Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-220

C-130J

As of December 31, 2011

Defense Acquisition Management
Information Retrieval
(DAMIR)

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Program Information

Designation And Nomenclature (Popular Name)

C-130J Hercules (C-130J)

DoD Component

Air Force

Responsible Office

Responsible Office

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Date Assigned March 31, 2011

References

SAR Baseline (Production Estimate)

Air Force Acquisition Executive (AFAE) Approved Acquisition Program Baseline (APB) dated October 25, 1996

Approved APB

Air Force Acquisition Executive (AFAE) Approved Acquisition Program Baseline (APB) dated April 25, 2007

Mission and Description

The C-130J is a medium-range, tactical airlift aircraft designed primarily for transport of cargo and personnel within a theater of operations. Variants of the C-130J perform other missions including rescue and recovery, air refueling, special operations, fire-fighting and weather reconnaissance.

The C-130J can carry more than 40,000 pounds of cargo (pallets or a varied number of wheeled vehicles) or be configured to carry up to 84 paratroopers. The enhanced cargo handling system reduces crew workload and can be quickly adapted to accommodate any combination of passenger, cargo or aero-medical airlift mission. Two primary methods of aerial delivery are used for equipment delivery: parachutes pulling the load from the aircraft; and the Container Delivery System that uses the force of gravity to pull supplies from the aircraft. The C-130J can also operate from austere landing zones with as little as 3,000 feet of dirt runway.

A stretched version of the C-130J offers aircrews 55 feet of cargo compartment length. The additional 15 feet in length over previous versions of the C-130 translates into 30% more useable volume for increased seating, litters, pallets or airdrop platforms thus providing a significant advantage in the reduction of sorties necessary for mission completion. The C-130J offers a greater value when compared to any other tactical airlifter. For example, reductions in maintenance man-hours per flight and flight and maintenance manpower result in a 47% lower squadron operating and support cost.

Executive Summary

The C-130J program office continued to support warfighter requirements worldwide. Nine (9) aircraft were delivered on schedule as part of the Multi-Year Procurement contract and the Five Year Option contract (FYOC) efforts. The final Multi-Year contracted aircraft was among the nine aircraft, all delivered to Dyess AFB, TX. These aircraft were part of Lockheed Martin's total of 36 aircraft delivered in CY 2011 of which, 21 United States Government (USG) and Foreign Military Sales aircraft were delivered, on average, 19 days ahead of the contractual delivery date.

FYOC IV was awarded March 2011. This contract will be used to procure all C-130J variants, up to 150 aircraft, over the next 5 years. Additionally, it established the contractual framework to acquire spares, support equipment, and logistics support items.

The Large Aircraft Infrared Countermeasures (LAIRCM) program completed operational testing at Little Rock Air Force Base, Arkansas in July 2011. The program office is scheduled to submit the C-130J LAIRCM Operational Capability Release recommendation February 2012.

In July 2011, the C-130J was designated as the Air Force's lead platform for the land-based Joint Precision Approach and Landing System (JPALS). JPALS will provide a rapidly deployable, mobile, adverse weather, adverse terrain, day-night, and survivable precision approach and landing capability that supports joint service, civil, and multi-national interoperability.

Congressional staff provided the program office additional information on counterfeit parts in October 2011. The program office began developing a plan with the prime contractor for notifications and data collection for future suspect counterfeit issues, monitoring fielded suspect assets until replaced by attrition, and contractually protecting the USG's interest in the case that monitoring identifies a problem.

The Data Transfer and Diagnostic System (DTADS) program completed operational testing in October 2011, two weeks ahead of schedule. The DTADS Release of Capability and aircraft retrofit initiation is expected March 2012. Production line cut-in is scheduled for July 2012.

International Collaborative Block Upgrade (BU) Programs:

The BU 7.0 program completed Phase I Development, Test and Evaluation (DT&E) in November 2011 and is scheduled to complete Phase II DT&E September 2012. BU 7.0 incorporates 25 capability requirements with emphasis on a new Flight Management System and Link 16. This effort maintains access to global airspace, enhances navigational accuracy and aircrew situational awareness, and increases overall operational utility/effectiveness. The incorporation of Flight Management System software usability improvements extended the common core completion delivery date from August 2012 to January 2013.

The BU 8.1 development contract was awarded November 2011. BU 8.1 will incorporate 10 new capability requirements with emphasis on the Civil Data Link, Automatic Dependent Surveillance Broadcast-Out, and Identification, Friend or Foe Transponder Mode-5.

