

F-35: Unrivaled National Asset – Strengthening Security, Powering American Competitiveness & Economic Growth



The F-35 is the most advanced fighter aircraft in production and has one of the highest availability rates in the USAF fleet.

- F-35 provides pilots unmatched capability, survivability and connectivity critical in today's and tomorrow's threat environments
- Maximizing production rates provides the greatest economies of scale and helps reduce sustainment costs
- Fully funding the modernization program provides a step change in capability and ensures F-35 will deter and dominate evolving threats
- F-35's growing presence around the world is foundational to regional deterrence

A reduction in F-35 procurement presents risks to our economic and national security.

- Vital to our Defense Industrial Base supporting 254,000 jobs across 48 states
- Provides promised stability and value vital to military partnerships with key allies around the world
- Modernization efforts are a cornerstone of the Joint Warfighting Concept

American Competitiveness and Economic Growth

- The F-35 is a national asset that creates and sustains economic growth, workforce development, and economic opportunity across the United States.
- F-35 is a digital enterprise, fueling high-tech jobs in Artificial Intelligence, cyber security, and software development and ensures the American workforce has the skills needed to outpace our global competitors.
- Current F-35 production rates support 254,000 high-paying, high quality American jobs, including thousands of members of the International Association of Machinists (IAM).
- The F-35 total job force in the U.S. grew from 220,000 in 2019 to 254,000 in 2020 – representing an 14.5% increase over the last year and nearly double the number of U.S.-based jobs since 2015 – a significant increase in the critical skills needed to maintain the U.S. defense industrial base that only represents 1% of the aerospace and defense sector.



Supporting Small Businesses and COVID-19 Recovery

- The F-35 program teams with nearly 1,800 first tier suppliers, more than half of which are U.S. based small businesses – the backbone of the American economy.
- Across Lockheed Martin we recognize the devastating effects of COVID-19 on small businesses and are supporting their recovery and resilience.
- Throughout the pandemic, Lockheed Martin accelerated payments to our supply chain so they could remain viable and support their employee base throughout the pandemic and our own IAM workforce continued to work onsite to deliver 120 aircraft for our customers.
- Lockheed Martin delivered \$400M weekly in accelerated progress payments from the Department of Defense to our supply chain, assuring continuity among small and distressed businesses.



Supporting America's Allies and Partners

- F-35 is a lynchpin among our allies and partners, providing **unmatched interoperability** with our allies and **enabling regional deterrence and diplomacy**.
- Redefines how we train, fight and win with our allies by **enabling critical joint capabilities** and **building coalitions** while strengthening global security.
- Maintains the commitment the U.S. made to our strongest allies and serves as a **deterrent against peer and near-peer adversaries** (i.e. China and Russia).
- Significant cost-sharing benefits from economies of scale beneficial to the U.S and our allies involved in the program.
- Pivotal to delivering regional deterrence in the INDOPACOM and EUCOM theaters with allies' regionally based assets complementing U.S deployments.



Allies and partners bound together in air power

Delivering a Sustainable Fleet

- F-35 availability continues to increase as more aircraft enter service and recent USAF data shows it **has the highest mission capable (MC) rates** across the fleet.
- Lockheed Martin is committed to **partnering with the U.S. government and our industry** partners to achieve an affordable and sustainable fleet.
- Lockheed Martin has made significant investments and instituted over 15 initiatives that have **reduced our share of operating and sustainment costs by 44%**.
- **The unmatched capability delivered by the F-35 must be part of affordability equations.**



>\$400M

Lockheed Martin investment in sustainment over last 5 years

Cost-Effective Multi-Domain, Multi-Role System

- The U.S. must modernize our fighter inventory to ensure we can sustain a strong national defense that counters the pacing threat - China.
- As the most advanced node in 21st century warfare network architecture, the F-35 provides **multi-role capabilities far surpassing 4th Generation** aircraft and unmatched data sharing essential for Joint All Domain Command and Control (JADC2).
- The F-35's affordable total ownership costs provide the **lowest cost per effect** – the total cost to achieve a mission outcome – and provides multi-domain value.
- **Executing a strategy that invests in new “old” aircraft is a miscalculation of limited defense capabilities and resources that shortchanges the warfighter, taxpayers and the industrial base.**
- F-35 costs have decreased while its capabilities are growing – delivering value to the warfighter, U.S. taxpayers and our allies across the globe.

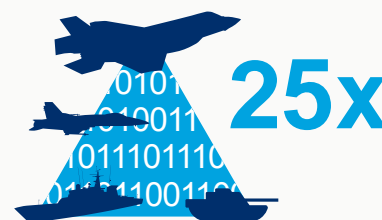


44%

US aircraft are flying beyond their current service life

Advancing Capability to Outpace the Threat

- F-35 is the **most advanced fighter in production today** and fully funding the planned advanced capability insertion plan (modernization) is imperative to **retain an advantage over our near peer threats** (China and Russia).
- Block 4 will advance critical capabilities, but development has been threatened by reduced funding, performance issues, and scope growth.
- **Lockheed Martin is “all in” to address Technical Refresh-3 (TR-3) cost challenges** and to deliver TR-3 with Lot 15 deliveries (begins 2023).
- **Lockheed Martin has made significant investments** in capabilities to deter peer aggression and advance **F-35's role in multi-domain operations**.
- The **Air Systems Playbook 16.1** planning document is an executable plan that addresses current program realities and **focuses primarily on acceleration of new weapons** on the aircraft.
- Strong and **robust investment by the U.S. Government** in test infrastructure and labs will **accelerate technology insertion**.



TR3 mission computers provide 25x greater processing power