Selected Acquisition Report (SAR)

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

HC/MC-130 RECAPITALIZATION

As of December 31, 2011

Defense Acquisition Management
Information Retrieval
(DAMIR)

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Program Information

Designation And Nomenclature (Popular Name)

HC/MC-130 Recapitalization Program (HC/MC-130 RECAPITALIZATION)

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 (AFAE) 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 support 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, the aircraft 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 May 9, 2011 Acquisition Decision Memorandum authorized the procurement of the last two Low Rate Initial Production (LRIP) lots which include the FY 2012 (Lot 4) and FY 2013 (Lot 5) aircraft. In addition, the LRIP quantity was increased from 46 to 52 aircraft due to increases in the quantity of aircraft in FY 2012 and FY 2013.

A total of six HC/MC-130J aircraft were delivered to the Air Force and three bases stood up during CY 2011. Currently Davis-Monthan Air Force Base (AFB) hosts one HC-130J, Cannon AFB hosts three MC-130Js and Kirtland AFB hosts one HC-130J and one MC-130J.

In August 2011, Government Development Test & Evaluation (DT&E) was completed, paving the way for on-time entrance to Operational Test & Evaluation (OT&E) in March 2012. The HC/MC-130J Military Flight Release (MFR) was issued in December 2011 for the production configuration to be tested during OT&E. Additionally, the MFR ensured the successful achievement of the Acquisition Program Baseline airworthiness criteria objective.

Weapon System Trainer (WST) #1 successfully completed in-plant acceptance testing and initial cadre training. Ready for Training (RFT) is on schedule for April 2012. An additional three WSTs are on contract with late CY 2013 RFT dates at Davis-Monthan, Hurlburt and Kirtland AFBs.

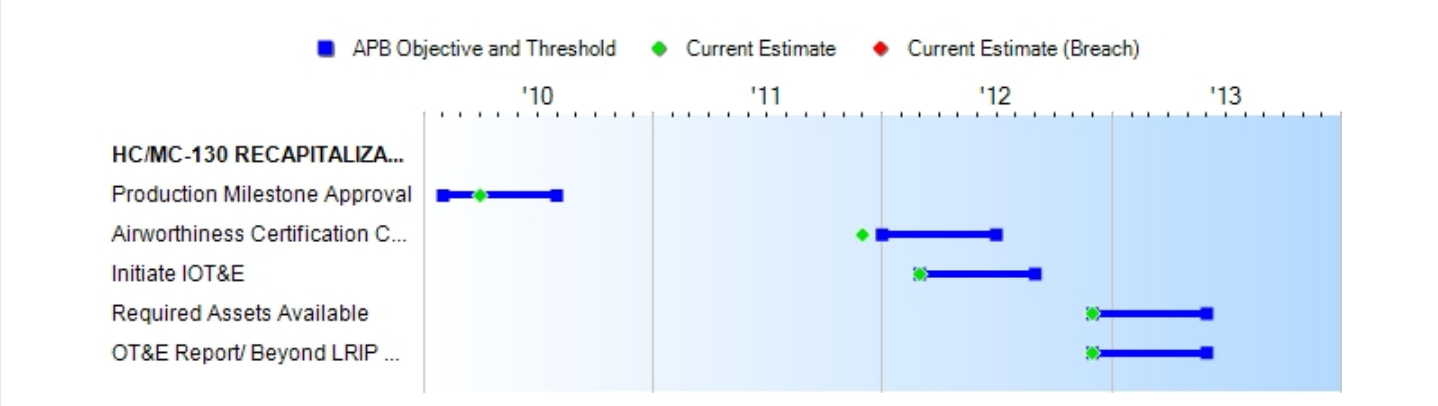
There are no significant software-related issues on this program at this time.

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

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	DEC 2011	(Ch-1)
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

(Ch-1) Airworthiness Certification complete changed from January 2012 to December 2011 to reflect actual completion date.

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.
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.
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.
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.

	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.
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.
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.

