Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-257

HC/MC-130 RECAPITALIZATION

As of December 31, 2010

Defense Acquisition Management
Information Retrieval
(DAMIR)

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Program Information

Designation And Nomenclature (Popular Name)

HC/MC-130 Recapitalization Program

DoD Component

Air Force

Responsible Office

Responsible Office

Lt Col Martin O'Grady
1895 5th St
Bldg 46
Wright-Patterson AFB, OH 45433-7106
martin.ogrady@wpafb.af.mil

Phone 937-255-1606
Fax --
DSN Phone 785-1606
DSN Fax --
Date Assigned June 17, 2010

References

SAR Baseline (Production Estimate)

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated March 29, 2010

Approved APB

Air Force Acquisition Executive Approved Acquisition Program Baseline (APB) dated March 8, 2011

Mission and Description

The HC-130 Recapitalization (Recap) aircraft will replace the HC-130P/N tanker aircraft that currently supports Personnel Recovery. These tankers are currently operated by active duty Air Reserve Components. The MC-130 Recap aircraft will replace the legacy MC-130P/E tanker aircraft currently operated by the Air Force Special Operations Command. Most of these aircraft are more than 35 years old, and are burdened by multiple unique aircraft configurations. These multiple configurations create significantly increased maintenance and sustainment challenges.

The primary mission of the HC/MC-130J aircraft will be to provide aerial refueling support to the respective component commanders. In addition to the specialized air refueling support to mission-unique receiver aircraft, it can provide a specialized mobility capability to position, supply, re-supply and recover specialized ground tactical units.

The HC/MC-130J is a medium size tanker that can transport airmen for infiltration and exfiltration operations. It is also an in-flight refueling receiver, which extends its combat mission and/or increases the amount of fuel available for offload to receivers. The HC/MC-130J incorporates state-of-the-art technology to reduce manpower requirements, lower operating cost and provide life-cycle cost savings over earlier C-130 models. The HC/MC-130J model climbs faster and higher, flies farther at a higher cruise speed and can take off and land in a shorter distance.

Executive Summary

The December 16, 2010 Acquisition Decision Memorandum re-designated the HC/MC-130 Recapitalization program as an Acquisition Category I (ACAT IC) program with the Air Force as the Service Acquisition Executive. This re-designation makes the program consistent with the oversight of the Air Force C-130J program, which is currently an ACAT IC program.

A Program Deviation was submitted on January 4, 2011 due to a procurement appropriation breach from an increase in aircraft quantity from 74 to 122. An Acquisition Program Baseline for 122 aircraft was signed in March 2011. This baseline reflects the addition of 48 MC-130J aircraft and related support. Sixteen of these MC-130Js will become AC-130Js through modification by United States Special Operations Command (USSOCOM).

Two HC-130J aircraft (#5633 and #5634) were delivered in September 2010. These aircraft are used for Lockheed Martin contractor test and evaluation during October 2010 – February 2011. Lockheed Martin completed six test sorties confirming flight characteristics and initial sensor performance. Government Development Test and Evaluation to begin in late April 2011.

The Air Force Acquisition Executive has determined that the HC/MC-130 Recapitalization program now satisfies all of the provisions of section 2366b of title 10, United States Code. There are no remaining 2366b waivers associated with this program.

There are no significant software related issues on this program at this time.