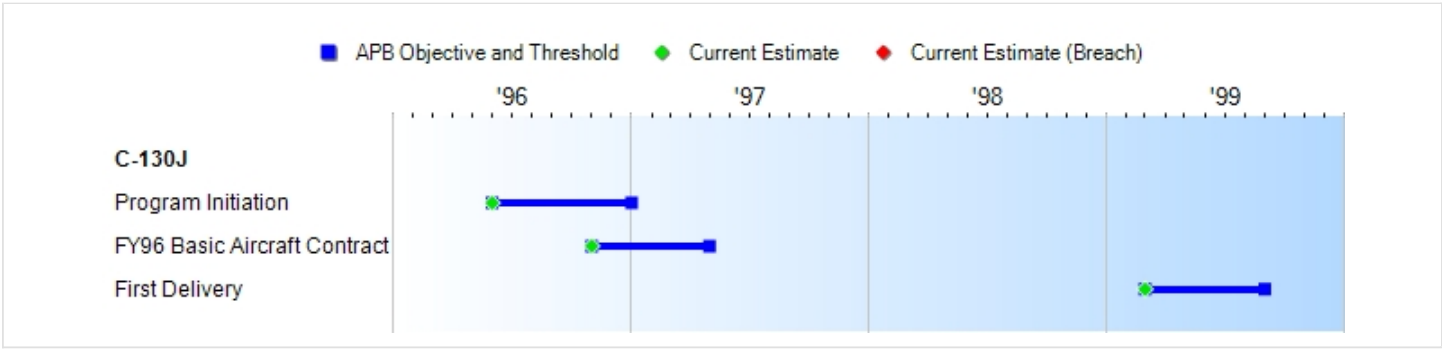
There are no significant software-related issues at this time other than what is mentioned above for BU 7.0.

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

Schedule



Milestones	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Current Estimate
Program Initiation	JUN 1996	JUN 1996	JAN 1997	JUN 1996
FY96 Basic Aircraft Contract	NOV 1996	NOV 1996	MAY 1997	NOV 1996
First Delivery	OCT 1997	MAR 1999	SEP 1999	MAR 1999

Change Explanations

None

Performance

Characteristics	SAR Baseline Prod Est	Current APB Production Objective/Threshold		Demonstrated Performance	Current Estimate
Cockpit Crew (All Missions)	2	2	2	2	2
Maximum Payload (lbs)	39311	39311	38910	39311	39311
Normal Maximum Take-off Gross Weight (lbs)	155000	155000	155000	155000	155000
Design Landing Gross Weight (lbs)	130000	130000	130000	130000	130000
Take-off Distance at Max Take-off Weight over 50 ft Obstacle (ft)	4530	4530	5142	4530	4530
Landing Distance at Design Landing Weight Over 50 ft Obstacle (ft)	2500	2500	2550	2500	2500
Shortfield Capability					
Assault Take-off Distance (Takeoff Ground Roll) (ft)	2700	2700	2700	2700	2700
Assault Landing Distance (Ground Roll) (ft)	1800	1800	1800	1800	1800
IMC Airdrop Accuracy - Total System Error (ft)	158	158	158	158	158
Cruising Speed at 100,000 lbs @25,000 ft (KTAS)	342	342	315	342	342
Max Range with 42,764 lbs fuel & 29,722 lbs Payload (NM)	3070	3070	2350	3070	3070
Environmental Factors - Operational Ambient Temperature (deg F)	-40 -+120	-40 -+120	-40 -+120	-40 -+120	-40 -+120
Sortie Reliability (SR) (%)	95.4	95.4	94.2	99.6	94.2
Mission Capable Rate (MC) (%)	84.0	84.0	81.0	83.1	81.0
Mean Repair Time (hrs)	6.3	6.3	7.4	2	7.4
Mean Time Between Removal (MTBR) (hrs)	4.6	4.6	3.8	3.6	3.8
Mean-Time Between Maintenance Corrective Actions (MTBMC) (hrs)	1.2	1.2	1.0	1.3	1.0

Requirements Source:

Operational Requirements Document (ORD) AMC 205-91-IV/III-A (REVISION II), dated January 21, 2005.

Acronyms And Abbreviations

ft - feet
IMC - Instrument Meteorological Conditions
KTAS - Knots True Airspeed
lbs - Pounds
NM - Nautical Miles

Change Explanations

None

Memo

Demonstrated performance reflects actual aircraft performance data. The increased operations tempo in support of the war effort, ongoing global humanitarian relief efforts, and lengthy deport stays due to the 12-year inspection and maintenance cycle have driven a decrease in the Mean Time Between Removal rate.

Track To Budget

RDT&E				
APPN 3600	BA 07	PE 0401132F	(Air Force)	
	Project 5061	C-130J		
APPN 3600	BA 04	PE 0603852F	(Air Force)	
	Project 4025	C-130J		(Sunk)
Procurement				
APPN 3010	BA 02	PE 0401132F	(Air Force)	
	ICN 130A00			(Sunk)
	ICN 130E00			(Sunk)
APPN 3010	BA 05	PE 0401132F	(Air Force)	
	ICN C1300J		(Shared)	
APPN 3010	BA 02	PE 0401132F	(Air Force)	
	ICN C130J0	C-130J		
MILCON				
APPN 3300	BA 04	PE 0401132F	(Air Force)	
		Military Construction		
Various Projects				
Acq O&M				
APPN 3400	BA 01	PE 0401132F	(Air Force)	
		Operation & Maintenance - AF		(Sunk)
Project 021M (shared) (sunk)				