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

None

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	MC-130 Recap		
APPN 3010	BA 02	PE 0207224F	(Air Force)	
	ICN HMC130	Combat Search and Rescue		(Sunk)
APPN 3010	BA 02	PE 0207230F	(Air Force)	
	ICN HMC130	MC-130 Recap		(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	153.6	154.3	154.3	163.4
Procurement	7436.0	12168.2	13385.0	11847.1	8054.2	13573.2	13504.0
Flyaway	6008.1	--	--	9978.9	6505.4	--	11398.2
Recurring	5995.1	--	--	9940.9	6492.2	--	11357.8
Non Recurring	13.0	--	--	38.0	13.2	--	40.4
Support	1427.9	--	--	1868.2	1548.8	--	2105.8
Other Support	649.4	--	--	853.0	705.1	--	963.4
Initial Spares	778.5	--	--	1015.2	843.7	--	1142.4
MILCON	494.1	494.1	543.5	308.4	536.8	536.8	339.4
Acq O&M	0.0	0.0	--	0.0	0.0	0.0	0.0
Total	8078.1	12810.3	N/A	12309.1	8745.3	14264.3	14006.8

Confidence Level is 50%

The Independent Cost Estimate (ICE) to support HC/MC-130 Recapitalization Milestone C decision, like all life-cycle cost estimates previously performed by the director of Cost Assessment and Program Evaluation (CAPE), is built upon a product-oriented work breakdown structure, based on historical actual cost information to the maximum extent possible, and, most importantly, based on conservative assumptions that are consistent with actual demonstrated contractor and government performance for a series of acquisition program in which the Department has been successful.

It is difficult to calculate mathematically the precise confidence levels associated with life-cycle cost estimates prepared for Major Defense Acquisition Programs (MDAP). Based on the rigor in methods used in building estimates, the strong adherence to the collection and use of historical cost information, and the review of applied assumptions, we project that it is about equally likely that the estimate will prove too low or too high for execution of the program described.

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
FY2013 President's Budget / December 2011 SAR (TY$ M)

Appropriation	Prior	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	To Complete	Total
RDT&E	66.0	22.1	19.0	16.1	14.7	10.2	10.3	5.0	163.4
Procurement	2871.0	1093.8	691.0	1507.7	478.9	1144.8	842.0	4874.8	13504.0
MILCON	109.9	106.2	30.0	26.3	0.0	10.4	31.6	25.0	339.4
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PB 2013 Total	3046.9	1222.1	740.0	1550.1	493.6	1165.4	883.9	4904.8	14006.8
PB 2012 Total	3253.1	1158.3	1194.3	1108.5	1226.0	786.3	1845.7	3484.8	14057.0
Delta	-206.2	63.8	-454.3	441.6	-732.4	379.1	-961.8	1420.0	-50.2

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	32	10	7	15	4	9	7	38	122
PB 2013 Total	0	32	10	7	15	4	9	7	38	122
PB 2012 Total	0	31	10	11	11	12	6	12	29	122
Delta	0	1	0	-4	4	-8	3	-5	9	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
2008	--	--	--	--	--	--	13.0
2009	--	--	--	--	--	--	19.6
2010	--	--	--	--	--	--	18.4
2011	--	--	--	--	--	--	15.0
2012	--	--	--	--	--	--	22.1
2013	--	--	--	--	--	--	19.0
2014	--	--	--	--	--	--	16.1
2015	--	--	--	--	--	--	14.7
2016	--	--	--	--	--	--	10.2
2017	--	--	--	--	--	--	10.3
2018	--	--	--	--	--	--	3.0
2019	--	--	--	--	--	--	2.0
Subtotal	**--**	**--**	**--**	**--**	**--**	**--**	**163.4**

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	--	--	--	--	--	--	18.0
2011	--	--	--	--	--	--	14.4
2012	--	--	--	--	--	--	20.9
2013	--	--	--	--	--	--	17.6
2014	--	--	--	--	--	--	14.7
2015	--	--	--	--	--	--	13.2
2016	--	--	--	--	--	--	9.0
2017	--	--	--	--	--	--	8.9
2018	--	--	--	--	--	--	2.6
2019	--	--	--	--	--	--	1.7
Subtotal	**--**	**--**	**--**	**--**	**--**	**--**	**153.6**