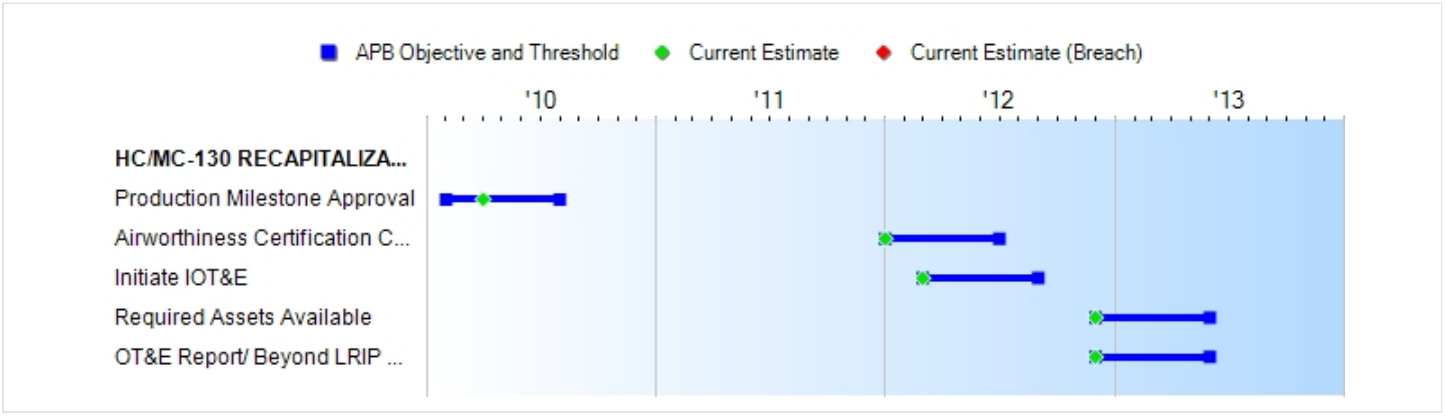
Threshold Breaches

APB Breaches		
Schedule		☐
Performance		☐
Cost	RDT&E	☐
	Procurement	☐
	MILCON	☐
	Acq O&M	☐
Unit Cost	PAUC	☐
	APUC	☐

Nunn-McCurdy Breaches		
Current UCR Baseline		
	PAUC	None
	APUC	None
Original UCR Baseline		
	PAUC	None
	APUC	None

Explanation of Breach

Schedule



Milestones	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Current Estimate
Production Milestone Approval	FEB 2010	FEB 2010	AUG 2010	APR 2010
Airworthiness Certification Complete	JAN 2012	JAN 2012	JUL 2012	JAN 2012
Initiate IOT&E	MAR 2012	MAR 2012	SEP 2012	MAR 2012
Required Assets Available	DEC 2012	DEC 2012	JUN 2013	DEC 2012
OT&E Report/ Beyond LRIP Report Approved	DEC 2012	DEC 2012	JUN 2013	DEC 2012

Acronyms And Abbreviations

IOT&E - Initial Operational Test and Evaluation
LRIP - Low Rate Initial Production
OT&E - Operational Test & Evaluation

Change Explanations

None

Performance

Characteristics	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Demonstrated Performance	Current Estimate	
Simultaneous air refueling (CSAR and SOF receivers)	While in flight, refuel full range of DoD probe equipped aircraft: rotary-wing, fixed-wing, and tilt rotor.	While in flight, refuel full range of DoD probe equipped aircraft: rotary-wing, fixed-wing, and tilt rotor.	While in flight, simultaneous-ly provide fuel to two CSAR recovery vehicles or SOF rotary wing receivers. Must aerial refuel one M/CV-22.	TBD	While in flight, simultaneous-ly provide fuel to two CSAR recovery vehicles or SOF rotary wing receivers. Must aerial refuel one M/CV-22.	(Ch-1)
Net-ready	Fully support execution of all operational activities and must satisfy technical requirements for transition to Net-Centric military operations.	Fully support execution of all operational activities and must satisfy technical requirements for transition to Net-Centric military operations.	Fully support execution of joint critical operational activities and must satisfy technical requirements for transition to Net-Centric military operations.	TBD	Fully support execution of joint critical operational activities and must satisfy technical requirements for transition to Net-Centric military operations.	(Ch-1)
Survivability (IR Signature)	In a single engagement, weapon system shall be able to defeat, 90% of time, specific IR threat.	In a single engagement, weapon system shall be able to defeat, 90% of time, specific IR threat.	In a single engagement, weapon system shall be able to defeat, 70% of the time, a specific IR threat.	TBD	In a single engagement, weapon system shall be able to defeat, 70% of the time, a specific IR threat.	(Ch-1)
Survivability (Threat warning)	Provide warning for EO/IR and RF threats and equivalent capability described in the LAIRCM	Provide warning for EO/IR and RF threats and equivalent capability described in the LAIRCM	Provide warning for EO/IR and RF threats.	TBD	Provide warning for EO/IR and RF threats.	(Ch-1)

