strategy.

RAND released its study of DOD’s “winner-take-all” strategy in April 2001 and endorsed this strategy. Their study found it unlikely that DOD would recoup costs through establishing a second production line, and suggested that the best way to keep costs down would be to give production to one team, and compete future upgrades to the aircraft.⁶² Aerospace experts are divided on the feasibility of pursuing RAND’s approach.

The JSF program could also have a strong impact on the U.S. defense industry through export. Most observers believe that the JSF could dominate the combat aircraft export market much as the F-16 has. Some estimate that the potential export market for the JSF approaches 4,000 aircraft. Like the F-16, the JSF appears to be attractive due to its relatively low cost, flexible design, and promise of high performance. Also, analysts note that during his first stint as Defense Secretary, Donald Rumsfeld played an instrumental role in launching the F-16 program by

⁶⁰ Steven Pearlstein, “Boeing Free to Purchase McDonnell,” *Washington Post*, July 2, 1997: A1.

⁶¹ Fulghum, David A. and John D. Morocco. Final JSF Competition Offers No Sure Bets. *Aviation Week & Space Technology*, November 25, 1996: 20-22.

⁶² Adam Hebert. “RAND: Funding Alternate JSF Avionics Teams Would Likely Benefit DoD.” *Inside the Air Force*. April 6, 2001.

including foreign partners in the aircraft's development.⁶³ Many competitors, including France's Rafale, Sweden's JAS Gripen, and the European Typhoon are positioned to challenge the JSF in the fighter export market, or take its market share if the program is cancelled. Also, few countries have expressed interest in buying either the F/A-22 or the F/A-18E/F.

It can also be argued that the demand for civilian transport aircraft after 2000 will be strong enough to sustain a robust U.S. aviation industry, given the need to replace aging aircraft with quieter and more fuel-efficient planes for expanding domestic and international travel markets. For example, the worldwide fighter/attack market in 2005 has been estimated to be worth about \$13.2 billion while the commercial jet transport market is projected to be worth about \$43.5 billion at that time. Compared with its European and Asian competitors, the U.S. aviation industry appears to be well positioned to meet the needs of an expanding world market for civil aircraft after the turn of the century.⁶⁴ The extent to which such economic conditions may preserve an adequate U.S. defense industrial base for the development and production of combat aircraft is debatable, however, given the significant differences between civilian and military aircraft requirements and technologies.

Foreign Sales and Allied Participation

Potential foreign sales and allied participation in the JSF program have been actively pursued as a way to defray some of the cost of developing and producing the aircraft. Congress insisted from the outset that the JAST program include ongoing efforts by the Defense Advanced Research Projects Agency (DARPA) to develop more advanced STOVL aircraft, opening the way for British participation. As of April 2003, eight countries have pledged about \$4.5 billion to join in JSF development as partners.⁶⁵

Various contractual relationships with allied governments and foreign firms are possible, depending on the amount of funding invested in the program, ranging from the British government's participation as a collaborative partner to associate partners, informed customers, observers or FMS participants. On December 20, 1995, the U.S. and U.K. governments signed a memorandum of understanding (MOU) on British participation in the JSF program as a collaborative partner in the definition of requirements and aircraft design. This MOU committed the British government to contribute \$200 million towards the cost of the 1997-2001 concept demonstration phase.⁶⁶ British Aerospace, Rolls-Royce, and other U.K. defense firms that have long been involved in major U.S. aircraft programs are expected to be subcontractor

⁶³ Vago Muradian. "Coffman: JSF Critical to Preserving U.S. Leadership in World Fighter Market." *Defense Daily*. February 26, 2001.

⁶⁴ Aboulafia, Richard. "Market Overviews — Commercial Jet Transports, Fighter/Attack Aircraft," *World Military and Civil Aircraft Briefing*. Teal Group Corp., March 1997.

⁶⁵ Katie Fairbank. "Strike Fighter's Support Extends." *Dallas Morning News*. July 12, 2002.