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	530.1	--	--	530.1	85.1	615.2
2009	13	864.7	--	13.0	877.7	128.4	1006.1
2010	3	250.5	--	--	250.5	200.4	450.9
2011	9	631.2	--	10.9	642.1	156.7	798.8
2012	10	874.4	--	1.4	875.8	218.0	1093.8
2013	7	547.6	--	12.9	560.5	130.5	691.0
2014	15	1315.7	--	2.2	1317.9	189.8	1507.7
2015	4	422.3	--	--	422.3	56.6	478.9
2016	9	957.5	--	--	957.5	187.3	1144.8
2017	7	686.6	--	--	686.6	155.4	842.0
2018	10	1081.8	--	--	1081.8	145.9	1227.7
2019	10	1114.4	--	--	1114.4	160.9	1275.3
2020	9	1026.3	--	--	1026.3	150.2	1176.5
2021	9	1054.7	--	--	1054.7	140.6	1195.3
Subtotal	**122**	**11357.8**	**--**	**40.4**	**11398.2**	**2105.8**	**13504.0**

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	527.0	--	--	527.0	84.7	611.7
2009	13	845.0	--	12.7	857.7	125.5	983.2
2010	3	240.0	--	--	240.0	192.1	432.1
2011	9	594.5	--	10.3	604.8	147.5	752.3
2012	10	809.7	--	1.3	811.0	201.8	1012.8
2013	7	498.5	--	11.7	510.2	118.9	629.1
2014	15	1176.8	--	2.0	1178.8	169.7	1348.5
2015	4	371.0	--	--	371.0	49.8	420.8
2016	9	826.4	--	--	826.4	161.6	988.0
2017	7	582.1	--	--	582.1	131.7	713.8
2018	10	900.9	--	--	900.9	121.5	1022.4
2019	10	911.7	--	--	911.7	131.6	1043.3
2020	9	824.7	--	--	824.7	120.8	945.5
2021	9	832.6	--	--	832.6	111.0	943.6
Subtotal	**122**	**9940.9**	**--**	**38.0**	**9978.9**	**1868.2**	**11847.1**

The 2008 and 2009 amounts were incurred under the C-130J Five Year Ordering contract in furtherance of the HC/MC-130 Recap requirements. Acquisition Decision Memorandum 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.

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	22.6
2011	35.8
2012	12.2
2013	8.2
2014	26.3
Subtotal	**105.1**

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

Fiscal Year	Total Program BY 2009 $M
2010	21.7
2011	33.7
2012	11.3
2013	7.5
2014	23.5
Subtotal	**97.7**

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

Fiscal Year	Total Program TY $M
2010	14.2
2011	37.3
2012	94.0
2013	21.8
2014	--
2015	--
2016	10.4
2017	31.6
2018	25.0
Subtotal	**234.3**

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

Fiscal Year	Total Program BY 2009 $M
2010	13.5
2011	34.9
2012	86.4
2013	19.7
2014	--
2015	--
2016	8.9
2017	26.6
2018	20.7
Subtotal	**210.7**

Low Rate Initial Production

	Initial LRIP Decision	Current Total LRIP
Approval Date	4/12/2010	5/9/2011
Approved Quantity	46	52
Reference	ADM	ADM
Start Year	2008	2008
End Year	2013	2013

The May 2011 Acquisition Decision Memorandum approved a LRIP quantity of 52 aircraft. Aircraft procured in FY 2008- FY 2013.

LRIP is greater that 10% due to the user's urgent need and existing capability of the aircraft production line.