Cost and Funding

Cost Summary

Total Acquisition Cost and Quantity

	BY1996 $M			BY1996 $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	8.9	349.1	384.0	321.2	9.2	446.6	418.8
Procurement	721.8	13041.0	14345.1	11822.5	830.5	15910.8	15129.5
Flyaway	540.1	--	--	9175.6	618.5	--	11770.1
Recurring	540.1	--	--	8960.5	618.5	--	11538.6
Non Recurring	0.0	--	--	215.1	0.0	--	231.5
Support	181.7	--	--	2646.9	212.0	--	3359.4
Other Support	131.6	--	--	2087.6	154.3	--	2630.1
Initial Spares	50.1	--	--	559.3	57.7	--	729.3
MILCON	0.0	153.0	168.3	119.3	0.0	182.4	146.3
Acq O&M	0.0	45.0	49.5	21.0	0.0	51.7	23.7
Total	730.7	13588.1	N/A	12284.0	839.7	16591.5	15718.3

Quantity	SAR Baseline Prod Est	Current APB Production	Current Estimate
RDT&E	0	0	0
Procurement	11	168	168
Total	11	168	168

Cost and Funding

Funding Summary

Appropriation and Quantity Summary
FY2013 President's Budget / December 2011 SAR (TY$ M)

Appropriation	Prior	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	To Complete	Total
RDT&E	210.7	39.5	28.2	38.2	24.0	24.6	25.0	28.6	418.8
Procurement	9309.3	207.1	109.1	1086.1	967.9	712.1	100.6	2637.3	15129.5
MILCON	118.5	0.0	0.0	27.8	0.0	0.0	0.0	0.0	146.3
Acq O&M	23.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.7
PB 2013 Total	9662.2	246.6	137.3	1152.1	991.9	736.7	125.6	2665.9	15718.3
PB 2012 Total	9732.5	133.2	177.5	330.1	425.3	977.5	907.5	2294.3	14977.9
Delta	-70.3	113.4	-40.2	822.0	566.6	-240.8	-781.9	371.6	740.4

Quantity	Undistributed	Prior	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	To Complete	Total
Development	0	0	0	0	0	0	0	0	0	0
Production	0	121	1	0	12	10	7	0	17	168
PB 2013 Total	0	121	1	0	12	10	7	0	17	168
PB 2012 Total	0	121	1	1	3	4	12	8	18	168
Delta	0	0	0	-1	9	6	-5	-8	-1	0

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
1995	--	--	--	--	--	--	5.1
1996	--	--	--	--	--	--	0.4
1997	--	--	--	--	--	--	1.0
1998	--	--	--	--	--	--	3.7
1999	--	--	--	--	--	--	--
2000	--	--	--	--	--	--	--
2001	--	--	--	--	--	--	--
2002	--	--	--	--	--	--	--
2003	--	--	--	--	--	--	1.8
2004	--	--	--	--	--	--	10.3
2005	--	--	--	--	--	--	23.0
2006	--	--	--	--	--	--	11.3
2007	--	--	--	--	--	--	30.2
2008	--	--	--	--	--	--	43.3
2009	--	--	--	--	--	--	24.5
2010	--	--	--	--	--	--	30.2
2011	--	--	--	--	--	--	25.9
2012	--	--	--	--	--	--	39.5
2013	--	--	--	--	--	--	28.2
2014	--	--	--	--	--	--	38.2
2015	--	--	--	--	--	--	24.0
2016	--	--	--	--	--	--	24.6
2017	--	--	--	--	--	--	25.0
2018	--	--	--	--	--	--	8.5
2019	--	--	--	--	--	--	9.8
2020	--	--	--	--	--	--	10.3
Subtotal	**--**	**--**	**--**	**--**	**--**	**--**	**418.8**

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

Fiscal Year	Quantity	End Item Recurring Flyaway BY 1996 $M	Non End Item Recurring Flyaway BY 1996 $M	Non Recurring Flyaway BY 1996 $M	Total Flyaway BY 1996 $M	Total Support BY 1996 $M	Total Program BY 1996 $M
1995	--	--	--	--	--	--	5.1
1996	--	--	--	--	--	--	0.4
1997	--	--	--	--	--	--	1.0
1998	--	--	--	--	--	--	3.6
1999	--	--	--	--	--	--	--
2000	--	--	--	--	--	--	--
2001	--	--	--	--	--	--	--
2002	--	--	--	--	--	--	--
2003	--	--	--	--	--	--	1.6
2004	--	--	--	--	--	--	9.1
2005	--	--	--	--	--	--	19.9
2006	--	--	--	--	--	--	9.5
2007	--	--	--	--	--	--	24.7
2008	--	--	--	--	--	--	34.7
2009	--	--	--	--	--	--	19.4
2010	--	--	--	--	--	--	23.6
2011	--	--	--	--	--	--	19.8
2012	--	--	--	--	--	--	29.7
2013	--	--	--	--	--	--	20.8
2014	--	--	--	--	--	--	27.8
2015	--	--	--	--	--	--	17.1
2016	--	--	--	--	--	--	17.2
2017	--	--	--	--	--	--	17.2
2018	--	--	--	--	--	--	5.8
2019	--	--	--	--	--	--	6.5
2020	--	--	--	--	--	--	6.7
Subtotal	**--**	**--**	**--**	**--**	**--**	**--**	**321.2**