⁶⁶ U.S., U.K. Sign JAST Agreement. *Aerospace Daily*, December 21, 1995: 451.

participants in the JSF program.⁶⁷ On January 17, 2001 the United States and the United Kingdom signed an MOU that committed the British government to spend \$2 billion supporting the JSF SDD phase. Britain's investment equates to approximately eight percent of the SDD program, and has been described by many analysts as a boon for the JSF program. Britain's — and other allies' — participation in the program makes it much more difficult for Congress or the Administration to cancel the program, they say.⁶⁸ In his nomination hearing, DOD acquisition chief Pete Aldridge testified that the any decision on the fate of the JSF would have to weigh its "international implications."⁶⁹

On April 16, 1997, the Dutch and Norwegian governments signed an MOU, which was later signed by the Danish government on September 10, 1997, committing a total of \$32 million from these NATO allies, who see the JSF as a replacement for the F-16 fighters they have operated since the late 1970s. On January 2, 1998, the Canadian government signed an MOU agreement, committing \$10 million to the JSF program as an observer of its management innovations. Canadian officials have stated that there is no commitment to buy the aircraft, however, and that Canada does not expect the JSF to replace its F/A-18A/Bs (operated as the CF-118A/B since the early 1980s).⁷⁰

On April 21, 2000 it was reported that DOD had extended offers to Australia and Belgium to become partners in the JSF development. Both countries declined the offer. However, in June 2002, Australia changed its position, and pledged \$150 million toward JSF SDD.⁷¹ Turkey, Italy, Denmark, Norway and the Netherlands have accepted roles in the JSF SDD phase. While the exact details are still to be determined, participation in SDD is expected to cost each country from \$250 million to \$1.25 billion over 11 years. The smallest financial input a country can make to be a JSF partner is 1-2 percent of SDD cost.⁷² The main benefit derived from participation is a strong commitment by the U.S. to export the aircraft to partner

⁶⁷ Since the 1970s many European and Japanese firms have been major participants in U.S. aircraft, avionics, and munitions programs as subcontractors or affiliates of U.S. firms; e.g., F-15, F-16, AV-8, F/A-18, and AWACS programs.

⁶⁸ Greg Schneider. "Britain Backs Joint Strike Fighter Effort." *Washington Post*. January 18, 2001. "British commitment seen as major boost to the Joint Strike Fighter." *Inside the Air Force*. January 19, 2001.

⁶⁹ Marc Selinger. "JSF decision should weigh 'international implications,' nominee for acquisition post says," *Aerospace Daily*. April 27, 2001.

⁷⁰ Conversations with Canadian Embassy officials, February 13, 1998; "Canada, U.S. Sign MOU for JSF Program," *Navy News and Undersea Technology*, February 9, 1998:7; *Joint Strike Fighter: Opportunities for Canadian Industry*. Report prepared by BDM International, Inc. for the Government of Canada, March 1997: 15p.

⁷¹ Nick Jonson. "Australia to Join Joint Strike Fighter Program as Level 3 Partner." *Aerospace Daily*. June 28, 2002.

⁷² Robert Wall. "Pentagon Broadens Foreign Options for JSF," *Aviation Week & Space Technology*. June 5, 2000: 46.

countries once the JSF is in production.⁷³ Another benefit of participation could be the transfer of military aviation expertise. Turkish officials have stated that participation in the JSF program is a “major opportunity for our defense industry.”⁷⁴

In early February 2002, Canada and the Netherlands joined Britain as foreign partners in the JSF’s SDD phase. As a “Level III” partner, Canada pledged to provide \$150 million over the next 10 years for the system development and demonstration phase.⁷⁵ The Netherlands committed \$800 million to the program, making it a “Level II partner.”⁷⁶