Foreign Military Sales

None

Nuclear Cost

None

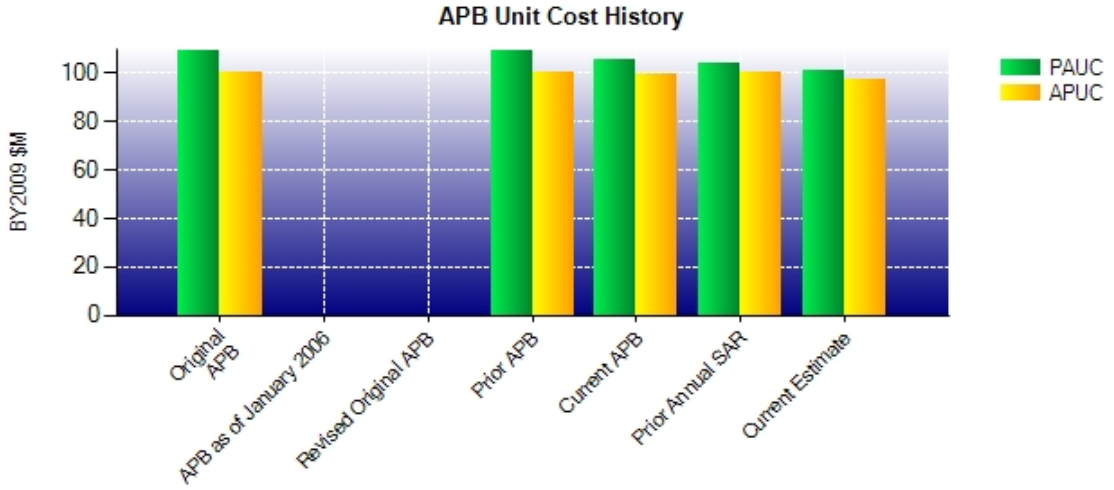
Unit Cost

Unit Cost Report

Unit Cost	BY2009 $M Current UCR Baseline (MAR 2011 APB)	BY2009 $M Current Estimate (DEC 2011 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	12810.3	12309.1	
Quantity	122	122	
Unit Cost	105.002	100.894	-3.91
Average Procurement Unit Cost (APUC)			
Cost	12168.2	11847.1	
Quantity	122	122	
Unit Cost	99.739	97.107	-2.64

Unit Cost	BY2009 $M Original UCR Baseline (MAR 2010 APB)	BY2009 $M Current Estimate (DEC 2011 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	8078.1	12309.1	
Quantity	74	122	
Unit Cost	109.164	100.894	-7.58
Average Procurement Unit Cost (APUC)			
Cost	7436.0	11847.1	
Quantity	74	122	
Unit Cost	100.486	97.107	-3.36

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	DEC 2010	103.632	99.920	115.221	111.256
Current Estimate	DEC 2011	100.894	97.107	114.810	110.689

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	1.441	-3.542	-0.757	0.000	-4.878	0.000	4.366	-3.370	114.810

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	1.382	0.132	-0.757	0.000	-3.275	0.000	4.366	1.848	110.689

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	14006.8
Total Quantity	N/A	N/A	74	122
Prog. Acq. Unit Cost (PAUC)	N/A	N/A	118.180	114.810

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	-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
Current Changes				
Economic	+1.4	+181.7	+4.9	+188.0
Quantity	--	--	--	--
Schedule	--	+100.8	--	+100.8
Engineering	--	--	--	--
Estimating	+7.7	-411.5	+5.0	-398.8
Other	--	--	--	--
Support	--	+59.8	--	+59.8
Subtotal	+9.1	-69.2	+9.9	-50.2
Total Changes	+9.1	+5449.8	-197.4	+5261.5
CE - Cost Variance	163.4	13504.0	339.4	14006.8
CE - Cost & Funding	163.4	13504.0	339.4	14006.8

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	--	+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
Current Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	+6.0	-379.7	+3.1	-370.6
Other	--	--	--	--
Support	--	+36.6	--	+36.6
Subtotal	+6.0	-343.1	+3.1	-334.0
Total Changes	+5.6	+4411.1	-185.7	+4231.0
CE - Cost Variance	153.6	11847.1	308.4	12309.1
CE - Cost & Funding	153.6	11847.1	308.4	12309.1

Previous Estimate: December 2010

RDT&E	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	+1.4
Adjustment for current and prior escalation. (Estimating)	-0.5	-0.5
Increase due to revised estimating assumptions about the common block upgrades (Estimating)	+6.5	+8.2
RDT&E Subtotal	+6.0	+9.1