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
1994	2	66.8	--	--	66.8	--	66.8
1995	--	--	--	--	--	--	--
1996	5	224.1	--	--	224.1	9.3	233.4
1997	9	429.4	--	21.5	450.9	55.7	506.6
1998	7	348.7	--	47.6	396.3	51.5	447.8
1999	5	269.2	--	32.4	301.6	143.8	445.4
2000	1	57.7	--	25.7	83.4	56.6	140.0
2001	3	195.8	--	29.1	224.9	80.5	305.4
2002	5	356.6	--	22.4	379.0	60.0	439.0
2003	1	138.5	--	52.8	191.3	137.8	329.1
2004	4	277.4	9.6	--	287.0	186.4	473.4
2005	11	756.0	40.6	--	796.6	147.0	943.6
2006	12	643.1	4.7	--	647.8	313.5	961.3
2007	14	733.7	14.5	--	748.2	369.6	1117.8
2008	30	1407.3	26.1	--	1433.4	409.2	1842.6
2009	--	33.1	33.3	--	66.4	43.6	110.0
2010	4	299.3	--	--	299.3	156.8	456.1
2011	8	401.5	--	--	401.5	89.5	491.0
2012	1	118.0	--	--	118.0	89.1	207.1
2013	--	16.5	--	--	16.5	92.6	109.1
2014	12	927.6	--	--	927.6	158.5	1086.1
2015	10	844.2	--	--	844.2	123.7	967.9
2016	7	653.2	--	--	653.2	58.9	712.1
2017	--	60.6	--	--	60.6	40.0	100.6
2018	7	670.5	--	--	670.5	115.3	785.8
2019	7	699.0	--	--	699.0	125.7	824.7
2020	3	337.4	--	--	337.4	80.5	417.9
2021	--	59.0	--	--	59.0	51.9	110.9
2022	--	60.4	--	--	60.4	20.1	80.5
2023	--	62.8	--	--	62.8	17.6	80.4
2024	--	65.3	--	--	65.3	17.2	82.5
2025	--	67.9	--	--	67.9	16.6	84.5
2026	--	70.5	--	--	70.5	14.7	85.2
2027	--	58.7	--	--	58.7	19.4	78.1
2028	--	--	--	--	--	6.8	6.8
Subtotal	**168**	**11409.8**	**128.8**	**231.5**	**11770.1**	**3359.4**	**15129.5**

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

Fiscal Year	Quantity	End Item Recurring Flyaway BY 1996 $M	Non End Item Recurring Flyaway BY 1996 $M	Non Recurring Flyaway BY 1996 $M	Total Flyaway BY 1996 $M	Total Support BY 1996 $M	Total Program BY 1996 $M
1994	2	66.7	--	--	66.7	--	66.7
1995	--	--	--	--	--	--	--
1996	5	217.5	--	--	217.5	9.0	226.5
1997	9	412.7	--	20.7	433.4	53.5	486.9
1998	7	332.9	--	45.4	378.3	49.3	427.6
1999	5	254.3	--	30.6	284.9	135.8	420.7
2000	1	53.6	--	23.9	77.5	52.7	130.2
2001	3	180.3	--	26.8	207.1	74.1	281.2
2002	5	324.4	--	20.4	344.8	54.6	399.4
2003	1	124.0	--	47.3	171.3	123.2	294.5
2004	4	241.9	8.4	--	250.3	162.4	412.7
2005	11	640.5	34.4	--	674.9	124.5	799.4
2006	12	530.7	3.9	--	534.6	258.7	793.3
2007	14	589.7	11.7	--	601.4	297.1	898.5
2008	30	1113.3	20.6	--	1133.9	323.7	1457.6
2009	--	25.7	25.9	--	51.6	33.9	85.5
2010	4	228.2	--	--	228.2	119.6	347.8
2011	8	300.9	--	--	300.9	67.0	367.9
2012	1	86.9	--	--	86.9	65.7	152.6
2013	--	12.0	--	--	12.0	67.0	79.0
2014	12	660.1	--	--	660.1	112.8	772.9
2015	10	590.1	--	--	590.1	86.5	676.6
2016	7	448.6	--	--	448.6	40.4	489.0
2017	--	40.9	--	--	40.9	27.0	67.9
2018	7	444.3	--	--	444.3	76.4	520.7
2019	7	455.0	--	--	455.0	81.8	536.8
2020	3	215.7	--	--	215.7	51.5	267.2
2021	--	37.1	--	--	37.1	32.6	69.7
2022	--	37.3	--	--	37.3	12.4	49.7
2023	--	38.1	--	--	38.1	10.6	48.7
2024	--	38.9	--	--	38.9	10.2	49.1
2025	--	39.7	--	--	39.7	9.7	49.4
2026	--	40.5	--	--	40.5	8.4	48.9
2027	--	33.1	--	--	33.1	11.0	44.1
2028	--	--	--	--	--	3.8	3.8
Subtotal	**168**	**8855.6**	**104.9**	**215.1**	**9175.6**	**2646.9**	**11822.5**