JSF program managers also offer FMS-level of participation for those countries unable to commit to partnership in the JSF’s SDD phase. Israel and Singapore have both signed letters of intent to become partners in the JSF program and to contribute \$50 million. JSF officials have discussed the aircraft with the defense staffs of many other allied countries as prospective customers, including Germany, Italy, Turkey, and Spain. Britain’s Royal Air Force (RAF) as well as its Royal Navy may also buy some JSF aircraft over the long run. In the near term, however, the RAF is expected to buy the Eurofighter, which is to be produced by British, German, Italian, and Spanish companies as Europe’s next-generation fighter/attack plane.⁷⁷ The Polish government is reportedly leaning toward an FMS investment of \$75 to \$100 million in the JSF program.⁷⁸

As the first aviation program to heavily incorporate foreign participation in development, the JSF’s industry cooperation and technology sharing mechanisms may still be evolving. British government officials have expressed some frustration over their perception that British industries have not garnered their fair share of work on the project.⁷⁹ British officials reportedly also fear that U.S. concerns about maintaining control over proprietary U.S. stealth technology may limit UK access to JSF production and maintenance work. From early to mid-2003, British officials began making the case for establishing a second JSF assembly line in the United Kingdom. According to press accounts, British industry officials argue that

⁷³ “Australia, Belgium Enter Joint Strike Fighter Program as EMD Partners,” *Inside the Air Force*. April 21, 2000.

⁷⁴ Bekedil, Burak Ege and Umit Enginsoy. “Turks to Pay up to \$1 Billion to Join JSF Development,” *Defense News*. July 17, 2000:6.

⁷⁵ Jim Garomone. “Canada Joins Joint Strike Fighter Effort,” *American Forces Press Service*. February 7, 2002.

⁷⁶ “Dutch Government Decides to Join Joint Strike Fighter.” *Defense Daily*. February 11, 2002.

⁷⁷ Michael J. Witt. “Britain’s Air Force Considers JSF as Harrier Follow-on,” *Defense News*, January 12-18, 1998: 1, 27. Scott, Richard and Nick Cook. “UK Air, Naval Forces Sign on Joint Future Aircraft,” *Jane’s Defence Weekly*, January 7, 1998: 3.

⁷⁸ Grzegorz Holdanowicz. “Poland Steps Up Interest in JSF.” *Jane’s Defense Weekly*. July 18, 2001.

⁷⁹ Elizabeth Rees. “U.K. Frustrated by JSF’s Touted International Partnering Scheme.” *Inside the Air Force*. February 28, 2003. and Robert Wall. “Export Issues Bedevil JSF.” *Aviation Week & Space Technology*. March 3, 2003

establishing an assembly line is required because it is of “critical importance” for the UK to establish an indigenous ability to support and modify the JSF throughout its life span.⁸⁰

Representatives from Dutch companies have been outspoken regarding their disappointment with a perceived lack of work on the F-35 program. Norwegian government officials have also voiced complaints about a perceived lack of JSF workshare and have threatened to withdraw from the program. In January 2003, Norway signed an industrial partnership agreement with the Eurofighter Consortium, a move many believe to be motivated by Norway’s increasing dissatisfaction with that country’s access to JSF business.⁸¹ Danish companies have also reportedly considered withdrawing from the program due to their unhappiness with workshare.⁸²

Perhaps in response to growing international frustration with JSF workshare arrangements, in June 2003, DOD released a report assessing the return on investment for international JSF participants. According to the study, the amount of return on investment varied greatly among participants from an estimated \$5 to \$40 dollars of revenue in return for every \$1 invested into the program.⁸³

In July 2003 the General Accounting Office warned that the JSF program office should take more proactive steps to ensure that international supplier planning take full account of the potential risks of transferring sensitive technology.⁸⁴ According to the GAO report, DOD agreed with this recommendation. DOD also reports that it has set up a JSF Steering Group to coordinate JSF foreign military sales.⁸⁵

⁸⁰ Paul Lewis. “UK Builds Case For JSF Assembly Line.” *Flight International*. February 18-24, 2003. and Douglas Barrie. “Disjointed Strike Fighter.” *Aviation Week & Space Technology*. May 19, 2003.