	ORD and the ASACM CDD, respectively.	ORD and the ASACM CDD, respectively.				
Survivability (Flight critical damage tolerance)	Greater levels of ballistic hardening/tolerance are desired and should be incorporated, if achievable, without significant aircraft performance or cost penalties.	Greater levels of ballistic hardening/tolerance are desired and should be incorporated, if achievable, without significant aircraft performance or cost penalties.	Must withstand flight critical damage with 95% probability of survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes.	TBD	Must withstand flight critical damage with 95% probability of survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes.	(Ch-1)
Force Protection (Crew Protection)	Cargo compartment positions should be protected against a single 7.62mm ball projectile at 100m, with less than 3% increase in operating weight.	Cargo compartment positions should be protected against a single 7.62mm ball projectile at 100m, with less than 3% increase in operating weight.	Primary crewmember positions and oxygen supplies must be protected against a single 7.62mm ball projectile at 100m.	TBD	Primary crewmember positions and oxygen supplies must be protected against a single 7.62mm ball projectile at 100m.	(Ch-1)
Materiel Availability (Sustainability)	80% average monthly Aircraft Availability rate, 89% average monthly Mission Capable rate; from 25 to 30 months after both MAJCOMs declare IOC.	80% average monthly Aircraft Availability rate, 89% average monthly Mission Capable rate; from 25 to 30 months after both MAJCOMs declare IOC.	76% average monthly Aircraft Availability rate, 85% average monthly Mission Capable rate; from 25 to 30 months after both MAJCOMs declare IOC.	TBD	76% average monthly Aircraft Availability rate, 85% average monthly Mission Capable rate; from 25 to 30 months after both MAJCOMs declare IOC.	(Ch-1)

Requirements Source:
HC/MC-130 Recapitalization Capability Production Document, approved August 13, 2009.

Acronyms And Abbreviations

ASACM - Advanced Situational Awareness Countermeasures
CDD - Capability Development Document
CSAR - Combat Search And Rescue
DoD - Department of Defense
EO/IR - Electro-Optical/Infrared
IOC - Initial Operational Capability
IR - Infrared (missile threat)
LAIRCM - Large Aircraft Infrared Countermeasures
m - meter
MAJCOM - Major Command
mm - millimeter
ORD - Operational Requirements Document
RF - Radio Frequency
SOF - Special Operations Forces

Change Explanations

(Ch-1) Program current estimate changed to reflect threshold KPPs. Program very early in the test program which started in October 2010. High confidence in meeting KPPs.

Memo

Track To Budget

RDT&E				
APPN 3600	BA 05	PE 0604261F	(Air Force)	
	Project 5249 FY08 only	Personnel Recovery System	(Shared)	(Sunk)
APPN 3600	BA 05	PE 0605278F	(Air Force)	
	Project 5249	HC/MC130 Recap		
Procurement				
APPN 3010	BA 02	PE 0401132F	(Air Force)	
	ICN C130J0 FY08 GWOT	C-130J	(Shared)	(Sunk)
APPN 3010	BA 02	PE 0207224F	(Air Force)	
	ICN C130JH	Combat Search and Rescue		
APPN 3010	BA 02	PE 0207230F	(Air Force)	
	ICN C130JM ICN HMC130	MC-130 Recap MC-130 Recap		(Sunk)
APPN 3010	BA 02	PE 0207224F	(Air Force)	
	ICN HMC130	Combat Search and Rescue		(Sunk)
APPN 3010	BA 04	PE 0207237F	(Air Force)	
	ICN MC0130	AC-130 Recap		
MILCON				
APPN 3300	BA 01	PE 0207224F	(Air Force)	
	Project MHMV	Combat Rescue and Recovery	(Shared)	
APPN 0500	BA 01	PE 1140494BB	(DoD)	
	Project CZQZ	USSOCOM	(Shared)	