Cost Quantity Information
3010 | Procurement | Aircraft Procurement, Air Force

Fiscal Year	Quantity	End Item Recurring Flyaway (Aligned with Quantity) BY 1996 $M
1994	2	75.3
1995	--	--
1996	5	238.9
1997	9	451.2
1998	7	362.9
1999	5	275.7
2000	1	57.9
2001	3	193.2
2002	5	345.8
2003	1	65.7
2004	4	190.7
2005	11	691.3
2006	12	643.9
2007	14	642.4
2008	30	1314.1
2009	--	--
2010	4	215.9
2011	8	419.4
2012	1	52.9
2013	--	--
2014	12	666.3
2015	10	587.4
2016	7	382.3
2017	--	--
2018	7	398.8
2019	7	407.8
2020	3	175.8
2021	--	--
2022	--	--
2023	--	--
2024	--	--
2025	--	--
2026	--	--
2027	--	--
2028	--	--
Subtotal	**168**	**8855.6**

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

Fiscal Year	Total Program TY $M
2002	10.4
2003	26.1
2004	26.2
2005	5.0
2006	--
2007	25.3
2008	--
2009	21.0
2010	4.5
2011	--
2012	--
2013	--
2014	27.8
Subtotal	**146.3**

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

Fiscal Year	Total Program BY 1996 $M
2002	9.4
2003	23.2
2004	22.6
2005	4.2
2006	--
2007	20.3
2008	--
2009	16.4
2010	3.4
2011	--
2012	--
2013	--
2014	19.8
Subtotal	**119.3**

Annual Funding TY$
3400 | Acq O&M | Operation and Maintenance, Air Force

Fiscal Year	Total Program TY $M
2003	6.8
2004	9.3
2005	7.6
Subtotal	**23.7**

Annual Funding BY$
3400 | Acq O&M | Operation and Maintenance, Air Force

Fiscal Year	Total Program BY 1996 $M
2003	6.2
2004	8.3
2005	6.5
Subtotal	**21.0**

Low Rate Initial Production

No LRIP for this program.

Foreign Military Sales

Country	Date of Sale	Quantity	Total Cost $M	Memo
Norway	11/24/2011	0	30.5	FMS Case NO-D-QAO
Australia	4/13/2010	0	30.5	FMS Case AT-D-QAB
Israel	3/25/2010	2	206.0	FMS Case IS-D-SAD
Italy	12/1/2009	0	46.7	FMS Case IT-D-QAB
Denmark	4/22/2009	0	16.2	FMS Case DE-D-QOH
Iraq	9/14/2008	6	719.1	FMS Case IQ-D-SAB, IQ-D-QAO, IQ-D-QAP, G8-D-QAB
India	1/31/2008	6	962.5	FMS Case IN-D-SAA
Norway	6/29/2007	4	519.8	FMS Case NO-D-SAF is complete as of 2011.

The C-130J program office continues to manage multiple Foreign Military Sales (FMS) cases. In December 2011, Norway aircraft sustainment transferred to Warner Robins Air Logistics Center. Additionally, Norway opened a new case and joined the Joint Country Cooperative Effort (JCCE) for capability upgrades only. Production/delivery/retrofit/sustainment activities continue for India, Iraq, Israel, Norway, and the JCCE nations.

In February 2011, Israel signed the Letter of Offer and Acceptance (LOA) Amendment #1 for the procurement of a second aircraft and long-lead critical material for a third aircraft. In July 2011, a Letter of Request was received requesting an LOA Amendment #2 to procure a third aircraft. In September 2011, LOA Amendment #2 was sent to Israel for signature and is expected to be signed in January 2012.

In August 2011, at the request of the Iraq Ministry of Defense, Amendment #2 to the aircraft LOA was signed authorizing Contractor Logistics Support, construction, and a missile warning system replacement. The first Iraqi C-130J pilot entered language training at Lackland Air Force Base in October 2011. Due to the U.S. military mission in Iraq formally ending in December 2011, security and visa requirement issues are expected to impact travel in 2012, especially for contractors working in-country. Aircraft deliveries are scheduled to begin the fourth quarter of CY 2012.

All six of India’s aircraft were delivered in 2011, averaging 2 months ahead of the contract delivery schedule. In November 2011, India's aircraft were upgraded with Special Operations modifications in-country by a Lockheed Martin team. The program office successes with the first case have prompted India to request six more aircraft.