⁸¹ “Norway Signs Industrial Partnership with Eurofighter Consortium.” *Defense Daily*. January 29, 2003.

⁸² Joris Janssen Lok. “Frustration Mounts Among JSF Partners.” *Jane’s Defense Weekly*. March 24, 2004. Thomas Dodd. “Danish Companies Consider Quitting JSF Programme.” *Jane’s Defense Weekly*. January 9, 2004.

⁸³ John Liang. “DoD Study: JSF Could Generate High Return on Investment for Partner Countries.” *Inside Defense.Com*. June 13, 2003. and John Liang. “DoD Assessing JSF’s Financial Impact on Foreign Suppliers.” *Inside the Air Force*. May 9, 2003.

⁸⁴ “Joint Strike Fighter Acquisition: Cooperative Program Needs Greater Oversight to Ensure Goals are Met.” General Accounting Office. (GAO-03-775). July 2003.

⁸⁵ Sharon Weinberger. “Pentagon Stands up JSF Steering Group for Foreign Market.” *Defense Daily*. October 9, 2003. p.2.

Appendix A: JSF Operational/Performance and Cost Requirements

Characteristics	USAF	USN	USMC
Range (nmi) ^a	450-600	600	450-550
Payload ^b	4,000-lb AIM-120	4,000-lb AIM-120	4,000-lb AIM-120
Speed	subsonic cruise with supersonic dash speeds comparable to F-16 and F/A-18 ^c		
Affordability (FY94\$) ^d	\$31 M	\$31-38 M	\$30-35 M

Note: Steidle, Craig E. "The Joint Strike Fighter Program," *Johns Hopkins APL Technical Digest*, v. 18, January-March, 1997: 9. For more current USAF payload requirements, see Muradian, Vago. "AF Seeks 2,000-Pound Weapons Capability in New JSF Requirement," *Defense Daily*, September 16, 1997: 445-447.

^a Aircraft range is normally stated in nautical miles (nmi) of 6,080 ft, equivalent to 1.15 statute miles (mi) or 1.85 kilometers (km).

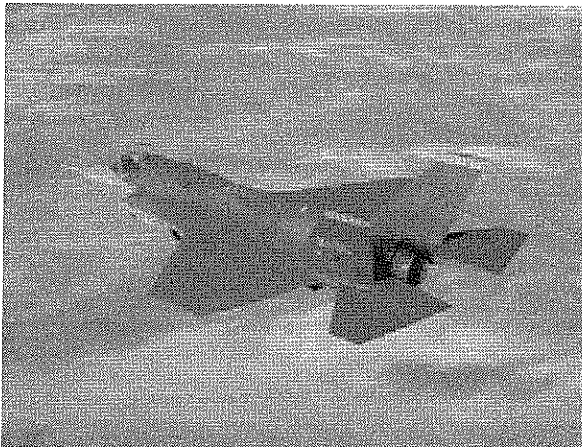
^b Christopher Castelli. "Marine Corps Wins Change to Boost Internal Payload of STOVL JSF," *Inside the Navy*. November 11, 2002.

^c The maximum dash speeds of these aircraft for short duration at high altitude with a clean configuration are reportedly Mach 2 for F-16s and Mach 1.8 for F/A-18s. Mach 1, the speed of sound, varies from 762 mph (662 nmph) at sealevel to 654 mph (576 nmph) at 35,000 ft. *Jane's All the World's Aircraft*, 1996-97: 649 and 657.

^d These are the projected "flyaway costs" per aircraft in FY1994 dollars, which program officials have stated as affordability goals. As noted above on p. 4, flyaway cost represents a significant part of an aircraft's procurement cost but does not include the cost of all procurement items nor the costs of R&D and military construction.

Appendix B: Pictures of JSF Variants

X-35A



X-35B



X-35C

