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The Honorable Adam Smith Chairman, HASC 2216 Rayburn House Office Building Washington, D.C. 20515

Subject: Repeated Requests for GAO Investigations, F-35 Modernization and Agile development (many "Days late and dollars short")

Dear Chairman Smith:

Yesterday, the GAO published yet another report, GAO-21-222 Weapon Systems Annual Assessment, which cites problems with the F-35 Block 4 Software Modernization effort and with Agile development methods. These problems are chronic and systemic in DOD Major Capability Acquisition and Software Acquisition programs.

Please take oversight actions that I had recommended to you in 2020 and to Sen. McCain in 2015:

Letters to you:

Regarding F-35 Modernization, Subj: Request for Supplemental GAO Investigation, F-35 Modernization, dated May 12, 2020

Regarding Agile development, Subj: HR 6395 EH, Sec. 1710N, Agile Program and Project Management; Maximum Viable Profit for Minimum Viable Product?, dated Oct. 6, 2020

Letters to Sen. McCain:

Subj: Cost Controls on the F-35 and Need for Acquisition Reform of EVM, dated Jan. 21, 2015

GAO Report excerpts regarding F-35 Modernization

As of November 2020, 11 open category 1 deficiencies remain that could jeopardize safety or security, and 861 open category 2 deficiencies remain that could impede mission success. The program office plans to resolve seven category 1 deficiencies prior to the completion of operational testing. The remaining four category 1 deficiencies will remain open until the program completes software improvements currently scheduled for delivery in 2021. This will not occur until after the full-rate production decision, which could lead to additional retrofit costs to existing aircraft.

Costs for the F-35's modernization effort, known as Block 4, increased. Total Block 4 development costs...grew from \$12.1 billion last year to \$14.4 billion this year, in part due to the additional costs for flight test activities and an additional year of development. The program continues to deliver Block 4 capabilities late because of its overly optimistic schedule. As of October 2020, the contractor had delivered only eight of 20 capabilities planned to-date, including some that were

delivered earlier than originally planned. Further, Block 4 capabilities enabled by software are frequently delivered late to flight testers, and software defects continue to be a problem.

The program office also noted that, subsequent to our review, it had recategorized 178 of the 861 category 2 deficiencies as enhancements.

GAO Report excerpts regarding Agile Development

...of the 36 programs that reported using Agile development (23 MDAPs and 13 MTA programs), only six reported delivering software to users in less than 3 months. The majority of programs using Agile either responded that the question was not applicable or they did not know the frequency with which software is delivered to users; or are delivering software to users every 10 to 13 months or more, *well outside the recommended range for Agile development*. We previously reported that the most well-known feature of Agile software development is its emphasis on developing software in iterations that are being continuously evaluated on their functionality, and customer satisfaction.

Requested Oversight Actions

Please review my letters. The recommended GAO investigations, going back to 2015, are still pertinent. Why are we still "always a day late and a dollar short?"

Also, please add a review of the F-35 program office's failure to perform. It recategorized 178 of the 861 category 2 deficiencies as "enhancements." If category 2 deficiencies could formerly impede mission success, how can they now be considered enhancements? What is an enhancement? Is this another scheme to conceal deferred or reduced functionality?

This letter and the cited letters may be downloaded from www.pb-ev.com at the "Acquisition Reform" tab. Please contact me for additional information or support.

Yours truly,

Paul J. Solomon

CC:

Hon. Sen. Joni Ernst, SASC

Hon. Sen. Bernie Sanders

Hon. Sen. Elizabeth Warren, SASC

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Mr. Andrew Hunter, Biden-Harris Transition Team

Hon. Kathleen Hicks, Dep. Sec. of Defense

Hon. Stacy A. Cummings, Acting Under Sec. Def. for Acquisition and Sustainment

Counsellor to the President Jeff Zients

Anthony Capaccio, Bloomberg News

Michael LaForgia, NYT