



Trump overstates credit for \$700 million in savings for F-35s

Amy Sherman

February 7, 2017

President Donald Trump told military commanders in Tampa that he will deliver new airplanes at a massive savings to taxpayers.

"We're going to be loading it up with beautiful new planes and beautiful new equipment," he said at U.S. Central Command at MacDill Air Force Base Feb. 6. "You have been lacking a little equipment. We are going to load it up. You are going to get a lot of equipment. Believe me."

Trump then gave himself credit for saving millions of tax dollars during his first two weeks in office: "But we will ensure no taxpayer dollars are wasted. I have already saved more than \$700 million when I got involved in the negotiation on the F-35. You know about that."

The savings with the F-35 Joint Strike Fighter are real, but they were in the works before Trump cried foul about the price tag. A Trump spokesman did not reply for this fact-check. (*The Washington Post* Fact Checker previously looked at a claim that Trump took credit for cutting \$600 million and gave it Four Pinocchios.)

Trump's transition tweets about the F-35 program

The Defense Department is in the middle of the largest aircraft procurement ever for different versions of the F-35 Joint Strike Fighter for the Air Force, Navy, and Marine Corps. The F-35 is built by Lockheed Martin.

Plans call for acquiring more than 2,400 aircraft over about 20 years at a cost of around \$379 billion.

Trump raised concerns about the F-35 program while campaigning.

"I'm hearing that our existing planes are better," he told radio show host Hugh Hewitt in October, 2015 questioning why the United States was spending "billions and billions of dollars."

He upped his criticism of the cost after he won the election.

"The F-35 program and cost is out of control," Trump tweeted Dec. 12. "Billions of dollars can and will be saved on military (and other) purchases after January 20th."

Following Trump's tweet, Lockheed Martin's stock plummeted, and government officials defended the program.

A week later, the F-35 Joint Program Office released the final price for the contract, which showed the airplanes for the Air Force and Marine Corps reduced by \$5.9 million and \$2.4 million respectively, while the Navy model saw an increase of \$3.2 million.

Air Force Lt. Gen Chris Bogdan told reporters that he anticipated that costs would "come down in price significantly" and put the savings "somewhere on the order of 6 to 7 percent per airplane, per variant."

The Washington Post calculated total savings between \$549 million and \$630 million for the full lot of 90 planes.

During his transition into office, Trump convened top military brass, including Lockheed Martin CEO Marillyn Hewson, at his estate at Mar-A-Lago in Palm Beach on Dec. 21 to discuss how to bring costs down for the F-35 program. (Boeing CEO Dennis Muilenburg was also there. Boeing is the contractor for Air Force One, another project that Trump said was too expensive.)

The next day, Trump tweeted: "Based on the tremendous cost and cost overruns of the Lockheed Martin F-35, I have asked Boeing to price-out a comparable F-18 Super Hornet!"

A week before Trump's inauguration, Hewson said her company was close to a deal to significantly lower costs after the Mar-A-Lago meeting.

Defense Secretary James Mattis ordered a review of the F-35 program in late January. On Feb. 3, the Defense Department announced it had reached an agreement with Lockheed Martin for a \$728 million reduction, leading to the "lowest priced F-35s in program history."

Lockheed Martin issued a statement praising Trump's involvement: "President Trump's personal involvement in the F-35 program accelerated the negotiations and sharpened our focus on driving down the price."

That, however, is not the end of the story.

Costs predicted to drop for years

Defense and budget experts offered a big caveat to Trump's claim: Costs had been coming down for years.

Steve Ellis, vice president of Taxpayers for Common Sense, said that the cost reduction for the Air Force variant of the F-35 had been in the works since before Trump announced his candidacy in June 2015.

"The savings are a little higher than was initially projected, but all President Trump did was elevate attention to the issue," Ellis said. "He's not responsible for the savings, they were already in the pipeline long before he came on the scene."

The cost per plane has always been a moving target, *The Arizona Republic* reported in 2014, and Lockheed Martin officials had said that costs had been coming down. The initial production model delivered in 2010 cost about \$220 million, while the projection for 2020 ranged from \$75 million-\$85 million.

The general manager of Lockheed's F-35 program, Lorraine Martin, said in 2015 that costs would drop further, "allowing us to provide our warfighters a fifth-generation F-35 jet at a fourth-generation price by the end of the decade."

The savings can be attributed to a normal learning curve, said Todd Harrison, a military budget expert at the Center for Strategic and International Studies.

"As you build more copies of an item you naturally get more efficient at the work," he said. "That is a big part of what we are seeing here, and that would have occurred regardless of who won the presidential election."

However, Harrison said that Trump can take credit for the fact that the government was able to negotiate a deal with Lockheed so quickly for the next batch of airplanes.

"For the previous lot of F-35s, DOD negotiated with Lockheed for about a year and a half and never reached a deal," he said. "DOD ultimately used a somewhat unusual method for finalizing the contract unilaterally in late 2016."

Ben Friedman, a military budget expert at the libertarian Cato Institute, said that the savings have nothing to do with Trump since they were already in the works.

"First, there are no savings yet, as they are anticipated, perhaps hopefully," he said. "Second, it is normal for costs to fall as production goes forward and problems are solved. Third, it's not as if no one before Trump was looking to cut F-35 costs. It has been a fixation in the Pentagon for a long time."

Our ruling

Trump said, "I have already saved more than \$700 million when I got involved in the negotiation on the F-35."

The Department of Defense announced a \$728 million reduction on Feb. 3 for the aircraft. But Trump ignores that the government and Lockheed Martin were working toward reducing the costs for years — long before Trump's tweets in December criticizing the price tag.

We rate this claim Mostly False.