A LOA was signed in November 2011 for the Norway Block 7.0 Trial Kit Installation (TKI) and Embodiment Kits as part of the JCCE. A contract for Denmark, Italy, and Australia's TKI was awarded August 2011. The Requests For Proposal for the Embodiment Kits is scheduled to be released to the prime contractor in the first quarter of CY 2012.

The FMS cases with Denmark, Australia, Italy, and Norway are for capability upgrades as part of the JCCE only and do not procure aircraft.

Nuclear Cost

None

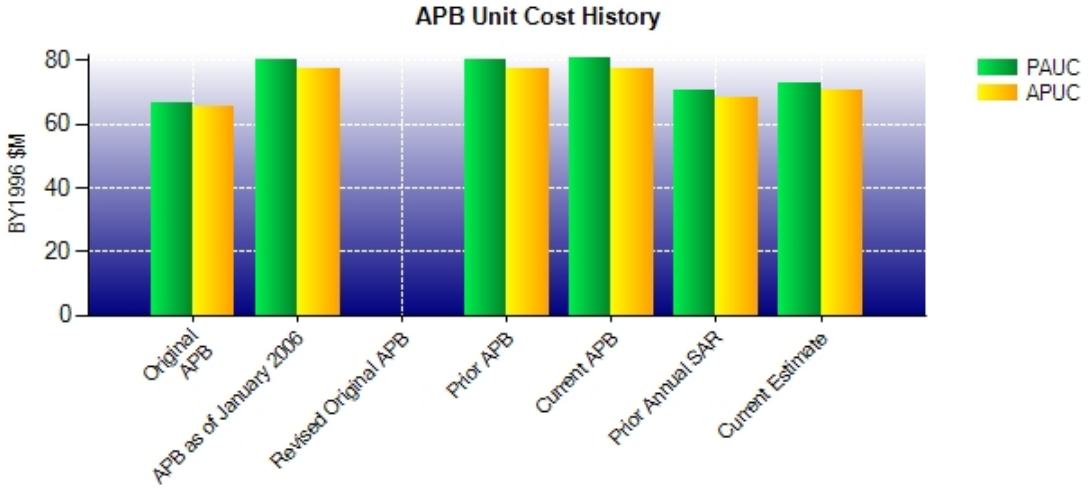
Unit Cost

Unit Cost Report

Unit Cost	BY1996 $M Current UCR Baseline (APR 2007 APB)	BY1996 $M Current Estimate (DEC 2011 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	13588.1	12284.0	
Quantity	168	168	
Unit Cost	80.882	73.119	-9.60
Average Procurement Unit Cost (APUC)			
Cost	13041.0	11822.5	
Quantity	168	168	
Unit Cost	77.625	70.372	-9.34

Unit Cost	BY1996 $M Original UCR Baseline (OCT 1996 APB)	BY1996 $M Current Estimate (DEC 2011 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	730.7	12284.0	
Quantity	11	168	
Unit Cost	66.427	73.119	+10.07
Average Procurement Unit Cost (APUC)			
Cost	721.8	11822.5	
Quantity	11	168	
Unit Cost	65.618	70.372	+7.24

Unit Cost History



		BY1996 $M		TY $M	
	Date	PAUC	APUC	PAUC	APUC
Original APB	OCT 1996	66.427	65.618	76.336	75.500
APB as of January 2006	MAR 2003	80.023	77.625	97.517	94.707
Revised Original APB	N/A	N/A	N/A	N/A	N/A
Prior APB	MAR 2003	80.023	77.625	97.517	94.707
Current APB	APR 2007	80.882	77.625	98.759	94.707
Prior Annual SAR	DEC 2010	70.570	68.044	89.154	85.984
Current Estimate	DEC 2011	73.119	70.372	93.561	90.057

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	
76.336	0.614	-5.032	-3.245	1.007	5.276	0.000	18.605	17.225	93.561

Current SAR Baseline to Current Estimate (TY $M)

Initial APUC Prod Est	Changes								APUC Current Est
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
75.500	0.545	-4.250	-3.218	0.000	2.875	0.000	18.605	14.557	90.057

SAR Baseline History

Item/Event	SAR Planning Estimate (PE)	SAR Development Estimate (DE)	SAR Production Estimate (PdE)	Current Estimate
Milestone I	N/A	N/A	N/A	N/A
Milestone II	N/A	N/A	N/A	N/A
Milestone III	N/A	N/A	JUN 1996	JUN 1996
IOC	N/A	N/A	N/A	N/A
Total Cost (TY $M)	N/A	839.7	839.7	15718.3
Total Quantity	N/A	11	11	168
Prog. Acq. Unit Cost (PAUC)	N/A	76.336	76.336	93.561

