

Italian Work Shortfall on F-35 Program Worsens

Defense-aerospace



The Italian military chiefs attended the roll-out of the first Cameri-built F-35B fighter, as did the JPO deputy chief and senior executives of Leonardo and Lockheed Martin, but no Italian politician bothered to show up. (Italia MoD photo)

PARIS - The roll-out of the first Short Take Off and Vertical Landing (STOVL) "B" variant of the Lockheed Martin F-35 Joint Strike Fighter is an apt time to look back, and compare what Italy was promised in terms of work with what it is actually getting.

Since earlier this year, when Italian officials first began publicly complaining of major shortfalls in promised F-35-related work, it has been clear that Lockheed Martin and the Joint Program Office have not lived up their promises; but few anticipated that the situation was as bad as it is.

For example, Guido Crosetto, the head of Italian aerospace and defense industry association AIAD, told Defense News Feb. 10 that "the U.S. 'had not honored promises' made since Italy joined the program, hurting Italian firms as well as threatening the livelihood of Italy's fledgling F-35 maintenance center."

Crosetto also said that Italy was told its workshare would likely reach around 65 percent of its investment, but that "Today we are at less than 20 percent."

Shortfall bigger than expected

The Italian ministry of defense said the May 5 roll-out ceremony was held to “give the deserved recognition to the plant workers and to all those who have worked for, and contributed to this important phase of the acquisition program.” The ceremony was attended by air force and navy chiefs and the chief of the defense staff, but pointedly not by the Minister of Defense or any other ranking politician.

Shortfall in F-35 Workload at Cameri FACO

Categories	Promised	Actual May 2017	Difference
Aircraft assembled	214	119	- 83 (- 44%)
Wing-sets	1,215	835	- 380 (- 31%)
MRO work	All Europe	Part of Europe	n. a.
Employment (jobs)	1,800 +	800 +	- 1,000+ (- 55%)
% of investment	>100%	~ 25%	(- 35%)
Value of investment	€795.6 mil	~ €517 mil	(- 35%)

(Source: D-A.com analysis of DoD and L-M data)

The Final Assembly & Check-Out facility at Cameri, near Novara northern Italy, was originally expected to be the only such facility, and was to assemble F-35s ordered by Italy and the Netherlands, and to subsequently support and maintain all F-35s in Europe, including those belonging to the United States.

Italy spent €795.6 million to build the FACO, but since it joined the program the volume and scope of F-35-related work at Cameri has been much reduced.

Originally, the business case for the FACO as presented to Leonardo (then known as Alenia), which operates the facility on behalf of the Italian state, was to include assembly of 214 aircraft (131 F-35As and F-35Bs aircraft for Italy and 83 F-35As for the Netherlands, as well as 1,215 wing-sets for the F-35A variant. This would provide jobs for about “over 1,800 people.”

As things now stand, the FACO will assemble only 119 aircraft (90 for Italy and 29 for the Netherlands, or **just 44% of the original target**), only 835 wing-sets (-31%) and will employ only “over 800 people” – about 55% fewer than promised.

And even these levels might not be final, as the F-35’s continuing technical defects, the growing cost of fixes and upgrades, and continuing uncertainty over orders and deliveries may well further reduce orders.

To date Italy has only ordered ten F-35s (Nine F-35As and a single F-35B), and received seven F-35A, four of which are at Luke AFB, in the United States, and three are at Amendola air base, in southern Italy.

The situation is potentially even worse for the sustainment work that Italy was promised for Cameri.

“Italy was chosen from among many countries as a maintenance hub for all the F-35s flying in Europe, including the US aircraft flying here,” Italian defense minister Roberta Pinotti

said when the choice of Cameri was publicly announced in December 2014.

But last year, when the JPO announced how maintenance work would be apportioned, British and Dutch firms won part of the work originally promised to Italy.

"This establishes Britain as a hub for all European F35s and is hugely positive news for our high-tech and innovative defense industry," UK Defence Secretary Michael Fallon said in a Nov. 7 news release. "It is an endorsement of the skills and capabilities the UK offers, will help create hundreds of high-end jobs, safeguard thousands more and be a substantial boost to UK exports."

The MoD added that the British F-35 maintenance site would eventually work up to become "a global repair hub providing maintenance, repair, overhaul and upgrade services for F-35 avionic and aircraft components," thereby absorbing further work that will not go to Italy.