Cost and Funding

Cost Summary

Total Acquisition Cost and Quantity

	BY2009 $M			BY2009 $M	TY $M		
Appropriation	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Current Estimate	SAR Baseline Prod Est	Current APB Production Objective	Current Estimate
RDT&E	148.0	148.0	162.8	147.6	154.3	154.3	154.3
Procurement	7436.0	12168.2	13385.0	12190.2	8054.2	13573.2	13573.2
Flyaway	6008.1	--	--	10358.6	6505.4	--	11553.8
Recurring	5995.1	--	--	10345.6	6492.2	--	11540.6
Non Recurring	13.0	--	--	13.0	13.2	--	13.2
Support	1427.9	--	--	1831.6	1548.8	--	2019.4
Other Support	649.4	--	--	879.7	705.1	--	968.2
Initial Spares	778.5	--	--	951.9	843.7	--	1051.2
MILCON	494.1	494.1	543.5	305.3	536.8	536.8	329.5
Acq O&M	0.0	0.0	--	0.0	0.0	0.0	0.0
Total	8078.1	12810.3	N/A	12643.1	8745.3	14264.3	14057.0

The RDT&E and procurement estimates are based on the Director, Cost Assessment and Program Evaluation (D, CAPE) January 2010 independent cost estimate (ICE) methodology. While the ICE is not consistent with the 80% confidence level specified in the recent Weapon Systems Acquisition Reform Act of 2009, it is based on conservative assumptions that are consistent with actual demonstrated contractor and government performance for a series of acquisition programs in which the Department has been successful.

Quantity	SAR Baseline Prod Est	Current APB Production	Current Estimate
RDT&E	0	0	0
Procurement	74	122	122
Total	74	122	122

Cost and Funding

Funding Summary

Appropriation and Quantity Summary
FY2012 President's Budget / December 2010 SAR (TY$ M)

Appropriation	Prior	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	To Complete	Total
RDT&E	53.1	15.5	27.1	19.0	16.1	9.9	10.0	3.6	154.3
Procurement	2168.2	896.7	1023.8	1145.3	1078.3	1216.1	765.9	5278.9	13573.2
MILCON	38.8	80.8	107.4	30.0	14.1	0.0	10.4	48.0	329.5
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PB 2012 Total	2260.1	993.0	1158.3	1194.3	1108.5	1226.0	786.3	5330.5	14057.0
	--	--	--	--	--	--	--	--	--

Quantity	Undistributed	Prior	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	To Complete	Total
Development	0	0	0	0	0	0	0	0	0	0
Production	0	22	9	10	11	11	12	6	41	122
PB 2012 Total	0	22	9	10	11	11	12	6	41	122
	--	--	--	--	--	--	--	--	--	--

Cost and Funding

Annual Funding By Appropriation

Annual Funding TY$
3600 | RDT&E | Research, Development, Test, and Evaluation, Air Force

Fiscal Year	Quantity	End Item Recurring Flyaway TY $M	Non End Item Recurring Flyaway TY $M	Non Recurring Flyaway TY $M	Total Flyaway TY $M	Total Support TY $M	Total Program TY $M
2008	--	--	--	--	--	--	13.0
2009	--	--	--	--	--	--	19.6
2010	--	--	--	--	--	--	20.5
2011	--	--	--	--	--	--	15.5
2012	--	--	--	--	--	--	27.1
2013	--	--	--	--	--	--	19.0
2014	--	--	--	--	--	--	16.1
2015	--	--	--	--	--	--	9.9
2016	--	--	--	--	--	--	10.0
2017	--	--	--	--	--	--	3.6
Subtotal	**--**	**--**	**--**	**--**	**--**	**--**	**154.3**

Annual Funding BY$
3600 | RDT&E | Research, Development, Test, and Evaluation, Air Force

