

The.Firm

To: LtGen David Hurley CCDG <david.hurley@defence.gov.au>
Cc: Crosland, Glenn MAJ [Glenn.Crosland@defence.gov.au]
Subject: FW: JSF COSTINGS

Dear David,

Was wondering if you received the two E-mail follow ups to our meeting last week? Hoping they made their way through the ethers.

Could someone let me know.

Best Regards,

Peter Goon

Email: the.firm@internode.on.net

Mobile: 041 980 6476

-----Original Message-----

From: The.Firm [SMTP:the.firm@internode.on.net]
Sent: Thursday, June 15, 2006 7:36 AM
To: 'LtGen David Hurley CCDG <david.hurley@defence.gov.au>'
Cc: 'APA Peer Review Group'
Subject: JSF COSTINGS



David,

Am sorry. Forgot to send through the latest info on JSF costs that we discussed yesterday. Here is an article that reported what Adm Steve Enewold had to say to Defense News.

Since the Average Unit Procurement Cost reported back in Dec05 was US\$94.8 million per aircraft system, standard due diligence analysis shows it is highly unlikely the cost will drop from an average of US\$150 million to US\$50 million in 4 years or so, after 2010. Either that, or someone is not telling Congress the whole story. See Congressional Research Services report to the US Congress dated 02 June 2006 which is based on Dec '05 figures.

Latest estimate of JSF Total Procurement Budget we have seen (earlier this month) is around US\$247 million which, for the production of 2,458 aircraft (minus those to be built under the RDT&E budget), puts the AUPC at over US\$100 million per aircraft system.

Our analysis indicates the Total Program Budget is likely to surpass US\$300 Billion by year's end. With the second engine program being put back in by Congress and the fact that the budget now includes an offset of US\$9,243.8 million for estimated sales to non US Forces, one can have a fairly high level of confidence this will happen.

Very Best Regards,

++++
Peter Goon BE (MechEng)USNTPS (FTE)
Defence Analyst and Consulting Flight Test Engineer
Co-Founder: Air Power Australia @ <http://www.ausairpower.net/>
Email: The.Firm@internode.on.net
Ph: +61-8-8283 2389
Fax: +61 8 8283 2377
Cell: +61 41 980 6476
A/Hrs: +61 8 8362 1585

++++
"Air Power Australia - Defining the Future"
++++

Attachments:



AIMPoints_High
initial-JSF-cos..