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June 11, 2021

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

Subject: More on the Misrepresentation of F-35 Block 4 “Modernization” rev. 1

Dear Chairman Smith:

In my letter dated June 9, I requested that you review the F-35 program office’s *recategorization* of 178 of the 861 category 2 deficiencies in the Block 4 “Modernization” effort as “enhancements.” The following questions were posed:

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?

A new question is also posed. Is this another scheme to falsely provide an unrealistic Estimate at Completion for total Block 4 development costs?

#### **Scheme to Conceal Deferred or Reduced Functionality and to Suppress Estimated Costs?**

The following discussion sheds light on the scheme to conceal knowledge of F-35 deferred or reduced functionality and, possibly, to provide a false, low estimate of total Block 4 development costs. Lockheed Martin and DOD’s use of the terms “Modernization” and “enhancement” are misleading. First, many of the deficiencies are not modernization but are corrections of old, SDD deficiencies. Functionality that was planned for SDD was not attained and was deferred to Block 4.

Now, they assert that some of that deferred SDD functionality is no longer even needed for mission success. Those functional deficiencies are now merely “enhancements.”

Evidence that most of the old deficiencies (including those currently defined as enhancements) originated during SDD was provided in my letter, subj: *F-35 Software Deliveries Using Agile Methods; Schedule Slips and “Technical Debt” per DOT&E*, dated February 6, 2020. Excerpts from that letter follow.

The catalyst to write this letter was the release to Congress of the *FY2019 DOT&E Annual Report*, Jan. 30, 2020. Pertinent excerpts follow:

- After almost 2 years and four fielded software releases since completing SDD with Block 3F development in April 2018, 66 percent of the current open deficiencies were identified *prior to SDD completion*.

I hope that this additional information provides sufficient reason for you to take the action described in the first paragraph of this letter and to take an additional action. The additional action is to request GAO to determine if the total Block 4 development costs of \$14.4 billion now exclude the costs to correct the 178 category 2 deficiencies that have been “recategorized” as enhancements. Your actions are needed to:

1. Get to the truth about the cost, schedule, and technical performance of the F-35 program.
2. Fix chronic, systemic problems in Major Capability Acquisition and Software Acquisition programs including:
  - a. Account for deferred functionality
  - b. Plan for and report the cost and schedule status of rework in the Performance Measurement Baseline.
  - c. Prevent the misuse of Management Reserve to mask cost overruns due to more rework than planned (as discussed in my letter to Rep. Norcross, subj: More on Deceptive Performance Metrics and Ponzi Schemes, dated 4/25/21).

This letter and the cited letters may be downloaded from [www.pb-ev.com](http://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

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