Procurement	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	+181.7
Increase due to stretch-out of procurement buy profile. (Schedule)	0.0	+100.8
Adjustment for current and prior escalation. (Estimating)	-23.5	-24.6
Revised estimating assumptions. Estimate reflects the effect of negotiated aircraft prices over the remaining buy schedule. (Estimating)	-356.2	-386.9
Adjustment for current and prior escalation. (Support)	-7.7	-8.4
Decrease in Other Support due to revised training content. (Support)	-22.1	-12.5
Increase in Initial Spares due to revised assupmtions on the content of deployment spares packages. (Support)	+66.4	+80.7
Procurement Subtotal	-343.1	-69.2

MILCON	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	+4.9
Increase due to rephasing of facilities (Estimating)	+9.7	+11.3
Adjustment for current and prior escalation. (Estimating)	-3.0	-3.1
Revised MC-130J related estimating assumptions (Estimating)	+9.9	+10.8
Revised HC-130J estimating assumptions (Estimating)	-13.5	-14.0
MILCON Subtotal	+3.1	+9.9

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 (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	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	6	2218.8	N/A	31	2218.8	2218.8

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 aircraft quantity.

The initial aircraft quantity was stated as 7 in the initial SAR; but, the actual quantity was 6.

Appropriation: Procurement

Contract Name	**HC/MC-130J Production (FYOC IV)**
Contractor	Lockheed Martin Corporation (Lockheed Martin Aero Co - Marietta, GA)
Contractor Location	86 South Cobb Drive Marietta, GA 39963-0290
Contract Number, Type	FA8625-11-C-6597, FFP
Award Date	March 17, 2011
Definitization Date	March 17, 2011

Initial Contract Price ($M)			Current Contract Price ($M)			Estimated Price At Completion ($M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
2.2	N/A	0	141.1	N/A	0	141.1	141.1

Variance	Cost Variance	Schedule Variance
Cumulative Variances To Date (2/7/2012)	0.0	0.0
Previous Cumulative Variances	--	--
Net Change	+0.0	+0.0

Cost And Schedule Variance Explanations

None

Contract Comments

The difference between the initial contract price target and the current contract price target is due to increase of logistics and aircraft.

This contract is buying logistics support and FY 2012 and future aircraft.

This is the first time this contract is being reported.

Deliveries and Expenditures

Deliveries To Date	Plan To Date	Actual To Date	Total Quantity	Percent Delivered
Development	0	0	0	--
Production	6	6	122	4.92%
Total Program Quantities Delivered	6	6	122	4.92%

Expenditures and Appropriations (TY $M)			
Total Acquisition Cost	14006.8	Years Appropriated	5
Expenditures To Date	761.2	Percent Years Appropriated	35.71%
Percent Expended	5.43%	Appropriated to Date	4269.0
Total Funding Years	14	Percent Appropriated	30.48%

Operating and Support Cost

Assumptions And Ground Rules

The Operating and Support (O&S) cost estimate includes Space Vehicles (SV's) 1-6 (including disposal costs) for FY 2015 - 2030; previous O&S estimates included only SV's 1-4 through FY 2024. 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 2023, steady state from FY 2024 through FY 2040, 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 annual costs of the MC-130P are listed. No MC-130P total O&S estimate is available.

Costs BY2009 $M		
Cost Element	**HC/MC-130 RECAPITALIZATION Average Annual Aircraft Cost**	**MC-130P Average Annual Aircraft Cost**
Unit-Level Manpower	3.580	4.475
Unit Operations	1.023	1.708
Maintenance	2.247	3.494
Sustaining Support	0.530	0.397
Continuing System Improvements	1.268	0.572
Indirect Support	1.036	1.052
Other	0.000	0.000
Total Unitized Cost (Base Year 2009 $)	9.684	11.698

Total O&S Costs $M	HC/MC-130 RECAPITALIZATION	MC-130P
Base Year	35443.4	0.0
Then Year	59598.4	0.0

Disposal/demilitarization costs are excluded from the HC/MC-130 Recapitalization total O&S estimate.