Cost Variance

Cost Variance Summary

Summary Then Year $M					
	RDT&E	Proc	MILCON	Acq O&M	Total
SAR Baseline (Prod Est)	9.2	830.5	--	--	839.7
Previous Changes					
Economic	+3.2	-5.7	+4.3	+1.1	+2.9
Quantity	--	+11139.4	--	--	+11139.4
Schedule	--	-499.4	-4.5	--	-503.9
Engineering	+169.1	--	--	--	+169.1
Estimating	+208.9	-806.6	+118.7	+22.6	-456.4
Other	--	--	--	--	--
Support	--	+3787.1	--	--	+3787.1
Subtotal	+381.2	+13614.8	+118.5	+23.7	+14138.2
Current Changes					
Economic	+3.0	+97.2	+0.1	--	+100.3
Quantity	--	--	--	--	--
Schedule	--	-41.2	--	--	-41.2
Engineering	--	--	--	--	--
Estimating	+25.4	+1289.6	+27.7	--	+1342.7
Other	--	--	--	--	--
Support	--	-661.4	--	--	-661.4
Subtotal	+28.4	+684.2	+27.8	--	+740.4
Total Changes	+409.6	+14299.0	+146.3	+23.7	+14878.6
CE - Cost Variance	418.8	15129.5	146.3	23.7	15718.3
CE - Cost & Funding	418.8	15129.5	146.3	23.7	15718.3

Summary Base Year 1996 $M					
	RDT&E	Proc	MILCON	Acq O&M	Total
SAR Baseline (Prod Est)	8.9	721.8	--	--	730.7
Previous Changes					
Economic	--	--	--	--	--
Quantity	--	+8590.0	--	--	+8590.0
Schedule	--	-264.1	-3.3	--	-267.4
Engineering	+126.2	--	--	--	+126.2
Estimating	+168.7	-568.7	+102.9	+21.0	-276.1
Other	--	--	--	--	--
Support	--	+2952.4	--	--	+2952.4
Subtotal	+294.9	+10709.6	+99.6	+21.0	+11125.1
Current Changes					
Economic	--	--	--	--	--
Quantity	--	--	--	--	--
Schedule	--	--	--	--	--
Engineering	--	--	--	--	--
Estimating	+17.4	+878.3	+19.7	--	+915.4
Other	--	--	--	--	--
Support	--	-487.2	--	--	-487.2
Subtotal	+17.4	+391.1	+19.7	--	+428.2
Total Changes	+312.3	+11100.7	+119.3	+21.0	+11553.3
CE - Cost Variance	321.2	11822.5	119.3	21.0	12284.0
CE - Cost & Funding	321.2	11822.5	119.3	21.0	12284.0

Previous Estimate: December 2010

RDT&E	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	+3.0
Increase due to refined requirements concerning Content Management Updates (CMUs) following major block upgrades. (Estimating)	+18.1	+26.3
Adjustment for current and prior escalation. (Estimating)	-0.7	-0.9
RDT&E Subtotal	+17.4	+28.4

Procurement	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	+97.2
Decrease due to acceleration of procurement buy profile, leading to reduced costs as a result of inflation savings. (Schedule)	0.0	-41.2
Advance Procurement will not be used due to a change in the buy profile. (Estimating)	+36.9	+50.0
Adjustment for current and prior escalation. (Estimating)	-8.7	-11.0
Increase due to delays in development of retrofit program, and refinement of requirements for modification kits and installations. Delays cause more aircraft to require retrofits. (Estimating)	+250.1	+420.1
Increase in flyaway estimate due to refinement of estimate using additional actual cost history. (Estimating)	+12.2	+19.7
Adjustment to realign flyaway and support costs. (Estimating)	+587.8	+810.8
Adjustment for current and prior escalation. (Support)	-3.7	-5.0
Adjustment to realign funding from support to flyaway costs. (Support)	-587.9	-810.8
Increase in Initial Spares due to adjustments in requirements to compensate for new aircraft buy/delivery schedule. (Support)	+104.4	+154.4
Procurement Subtotal	+391.1	+684.2

MILCON	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	+0.1
Increase due to a new base in Yokota, Japan added to estimate (Estimating)	+19.8	+27.8
Adjustment for current and prior escalation. (Estimating)	-0.1	-0.1
MILCON Subtotal	+19.7	+27.8

Contracts

Appropriation: RDT&E	
Contract Name	**C-130J - BUIC: Blk 7.0**
Contractor	Lockheed Martin Corporation (Lockheed Martin Aero Co - Marietta, GA)
Contractor Location	Marietta, GA 39963-0290
Contract Number, Type	FA8625-04-D-6452/3, CPAF
Award Date	April 05, 2007
Definitization Date	December 07, 2010

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
82.9	N/A	N/A	170.1	N/A	N/A	189.6	201.8

Variance	Cost Variance	Schedule Variance
Cumulative Variances To Date	+0.1	-1.4
Previous Cumulative Variances	-2.2	-8.2
Net Change	+2.3	+6.8

Cost And Schedule Variance Explanations

The favorable net change in the cost variance is due to an over-target re-baseline conducted in 2011. The program has executed to the planned cost since the re-baseline occured.

The favorable net change in the schedule variance is due to an over-target re-baseline conducted in 2011. The program has executed to the planned schedule since the re-baseline occured.