Fiscal Year	Quantity	End Item Recurring Flyaway BY 2009 $M	Non End Item Recurring Flyaway BY 2009 $M	Non Recurring Flyaway BY 2009 $M	Total Flyaway BY 2009 $M	Total Support BY 2009 $M	Total Program BY 2009 $M
2008	--	--	--	--	--	--	13.1
2009	--	--	--	--	--	--	19.5
2010	--	--	--	--	--	--	20.2
2011	--	--	--	--	--	--	15.0
2012	--	--	--	--	--	--	25.9
2013	--	--	--	--	--	--	17.9
2014	--	--	--	--	--	--	14.9
2015	--	--	--	--	--	--	9.0
2016	--	--	--	--	--	--	8.9
2017	--	--	--	--	--	--	3.2
Subtotal	**--**	**--**	**--**	**--**	**--**	**--**	**147.6**

The 2008 and 2009 amounts were incurred under the C-130J Block Upgrade Improvement contract in furtherance of the HC/MC-130 Recap requirements. Acquisition Decision Memorandum (ADM) authority was provided on April 18, 2008, January 21, 2009, August 26, 2009 and December 7, 2009, to procure 22 aircraft and associated non-recurring and RDT&E under the C-130J program.

Annual Funding TY$
3010 | Procurement | Aircraft Procurement, Air Force

Fiscal Year	Quantity	End Item Recurring Flyaway TY $M	Non End Item Recurring Flyaway TY $M	Non Recurring Flyaway TY $M	Total Flyaway TY $M	Total Support TY $M	Total Program TY $M
2008	7	566.5	--	--	566.5	48.6	615.1
2009	13	977.3	--	13.2	990.5	51.5	1042.0
2010	2	210.6	--	--	210.6	300.5	511.1
2011	9	683.6	--	--	683.6	213.1	896.7
2012	10	782.7	--	--	782.7	241.1	1023.8
2013	11	977.4	--	--	977.4	167.9	1145.3
2014	11	1026.7	--	--	1026.7	51.6	1078.3
2015	12	1173.3	--	--	1173.3	42.8	1216.1
2016	6	619.2	--	--	619.2	146.7	765.9
2017	12	1275.5	--	--	1275.5	518.6	1794.1
2018	12	1313.8	--	--	1313.8	96.3	1410.1
2019	12	1353.2	--	--	1353.2	112.3	1465.5
2020	5	580.8	--	--	580.8	28.4	609.2
Subtotal	**122**	**11540.6**	**--**	**13.2**	**11553.8**	**2019.4**	**13573.2**

Annual Funding BY$
3010 | Procurement | Aircraft Procurement, Air Force

Fiscal Year	Quantity	End Item Recurring Flyaway BY 2009 $M	Non End Item Recurring Flyaway BY 2009 $M	Non Recurring Flyaway BY 2009 $M	Total Flyaway BY 2009 $M	Total Support BY 2009 $M	Total Program BY 2009 $M
2008	7	564.1	--	--	564.1	48.4	612.5
2009	13	959.4	--	13.0	972.4	50.5	1022.9
2010	2	203.7	--	--	203.7	290.6	494.3
2011	9	651.2	--	--	651.2	202.9	854.1
2012	10	733.5	--	--	733.5	226.0	959.5
2013	11	900.8	--	--	900.8	154.7	1055.5
2014	11	930.4	--	--	930.4	46.7	977.1
2015	12	1045.5	--	--	1045.5	38.1	1083.6
2016	6	542.5	--	--	542.5	128.5	671.0
2017	12	1098.8	--	--	1098.8	446.8	1545.6
2018	12	1112.9	--	--	1112.9	81.6	1194.5
2019	12	1127.1	--	--	1127.1	93.6	1220.7
2020	5	475.7	--	--	475.7	23.2	498.9
Subtotal	**122**	**10345.6**	**--**	**13.0**	**10358.6**	**1831.6**	**12190.2**

The 2008 and 2009 amounts were incurred under the C-130J Five Year Ordering contract in furtherance of the HC/MC-130 Recap requirements. ADM authority was provided on April 18, 2008, January 21, 2009, August 26, 2009 and December 7, 2009, to procure 22 aircraft and associated non-recurring and RDT&E under the C-130J program.

