



# F-35 Lightning II Program

## Public Affairs Release – 2011 10 26

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### JOINT STRIKE FIGHTER PROGRAM OFFICE STATEMENT ON LRIP 5 UCA

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Today Lockheed Martin made some financial disclosures public that show their investment of company funds in support of 30 F-35s that are proposed for purchase in Low Rate Initial Production (LRIP) contract 5. While we do not have a signed production contract for LRIP 5 aircraft, the Government continues to work in good faith with Lockheed Martin to discuss an agreement that is in the best interests of the American taxpayers.

At issue is the Government's ability to secure an agreement to share concurrency modification costs with Lockheed Martin. F-35 production aircraft are being built at the same time as, or concurrently with, development efforts under the System Development and Demonstration (SDD) contract. Due to this concurrency, the LRIP 5 configuration of F-35 aircraft may evolve or change as the design matures and systems are tested and qualified under the SDD contract.

In the previous four LRIP contracts, all concurrency-related recurring costs have been borne 100% by the Government. On 19 August 2011, USD (AT&L) issued an Acquisition Decision Memorandum (ADM) requiring any LRIP 5 production contract to reflect a reasonable allocation for Lockheed Martin to share in the concurrency-cost risk associated with achieving F-35 configuration and capability requirements. The Government remains committed to securing a fair agreement with Lockheed Martin to share in concurrency costs. This agreement, or undefinitized contract, will happen in advance of the negotiated final contract.