Preface

Defense policymakers in the United States expect that the Joint Strike Fighter (JSF) will play a critical role in U.S. and allied military forces through the first half of this century. As then-U.S. Defense Secretary William Cohen stated in a June 2000 letter to Congress,

The Joint Strike Fighter (JSF) program is critically important to the modernization of United States conventional forces and is the cornerstone of tactical aircraft modernization. It will replace 1,763 Air Force, 480 Navy, and 609 Marine Corps aircraft; 2,852 aircraft in total. The JSF’s stealth, advanced avionics, and ability to carry a full array of modern precision munitions will make it much more capable than the legacy aircraft it replaces when operating under challenging circumstances against modern air defenses. It is also critical to the modernization of our ally forces for coalition welfare.

The Department of Defense’s current JSF acquisition strategy is a “winner-take-all” competition pitting Lockheed Martin against Boeing. This strategy has raised concerns of whether competition should be retained after Lockheed Martin or Boeing is selected to begin engineering and manufacturing development.

In late July 2000, the Under Secretary of Defense for Acquisition, Technology and Logistics asked RAND to explore and identify opportunities and options to introduce competition during the production phase of the JSF. RAND researchers used as our principal criterion the likelihood that such competition would reduce the overall cost of JSF production, which is expected to total ~$300 billion in then-year dollars. We made a more limited analysis of other plausible consequences, including savings in operations and support costs, reduction in cost growth, and improvement in product quality, to the extent possible within the study’s four-month duration. We also explored how new
competitive strategies might affect foreign participation in the JSF program. U.S. allies could account for sales of an additional 3,000 JSF aircraft.

This report should be of special interest to the Office of the Secretary of Defense (OSD), service and defense agency managers, and policymakers involved in weapon system acquisitions. It was prepared for the Under Secretary of Defense (AT&L), within the Acquisition and Technology Policy Center of RAND’s National Defense Research Institute (NDRI). NDRI is a federally funded research and development center sponsored by OSD, the Joint Staff, the unified commands, and the defense agencies.