This report reflects the addition of 48 MC-130J aircraft and related support. Sixteen of these MC-130J will become AC-130Js through modification by United States Special Operations Command (USSOCOM). Total fleet size 122; 37 HC-130J and 85 MC-130J aircraft (includes the 16 MC-130Js to be converted to AC-130Js).

Annual Funding TY$
3300 | MILCON | Military Construction, Air Force

Fiscal Year	Total Program TY $M
2010	30.6
2011	41.5
2012	24.3
2013	8.2
2014	14.1
Subtotal	**118.7**

Annual Funding BY$
3300 | MILCON | Military Construction, Air Force

Fiscal Year	Total Program BY 2009 $M
2010	29.6
2011	39.6
2012	22.8
2013	7.6
2014	12.8
Subtotal	**112.4**

The aircraft basing plan and facilites plans have been refined since the initial estimate. The Air Force now requires no new HC-130J facilites at overseas bases.

Annual Funding TY$
0500 | MILCON | Military Construction, Defense-Wide

Fiscal Year	Total Program TY $M
2010	8.2
2011	39.3
2012	83.1
2013	21.8
2014	--
2015	--
2016	10.4
2017	48.0
Subtotal	**210.8**

Annual Funding BY$
0500 | MILCON | Military Construction, Defense-Wide

Fiscal Year	Total Program BY 2009 $M
2010	7.9
2011	37.3
2012	77.5
2013	20.0
2014	--
2015	--
2016	9.1
2017	41.1
Subtotal	**192.9**

The aircraft basing plan and facilites plans have been refined since the initial estimate. USSOCOM now requires fewer new MC-130J facilities.

Low Rate Initial Production

	Initial LRIP Decision	Current Total LRIP
Approval Date	4/12/2010	4/12/2010
Approved Quantity	46	46
Reference	ADM	ADM
Start Year	2008	2008
End Year		

The April 2010 Acquisition Decision Memorandum approved an LRIP quantity of 46 aircraft in lots 1-5, procured in FY 2008- FY 2013. The LRIP is greater than 10% because of the existing capability of the aircraft production line and the user's urgent need.

Foreign Military Sales

None

Nuclear Cost

None

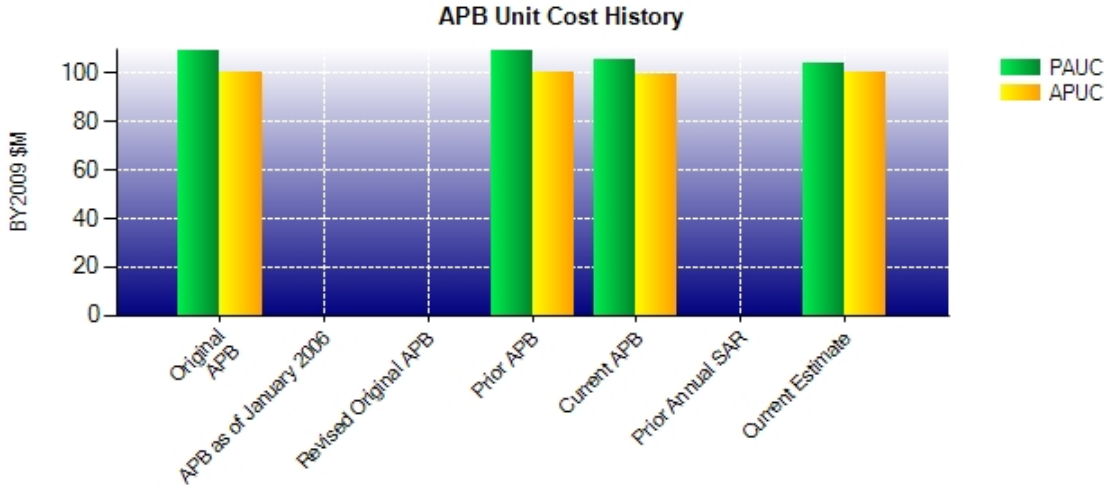
Unit Cost

Unit Cost Report

Unit Cost	BY2009 $M Current UCR Baseline (MAR 2011 APB)	BY2009 $M Current Estimate (DEC 2010 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	12810.3	12643.1	
Quantity	122	122	
Unit Cost	105.002	103.632	-1.30
Average Procurement Unit Cost (APUC)			
Cost	12168.2	12190.2	
Quantity	122	122	
Unit Cost	99.739	99.920	+0.18

