

Paul Solomon
3307 Meadow Oak Drive
Westlake Village, CA 91361
Paul.solomon@pb-ev.com

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

Subject: F-35 Block 4 Technical Debt Enhancements; Word Play? Word Play? --- Oy Vey!

This letter augments my letter to you, Subj: *Repeated Requests for GAO Investigations, F-35 Modernization and Agile development (many "Days late and dollars short")*, dated June 9. In that letter, I raised doubts about the F-35's program office's (JPO) intent and possibly misleading choice of words when it commented on a draft of GAO-21-222 *Weapon Systems Annual Assessment*. Per GAO, "The program office also noted that, subsequent to our review, it had recategorized 178 of the 861 category 2 deficiencies as "enhancements"."

No information was provided to justify or clarify the recategorization. So, I requested that you

"add a review of the JPO's failure to perform".,.,,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?"

Well, it looks like the JPO got caught with its enhancements down. In testimony at a HASC subcommittee on July 13, Dr. Raymond O'Toole, Director, OT&E, did not refer to enhancements at all. An excerpt follows.

Remaining F-35 deficiencies and modeling and simulation (M&S) plans also are a concern. Initial Block 4 development focused on addressing deficiencies that the F-35 program 4 has carried since before the System Development and Demonstration (SDD) phase was completed in April 2018. The Block 4 plan calls for remedying deficiencies while simultaneously developing new capabilities. The overall **number of open deficiencies -- more than 800**, to include eight Category I deficiencies -- **has not changed significantly** since SDD because testing continues to discover new issues.

These deficiencies are the "technical debt" that was discussed in my letter to Undersecretary Kausner, Subj: *Recommendations to Amend NDAA and DoD Policy; Agile Methods, Technical Debt, and Award/Incentive Fees*, dated August 6.

The JPO's use of the term "enhancements" is ambiguous. Dr. O'Toole's silence on "enhancements" is telling. Was the JPO's choice of words accurate and informative or was it a play on words, or worse, a word ploy?

At the same subcommittee hearing on July 13, the F-35 PEO, Lt. Gen. Fiske, was also silent on "enhancements." He did assert that the "F-35 is leveraging C2D2 to deliver Block 4 capabilities" that will "increase our ability to prosecute targets in contested environments, increase survivability, advance interoperability, and improve sustainment." However, he did not disclose if part of the technical debt is

not new capabilities but is, instead, a set of the remaining deficiencies that, per Dr. O'Toole, the F-35 program 4 has carried since before the SDD phase.

Lt. Gen. Ficke also stated that TR-3 development challenges resulted in Block 4 capability development delays.

Further Amendment to NDAA

We need accurate, reliable information about the components of the Block 4 technical debt and the estimated final completion and costs of F-35 Block 4. Accordingly, please augment my previous recommendations to amend the NDAA mark up.

Request SEI to:

1. Obtain a definition of "enhancements" as used by the JPO.
2. Break down the technical debt into three or four components, as applicable: SDD residual defects, TR-3 defects, new capability defects, enhancements.
3. Provide estimated, time-phased burndown plans for the above components.

Request GAO to assess F-35 Block 4 final costs and schedule.

F-35 Word Ploy History

Lockheed Martin (LM) and Northrop Grumman (NG) chose deceptive words in budget transfer requests to use Management Reserve to falsely improve F-35 cost performance. This was discussed in my letter to Rep. Norcross, Subj: *More on Deceptive Performance Metrics and Ponzi Schemes*, dated April 25, 2021.

Excerpts from my Surreply to LM's Reply Brief in Support of its Motion to Dismiss:
LM and Northrop Grumman deliberately used the term "Risk Mitigation" as a sham to deceive the government by giving the false appearance of legitimate attempts to control costs."

Other sham terms that were cited in the whistleblower brief are false statements of work called "recovery to schedule," "failed enablers," "return to green plans," and "change curve sunk costs."

Is "enhancements" also a sham term?



Paul Solomon

818-212-8462

CC:

Sen. Joni Ernst, SASC

Sen. Elizabeth Warren, SASC

Sen. Bernie Sanders, Budget Committee

Rep. Donald Norcross

Undersecretary Gregory Kausner

Kathleen Hicks, Dep. Sec. of Defense

Anthony Capaccio, Bloomberg News

Michael LaForgia, NYT