Contract Comments

The difference between the initial contract price target and the current contract price target is due to the definitization of the original Undefinitized Contract Actions and additional contract modifications.

The previously reported initial contract price target of 74.4 erroneously excluded the base fee. The initial contract price target now reflects the base fee.

The increase to current contract price from the initial contract price is due to the rebaseline of the Block 7.0 project, an Engineering Change Proposal for new Information Assurance requirements, Flight Management System software usability improvements, and changes to the available and earned award fee pool for contractor performance.

Appropriation: RDT&E

Contract Name	**C-130J - BUIC: Blk 8.1**
Contractor	Lockheed Martin Corporation (Lockheed Martin Aero Co - Marietta, GA
Contractor Location	Maretta, GA 39963-0290
Contract Number, Type	FA8625-04-D-6452/7, CPAF
Award Date	October 31, 2011
Definitization Date	October 31, 2011

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
166.7	N/A	N/A	166.7	N/A	N/A	166.7	166.7

Variance	Cost Variance	Schedule Variance
Cumulative Variances To Date	0.0	0.0
Previous Cumulative Variances	--	--
Net Change	+0.0	+0.0

Cost And Schedule Variance Explanations

None

Contract Comments

This contract delivery order is being reported for the first time.

Contract performance reporting for this delivery order will begin January 2012.

Appropriation: Procurement

Contract Name	**C-130J Five Year Option Contract (FYOC) III**
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	February 01, 2006
Definitization Date	February 01, 2006

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
8.5	N/A	N/A	2993.8	N/A	42	2993.8	2993.8

Cost And Schedule Variance Explanations

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

Contract Comments

The difference between the initial contract price target and the current contract price target is due to the purchase of aircraft and other contract modifications. The initial contract price reflects only the award of the basic contract for engineering and logistics support.

The ordering period for the FYOC III contract was extended to July 2011 for FY 2011 aircraft.

Appropriation: Procurement

Contract Name	**C-130J Five Year Option Contract (FYOC) IV**
Contractor	Lockheed Martin Corporation (Lockheed Martin Aero Co - Marietta, GA)
Contractor Location	Marietta, GA 39963-0290
Contract Number, Type	FA8625-11-C-6597, FFP
Award Date	March 16, 2011
Definitization Date	March 16, 2011

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
6.4	N/A	0	27.8	N/A	1	27.8	27.8

Cost And Schedule Variance Explanations

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

Contract Comments

The difference between the initial contract price target and the current contract price target is due to advance procurement of long lead items for one aircraft and contract modifications. The initial contract price reflects only the award of the basic contract for engineering and logistics support.

This contract is being reported for the first time.

Deliveries and Expenditures

Deliveries To Date	Plan To Date	Actual To Date	Total Quantity	Percent Delivered
Development	0	0	0	--
Production	97	97	168	57.74%
Total Program Quantities Delivered	97	97	168	57.74%

Expenditures and Appropriations (TY $M)			
Total Acquisition Cost	15718.3	Years Appropriated	19
Expenditures To Date	7718.3	Percent Years Appropriated	54.29%
Percent Expended	49.10%	Appropriated to Date	9908.8
Total Funding Years	35	Percent Appropriated	63.04%

Quantity reflects C-130J Air Force aircraft only.

Operating and Support Cost

Assumptions And Ground Rules

The information for Operating and Support (O&S) costs through FY 2059 is based on the September 7, 2011 Program Office Estimate (POE) for life cycle costs of an estimated fleet of 168 C-130J aircraft. This grass roots estimate covers FY 2000 through FY 2059, assuming a 35 year life span for C-130J aircraft. The previous 2010 estimate used an estimate out to FY 2025 assuming that a steady state would be reached at that point, carried out through the life of the aircraft fleet which had yet to be determined.

Average annual cost per aircraft is determined by dividing the base year 1996 total for each cost category by 35 years, and 168 aircraft. This data can be compared to other platforms normalized in the same manner.

As applicable, O&S estimates are based on commercial buy prices and the sustainment of 168 C-130J aircraft through FY 2059. Interim Contractor Support (ICS) will be required to support ongoing fielding of Block Upgrades and through the transition to depot long term sustainment. Two-level maintenance is planned.

Cost totals do not include disposal costs.

Antecedent costs are based on C-130H-3 from FY 2010.

Costs BY1996 $M		
Cost Element	**C-130J Avg Annual Cost per Aircraft**	**C-130H Avg Annual Cost per Aircraft**
Unit-Level Manpower	1.403	2.651
Unit Operations	0.605	1.042
Maintenance	1.430	3.105
Sustaining Support	0.270	0.071
Continuing System Improvements	0.049	0.002
Indirect Support	0.090	0.620
Other	0.000	0.000
Total Unitized Cost (Base Year 1996 $)	3.847	7.491

Total O&S Costs $M	C-130J	C-130H
Base Year	22615.9	--
Then Year	54866.3	--