Unit Cost	BY2009 $M Original UCR Baseline (MAR 2010 APB)	BY2009 $M Current Estimate (DEC 2010 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	8078.1	12643.1	
Quantity	74	122	
Unit Cost	109.164	103.632	-5.07
Average Procurement Unit Cost (APUC)			
Cost	7436.0	12190.2	
Quantity	74	122	
Unit Cost	100.486	99.920	-0.56

Unit Cost History



		BY2009 $M		TY $M	
	Date	PAUC	APUC	PAUC	APUC
Original APB	MAR 2010	109.164	100.486	118.180	108.841
APB as of January 2006	N/A	N/A	N/A	N/A	N/A
Revised Original APB	N/A	N/A	N/A	N/A	N/A
Prior APB	MAR 2010	109.164	100.486	118.180	108.841
Current APB	MAR 2011	105.002	99.739	116.920	111.256
Prior Annual SAR	N/A	N/A	N/A	N/A	N/A
Current Estimate	DEC 2010	103.632	99.920	115.221	111.256

SAR Unit Cost History

Current SAR Baseline to Current Estimate (TY $M)

Initial PAUC Prod Est	Changes								PAUC Current Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
118.180	-0.100	-3.543	-1.583	0.000	-1.609	0.000	3.876	-2.959	115.221

Current SAR Baseline to Current Estimate (TY $M)

Initial APUC Prod Est	Changes								APUC Current Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
108.841	-0.107	0.131	-1.583	0.000	0.098	0.000	3.876	2.415	111.256

SAR Baseline History

Item/Event	SAR Planning Estimate (PE)	SAR Development Estimate (DE)	SAR Production Estimate (PdE)	Current Estimate
Milestone A	N/A	N/A	N/A	N/A
Milestone B	N/A	N/A	N/A	N/A
Milestone C	N/A	N/A	FEB 2010	APR 2010
RAA	N/A	N/A	DEC 2012	DEC 2012
Total Cost (TY $M)	N/A	N/A	8745.3	14057.0
Total Quantity	N/A	N/A	74	122
Prog. Acq. Unit Cost (PAUC)	N/A	N/A	118.180	115.221

Cost Variance

Cost Variance Summary

Summary Then Year $M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Prod Est)	154.3	8054.2	536.8	8745.3
Previous Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	--	--	--	--
Other	--	--	--	--
Support	--	--	--	--
Subtotal	--	--	--	--
Current Changes				
Economic	-0.3	-13.1	+1.2	-12.2
Quantity	--	+5240.4	--	+5240.4
Schedule	--	-193.1	--	-193.1
Engineering	--	--	--	--
Estimating	+0.3	+11.9	-208.5	-196.3
Other	--	--	--	--
Support	--	+472.9	--	+472.9
Subtotal	--	+5519.0	-207.3	+5311.7
Total Changes	--	+5519.0	-207.3	+5311.7
CE - Cost Variance	154.3	13573.2	329.5	14057.0
CE - Cost & Funding	154.3	13573.2	329.5	14057.0

Summary Base Year 2009 $M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Prod Est)	148.0	7436.0	494.1	8078.1
Previous Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	--	--	--	--
Other	--	--	--	--
Support	--	--	--	--
Subtotal	--	--	--	--
Current Changes				
Economic	--	--	--	--
Quantity	--	+4443.7	--	+4443.7
Schedule	--	-104.5	--	-104.5
Engineering	--	--	--	--
Estimating	-0.4	+11.3	-188.8	-177.9
Other	--	--	--	--
Support	--	+403.7	--	+403.7
Subtotal	-0.4	+4754.2	-188.8	+4565.0
Total Changes	-0.4	+4754.2	-188.8	+4565.0
CE - Cost Variance	147.6	12190.2	305.3	12643.1
CE - Cost & Funding	147.6	12190.2	305.3	12643.1

