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THE HOUSE COMMITTEE ON OVERSIGHT AND REFORM

STATEMENT OF

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F-35 PROGRAM EXECUTIVE OFFICER AND PROGRAM DIRECTOR

BEFORE THE  
HOUSE COMMITTEE  
ON  
OVERSIGHT AND REFORM

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Chairwoman Maloney, Ranking Member Comer, and Distinguished Members of the Committee:

My name is Lt.Gen. Eric Fick, and it is my distinct honor to serve as your F-35 Program Executive Officer and Program Director, leading the F-35 Enterprise through the development, production and sustainment of this amazing Air System. On behalf of the 2,100 men and women of the F-35 Lightning II Program, it is my privilege to update you on the hard work that continues daily across F-35 global enterprise.

I'll begin my comments today noting that while I am encouraged by the real progress we've made as an enterprise across development, production, and sustainment of this Air System, I am vividly aware that we still have much work before us - I remain committed to persistent acceleration of progress to meet Warfighter needs. Together with our International Partners, Foreign Military Sales customers, and our Industry Partners, we will, continue to get after it.

In the past year, our Program has matured rapidly. Our annual production rate reached an all-time high, we delivered our 500th aircraft to the fleet, unit costs continue to come down, and mission capability rates continue to rise. We are delivering a transformative capability, and your Warfighters are employing F-35s in theater as we speak today. The pace of operations will not slow, and the number of aircraft in the field will continue to expand at 'Lightning' speed. I remain focused on my strategic priorities of: people, capability, affordability, availability, agility and deployability.

In the last six months, we have reshaped the F-35 Program Office to a product-aligned organization, with cross-functional talent embedded in each of our project management teams. I am seeing the benefits of this change through improved communication with F-35 customers and industry partners, and rapid problem solving and issue resolution across the organization. As we

prepare for F-35 full rate production, I am confident in the knowledge, skills and resolve I've witnessed across the F-35 Enterprise – we will overcome present challenges, and are well-prepared for any that may lie ahead.

I have focused the organization on four lines of effort to ensure we continue the positive momentum we've seen in aircraft readiness in the last year. These four areas are: (1) reliability and maintainability – “keep the part on the aircraft longer” (2) supply posture, which includes many items, including electronic equipment logs, or EELs – “make sure spare parts are available”, (3) repair capacity – “have a capability to repair the part” and finally (4) repair velocity - “fix the part in a timely manner so it becomes available to the maintainer to fix the jet”.

We're making great progress across these four areas, and I'm ready to talk to any of the initiatives that are underway. Based on your request for today's discussion, I will start with a discussion on Ready for Install – RFI – parts, and Electronic Equipment Logs, or EELs – which I bin under the supply posture line of effort.

Maintainers use the EEL to track when a part should receive routine maintenance on the flight line, or be inducted for more complex maintenance or repair at an F-35 depot. An F-35 EEL is similar to a digital medical record – it tells the story of the part from cradle to grave. The EEL ensures that a part's digital health history is easily accessible to anyone who will be involved in part maintenance. Each F-35 contains roughly 1,000 parts that are accompanied by a unique Electronic Equipment Log, or EEL – the number of EELs parts differs slightly between F-35 variants. It's important to keep EELs in context though; with 50,000 component parts (air vehicle and engine) contained in an F-35, EELs parts comprise only 2% of total aircraft parts. Parts with EELs are, in broad terms, associated with the most critical or complex maintenance relative to F-35 safety and capability.

Each part with an EEL is managed and monitored by the F-35 Autonomic Logistics Information System – or ALIS. If a part is manufactured by one of our suppliers, and arrives at an F-35 site location with an incorrect or missing EEL, it takes a significant amount of effort and time for F-35 maintainers to reconstruct the part history, and manually create a digital record for the part. When maintainers are required to step in and substitute for a process that should be automated, it diverts time from scheduled maintenance activities, and significantly increases the probability of human error. These deficiencies add cost and risk to our program. The bottom line is – we need parts delivered on time, and with ALL required electronic identification markings and records right upon arrival. We understand the problem, and have aggressively worked to address each of the root causes.

As chronicled in 2019 Government Accountability Office and DOD Inspector General reports related to F-35 sustainment, we have gotten after root causes noted by oversight agencies and this Committee. On the subject of F-35 parts not ready for issue (also known as non-RFI) – first and foremost, we have improved contracting language to ensure that industry compensation is based on the delivery of parts that are ready to be installed. Concurrent with efforts to mature contract language, we worked closely with the Defense Contract Management Agency to determine previous impacts from receipt of parts with missing or incomplete EELs that were not ready for issue. We have reached agreement on the number of parts that were received where EELs prevented installation on aircraft, and are in the process of determining financial consideration with DCMA to hold Lockheed Martin accountable for the shortfalls evaluated from 2018 through today.

My team of sustainment professionals launched a Rapid Improvement Event last year to further these initiatives. We conducted site visits and quality inspections, and worked side by side

with maintainers on the ground – we developed corrective actions plans with industry partners to address key supply system degraders, and worked with industry partners to ensure that their supply chain was responsive to these corrective actions. We pushed updates to the ALIS system to improve tracking and accountability of parts, and enhanced functionality of ALIS modules to further reduce the burden on our uniformed professionals. We re-vamped training and oversight at F-35 squadron locations to improve quality controls and reduce human error. These measures are all paying off – our EELs parts ready to install rate is at 83% as of June 2020. Our Program target goal is 90% this year, and beginning in 2021, the contracted requirement for parts ready-for-issue will be 99%. Because of Program-led EELs corrective actions and other readiness efforts, we are seeing a steady increase in aircraft mission capable rates. As we remedy the current situation, the Program remains future-focused.

The next major wave of F-35 sustainment improvements will happen over the next two years, when the program sunsets ALIS, and introduces a more modern sustainment architecture, called the Operational Data Integrated Network – ODIN - to the F-35 fleet. ODIN will offer F-35 maintainers a modernized hardware and software environment, and will use agile development to increase Program responsiveness to the evolving needs of our customers and F-35 operations. ODIN will decrease maintenance workload, and improve fleet readiness levels – ODIN is portable, and more deployable than ALIS. The ODIN project is an outstanding example of working with experts in government and industry to exploit modern, adaptable tools.

At each step of the way, I am personally engaging with the men and women who bring the F-35 program to life. I am conducting quarterly meetings with Service Maintenance Group Commanders to gain insight into what they're seeing day to day, and to evaluate how the Program Office can continuously improve readiness conditions for F-35 pilots and maintainers.

The candid feedback I receive from the field is emblematic of what makes this Program truly special: in spite of the complexities and challenges that accompany this ground-breaking technology and culture change, there is tremendous enthusiasm for getting things right. I am inspired every day by the efforts of this capable team, and the rapid learning and improvement that comes with each successive contract, each aircraft delivered, and each new operational deployment. We are seeing the benefit of this partnership as the Services share lessons learned, and we train and operate alongside our F-35 international partners.

F-35s are in the skies today, conducting missions in the Indo-Pacific region, the European theater, and on Arctic patrols with our NATO allies. You have my commitment that we will continue to deliver the warfighting capability the nation needs to meet the demands of our National Defense Strategy – we will do it smartly, efficiently, and as cost-effectively as possible - and we will do it with the highest regard for those we serve, and those who put their trust in us. As the son of an Airman, and the father of two Airmen – so far – nothing is more important to me than giving them the tools they need to do their job...in harm's way...and to bring them back safely. Every time.

I appreciate the opportunity to appear before you today, and I look forward to your questions.

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