June 11, 2019

The Honorable James Inhofe  
Chairman  
Senate Committee on Armed Services  
205 Russell Senate Office Building  
Washington, DC 20510

The Honorable Jack Reed  
Ranking Member  
Senate Committee on Armed Services  
728 Hart Senate Office Building  
Washington, DC 20510

The Honorable Adam Smith  
Chairman  
House Committee on Armed Services  
2264 Rayburn House Office Building  
Washington, DC 20515

The Honorable Mac Thornberry  
Ranking Member  
House Committee on Armed Services  
2208 Rayburn House Office Building  
Washington, DC 20515

Dear Chairs and Ranking Members:

The Project On Government Oversight (POGO) has spent 38 years investigating waste, mismanagement, and abuse in the Department of Defense’s (DoD) weapons acquisition system. Following revelations that at least 3.45 million items related to the F-35 program valued at $2.1 billion could not be properly accounted for, we were pleased to see that a provision in the proposed Fiscal Year 2020 National Defense Authorization Act would limit funding for the F-35 Joint Strike Fighter program until Congress receives a report detailing how the Pentagon plans to improve availability and accountability of property through the supply chain.\(^1\) We strongly urge you to take this further and conduct an investigation to determine why the Pentagon cannot properly account for F-35 spare parts and who may be responsible as this issue has implications on other current and future acquisition programs.

The Department of Defense Inspector General’s office and the Government Accountability Office recently released near simultaneous reports detailing the lack of accountability of government property related to the F-35 Joint Strike Fighter and the impact this has on the program’s overall effectiveness. The DoD IG found that the government has no way to track replacement parts through the F-35 supply chain because the government surrendered that responsibility to the prime contractor, Lockheed Martin. According to the report, “The lack of asset visibility restricts the DoD’s ability to conduct the necessary checks and balances that ensure the prime contractor is managing and spending F-35 Program funds in the Government’s best interest and could impact the DoD’s ability to meet its operational readiness goals for the

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F-35 aircraft.” The GAO reports that the Pentagon does not even know how much individual parts cost.\textsuperscript{3}

These reports raise important questions about whether the program, under its current management structure, can meet the operational and readiness needs of the F-35 fleet. The GAO found that “as the size of the fleet and number of operational squadrons grow, the F-35 program will face increasing demands on its supply chain and competing operational priorities across participants that will likely make it more difficult for the program and the U.S. services to mitigate fleet-wide shortages of F-35 parts.”\textsuperscript{4} The want of replacement parts explains in part the F-35 program’s noted unreliability. The best measure of an aircraft program’s performance is its fully mission capable rate, or the average number of aircraft that can perform all of its tasked missions. The Navy’s F-35C only managed a fully mission capable rate of 2 percent in November 2018. Fleet-wide across all three variants, the F-35 program only achieved a rate of 26.8 percent from May through November 2018.\textsuperscript{5} Information provided by Lockheed Martin shows that 29.7 percent of the aircraft that were unable to fly during this period lacked the spare parts they needed to make them airworthy.\textsuperscript{6}

Looking to the future, problems of these kinds will only get worse unless Congress withholds approval and funding for any acquisition program that does not include the purchase of full data and technical rights for the F-35’s design. Doing so would prevent a future situation like the one now facing the F-35 program—and by extension, American service members and taxpayers. It would also allow the government to seek alternative suppliers should the original contractor fail to live up to expectations.

Given your role in ensuring that our men and women serving in uniform have the tools necessary to defend our nation, we urge you to continue with the steps you are taking to secure accountability and functionality of the F-35 program and also conduct an investigation to determine how the program came to operate in this manner.

We have additional information about this issue we would be happy to share should you decide to investigate the matter further.

Sincerely,

Danielle Brian
Executive Director

cc:   Senator Richard Shelby, Chairman, Senate Committee on Appropriations
     Senator Patrick Leahy, Vice Chairman, Senate Committee on Appropriations


\textsuperscript{4} \textit{F-35 Aircraft Sustainment}, p. 22.

\textsuperscript{5} \textit{F-35 Aircraft Sustainment}, p. 12.

\textsuperscript{6} \textit{F-35 Aircraft Sustainment}, p. 13.