Pentagon and Lockheed Martin Agree to F-35 Sustainment Contracts

Pilots with Marine Fighter Attack Training Squadron 501 (VMFAT-501) fly the F-35B Lightning II during the Marine Corps Air Station Beaufort Air Show, April 28. *U.S. MARINE CORPS / Warrant Officer Bobby J. Yarbrough*

FORT WORTH, Texas – The F-35 Joint Program Office awarded the Lockheed Martin industry team annualized contracts covering fiscal years 2021-2023 to support operations and sustainment of the global F-35 fleet, supporting mission readiness and further reducing costs, the company said in a Sept. 13 release.

The annual contracts fund critical sustainment activities for aircraft currently in the fleet and build enterprise capacity to support the future fleet of more than 3,000 F-35 aircraft. This includes industry sustainment experts supporting base and depot maintenance, pilot and maintainer training, and sustaining engineering for the U.S. and allies across the globe. It also covers fleet-wide data analytics and supply chain management for part repair and replenishment to enhance overall supply availability for the fleet.

“Together with the F-35 Joint Program Office, we recognize the critical role the F-35 plays in supporting our customers’ global missions and the need to deliver this capability affordably,” said Bridget Lauderdale, Lockheed Martin vice president and general manager of the F-35 program. “These contracts represent more than a 30% reduction in cost per flying hour from the 2020 annualized contract and exemplify the trusted partnership and commitment we share to reduce sustainment costs and increase availability for this

unrivaled fifth-generation weapon system.”

The fiscal 2021-2023 contracts represent a planned next step in further reducing overall operations and support costs for the F-35 program, which are shared between government and industry. Lockheed Martin has reduced our cost per flight hour by 44% in the past five years, with a forecasted reduction of an additional 40% in the next five years. The cost savings in the fiscal 2021-2023 annualized sustainment contracts support Lockheed Martin’s efforts to realize these goals. The savings will be achieved through improved cost and velocity in the supply chain, continued reliability improvements, and greater manpower efficiencies to provide product support solutions across the growing, global fleet.

The contracts also pave the way for a longer-term, performance-based logistics (PBL) agreement for the F-35 program. PBLs are an industry best practice, facilitating agile sustainment solutions for the fleet and incentivizing even further affordability and performance results.

The F-35 Joint Program Office, together with each U.S. service, international operators and the F-35 industry team, leads F-35 sustainment and global support. The 2021 annualized sustainment contract will cover industry sustainment activities through Dec. 31, 2021.

Program data shows the F-35’s reliability continues to improve as the jet is approximately twice as reliable as fourth-generation fighters. It also shows maintenance labor hours needed per flight hour are well within the contractual requirement, while the global fleet is averaging around 70% mission capable rates. Lockheed Martin has significantly lowered its share of cost per flight hour over the last five years, and the broader F-35 team is working across government and industry to achieve greater affordability.

More than 690 aircraft have been delivered and are operating

from 21 bases around the globe. More than 1,460 pilots and 11,025 maintainers have been trained and the F-35 fleet has surpassed 430,000 cumulative flight hours.