Previous Estimate: June 2010

RDT&E	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	-0.3
Revised estimating assumptions (Estimating)	-0.4	+0.3
RDT&E Subtotal	-0.4	0.0

Procurement	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	-13.1
Quantity variance resulting from an increase of 48 MC-130J aircraft. Total HC/MC quantity increases from 74 to 122. (Quantity)	+4443.7	+5240.4
Acceleration of procurement buy profile. (Schedule)	-104.5	-193.1
Adjustment for current and prior escalation. (Estimating)	+1.9	+2.0
Refinement of flyaway costs. (Estimating)	+9.4	+9.9
Adjustment for current and prior escalation. (Support)	+0.5	+0.5
Increase in Other Support caused by the increase of 48 aircraft. (Support) (QR)	+230.1	+263.8
Increase in Initial Spares caused by the increase of 48 aircraft. (Support) (QR)	+173.1	+208.6
Procurement Subtotal	+4754.2	+5519.0

(QR) Quantity Related

MILCON	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	+1.2
Adjustment for current and prior escalation. (Estimating)	-0.3	-0.3
Refined MC-130J basing plan (Estimating)	-94.6	-102.4
Refined HC-130J basing plan (Estimating)	-93.9	-105.8
MILCON Subtotal	-188.8	-207.3

Contracts

General Contract Memo

The HC/MC-130 Recapitalization program uses the existing C-130J Five Year Ordering Contract.

Appropriation: Procurement

Contract Name	**HC/MC-130J Long Lead/Production**
Contractor	Lockheed Martin Corporation (Lockheed Martin Aero Co - Marietta, GA)
Contractor Location	Marietta, GA 39963-0290
Contract Number, Type	FA8625-06-C-6456, FFP
Award Date	June 13, 2008
Definitization Date	June 15, 2010

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
470.0	N/A	7	1643.1	N/A	22	1643.1	1643.1

Cost And Schedule Variance Explanations

Cost and Schedule variance reporting is not required on this FFP contract.

Contract Comments

Deliveries and Expenditures

Deliveries To Date	Plan To Date	Actual To Date	Total Quantity	Percent Delivered
Development	0	0	0	--
Production	2	2	122	1.64%
Total Program Quantities Delivered	2	2	122	1.64%

Expenditures and Appropriations (TY $M)			
Total Acquisition Cost	14057.0	Years Appropriated	4
Expenditures To Date	450.7	Percent Years Appropriated	30.77%
Percent Expended	3.21%	Appropriated to Date	3253.1
Total Funding Years	13	Percent Appropriated	23.14%

Operating and Support Cost

Assumptions And Ground Rules

The information for Operating and Support costs through FY 2049 is based on the January 4, 2010 Air Force Cost Analysis Improvement Group recommended Service Cost Position. It was a life cycle cost estimate for a fleet of 74 aircraft. The estimate is adjusted to a total of 122 aircraft. The estimate includes a 30 year aircraft life, with fleet phase in from FY 2011 through FY 2022, steady state from FY 2023 through FY 2043, and phase out from FY 2041 through FY 2053. The average aircraft cost listed below is the average cost for one aircraft for one year.

Two level maintenance is planned.

Antecedent costs are not available.

Costs BY2009 $M		
Cost Element	**HC/MC-130 RECAPITALIZATION Avg Annual Aircraft Cost**	**No Antecedent**
Unit-Level Manpower	4.282	--
Unit Operations	0.994	--
Maintenance	2.226	--
Sustaining Support	0.515	--
Continuing System Improvements	1.219	--
Indirect Support	1.049	--
Other	0.000	--
Total Unitized Cost (Base Year 2009 $)	10.285	--

Total O&S Costs $M	HC/MC-130 RECAPITALIZATION	No Antecedent
Base Year	37645.1	--
Then Year	50455.4	--