



The President of the House of Representatives of the
States General
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DATE 21 August 2012
SUBJECT Acceptance of the Minister of Defence's request to investigate the cost of withdrawing from the JSF project

Madam President,

In the policy meeting between the standing parliamentary committee for defence and the Minister of Defence and the Minister of Economic Affairs, Agriculture and Innovation (EL&I) of 5 July 2012, the Minister of Defence undertook to have an independent investigation carried out of:

- the cost of the Dutch government completely ending its involvement in the JSF project ('complete withdrawal');
- the cost of ending only its involvement in the operational test phase of the JSF (Initial Operational Testing and Evaluation) ('withdrawal from test phase');
- the direct and indirect consequences of these policy options for employment in the Netherlands.

The minister also undertook to report the outcome of the investigation to the House of Representatives in October 2012.

By letter of 20 August 2012, the Minister of Defence asked the Netherlands Court of Audit to investigate those aspects lying within the Court's powers. A copy of the minister's request is enclosed with this letter.

We informed the minister that we would accept his request. Our specific powers and knowledge of the matter will enable us to carry out the investigation. In accordance with the minister's request, we will investigate the expenditure already incurred and the commitments entered into for the JSF programme. We will investigate the costs the State must still incur to procure a replacement for the F-16 (JSF or other aircraft, as a partner country or 'off the shelf'), including related aspects such as development and organisational cost benefits, royalties and national testing and training costs. We will also investigate the financial and non-financial consequences of withdrawing from the test phase of the JSF programme (termination of the IOT&E MoU) and of complete withdrawal (termination of all MoUs). Finally, we will consider the qualitative aspects of continuing to operate the F-16, i.e. the deployability of the F-16 as an operational weapons system. In accordance with the minister's

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ENCLOSURE Request to investigate the cost of withdrawing from the F-35 programme and the consequences for employment

request, our investigation will be based on the procurement of 68 replacement aircraft. We will quantify 2/2
the outcome of our investigation in monetary terms in so far as possible. Where this is not possible, we will
provide qualitative answers to the questions as clearly as possible.

The minister informed us that the consequences of withdrawal for Dutch industry and employment will be
investigated by another party on behalf of the Ministry of EL&I. Although the EL&I investigation is not our
responsibility, we would appreciate and will encourage the two investigations being seen in conjunction with
each other.

We expect to publish a report on our investigation on 25 October 2012.

Netherlands Court of Audit

Gerrit de Jong
Acting President

dr. Ellen M.A. van Schoten
Secretary-General