

Japan Says It May Cancel F-35 Order If Prices Rise

Eric Talmadge, Associated Press

TOKYO (AP) — Japan may cancel its multibillion-dollar plans to buy dozens of F-35 stealth fighter jets from the United States if prices continue to rise or delays threaten the delivery date, its defense minister said Wednesday.

Defense Minister Naoki Tanaka said failure by manufacturer Lockheed Martin to deliver on time at current price levels would force Tokyo to consider switching to a different aircraft.

Japan announced late last year that it would purchase 42 F-35 jets in a deal expected to cost more than \$5 billion. The next-generation fighter is set to become the centerpiece of the U.S. military and allied air forces around the world, but the program has been plagued by delays and its cost overruns.

Japan hopes to receive its first F-35s in 2016, at a cost of about \$120 million per plane.

"I think we will reach a formal agreement before the summer," Tanaka told a session of Parliament. "If we cannot reach an agreement at that time, this would create a great deal of uncertainty for our national defense and preparedness. We would naturally have to view the possibility of canceling our plan or selecting another aircraft."

Lockheed Martin, in conjunction with Northrop Grumman and BAE Systems, is building 2,400 F-35s for the U.S. as well as partner nations. But the cost of the program has jumped from \$233 billion to \$385 billion. Some estimates suggest that it could top out at \$1 trillion over 50 years.

Lockheed is building three versions of the F-35 — one each for the Navy, Air Force and Marine Corps. The plane would replace Cold War-era aircraft such as the Air Force F-16 fighter and the Navy's F/A-18 Hornet.

Last January, then-Defense Secretary Robert Gates had put the Marines' version of the aircraft on a two-year probationary period because of "significant testing problems."

His successor, Leon Panetta, ended the probation late last month.

But the Pentagon has said it will slow its purchases of the fighter to save money, which has raised concerns abroad. Slowed production could lead to delays in delivery to foreign buyers, and could make the planes more expensive to produce.

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