Selected Acquisition Report (SAR)

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

HC/MC-130 Recapitalization Aircraft (HC/MC-130 Recap)

As of December 31, 2012

Defense Acquisition Management
Information Retrieval
(DAMIR)

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Program Information

Program Name

HC/MC-130 Recapitalization Aircraft (HC/MC-130 Recap)

DoD Component

Air Force

Responsible Office

Responsible Office

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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 HC/MC-130 Recapitalization Program successfully delivered 10 MC-130Js and 4 HC-130Js during 2012. As of March 31, 2013, the total number of delivered aircraft is 24 (8 HC-130Js, 15 MC-130Js and 1 MC-130J for conversion to AC-130J).

In January 2012, the Department of Defense signed the Operational Test and Evaluation Plan. The Designated Approving Authority, the Air Force Life Cycle Management Center Executive Director, approved the Interim Authority to Operate on February 13, 2012. Based on the Department of Defense independent assessment, the program proceeded into Initial Operational Test and Evaluation (IOT&E) in March 2012. The IOT&E was conducted from March 1, 2012 to May 30, 2012. The successful test effort launched 56 planned sorties from Cannon AFB, Eielson AFB, and Hurlburt Field. The Commander of the Air Force Operational Test and Evaluation Center approved the IOT&E report on October 2, 2012. The report states that the HC/MC-130J aircraft is operationally, effective, operationally suitable, and recommended approving full rate production.

The Weapon System Trainer (WST) #1 at Kirtland AFB achieved unclassified Ready for Training (RFT) in April 2012. Classified RFT was completed in June 2012.

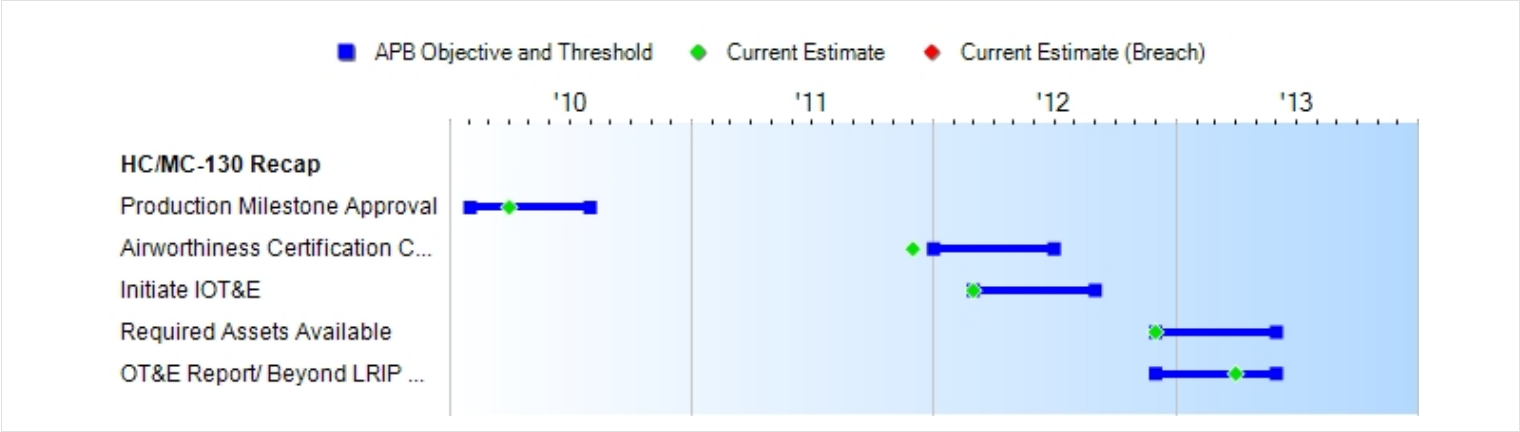
There are no significant software-related issues with this program at this time.

Threshold Breaches

APB Breaches		
Schedule		☐
Performance		☐
Cost	RDT&E	☐
	Procurement	☐
	MILCON	☐
	Acq O&M	☐
O&S Cost		☐
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	
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	APR 2013	(Ch-1)

Acronyms And Abbreviations

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

Change Explanations

(Ch-1) OT&E Report/ Beyond LRIP Report Approved current estimate changed from December 2012 to April 2013 based upon the actual date of the report provided by the Department of Defense, Director, Operational Test & Evaluation.

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, simultan-eously provide fuel to two CSAR recovery vehicles or SOF rotary wing receivers. Must aerial refuel one M/CV-22.	While in flight, simultan-eously provide fuel to two CSAR recovery vehicles or SOF rotary wing receivers. Must aerial refuel one M/CV-22.	While in flight, simultan-eously 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.	Fully support execution of joint critical 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.
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.	In a single engagement, weapon system shall be able to defeat, 70% of the time, a specific IR threat.	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	Provide warning for EO/IR and RF threats and equivalent capability	Provide warning for EO/IR and RF threats.	Provide warning for EO/IR and RF threats.	Provide warning for EO/IR and RF threats.

	described in the LAIRCM ORD and the ASACM CDD, respectively.	described in the LAIRCM ORD and the ASACM CDD, respectively.				
Survivability (Flight critical damage tolerance)	Greater levels of ballistic hardening/tol-erance are desired and should be incorporated, if achievable, without significant aircraft performance or cost penalties.	Greater levels of ballistic hardening/tol-erance 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.	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.	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.	Primary crewmember positions and oxygen supplies must be protected against a single 7.62mm ball projectile at 100m.	Primary crewmember positions and oxygen supplies must be protected against a single 7.62mm ball projectile at 100m.	
Materiel Availability (Sustainability)	80% average monthly AA rate, 89% average monthly Mission Capable rate; from 25 to 30 months after both MAJCOMs	80% average monthly AA rate, 89% average monthly Mission Capable rate; from 25 to 30 months after both MAJCOMs	76% average monthly AA rate, 85% average monthly Mission Capable rate; from 25 to 30 months after both MAJCOMs	During IOT&E, the aircraft met the 76% AA rate, and the 85% average monthly MC rate.	Average monthly AA rate is 81.8% for HC-130J and 85.6% for the MC-130J. The average monthly MC should be 85%; from	(Ch-1)

	declare IOC.	declare IOC.	declare IOC.		25 to 30 months after both MAJCOMs declare IOC. AFSOC declared IOC in December 2012. ACC declared IOC in April 2013. Effective January 2013, the MC rate for HC-130J is 91.1% and the MC rate for the MC-130J is 89.6%.

Requirements Source: Capability Production Document (CPD) dated August 13, 2009

Acronyms And Abbreviations

AA - Aircraft Availability
ACC - Air Combat Command
AFSOC - Air Force Special Operations Command
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
IOT&E - Initial Operational Test and Evaluation
IR - Infrared (missile threat)
LAIRCM - Large Aircraft Infrared Countermeasures
m - meter
MAJCOM - Major Command
MC - Mission Capable
mm - millimeter
ORD - Operational Requirements Document
RF - Radio Frequency
SOF - Special Operations Forces

Change Explanations

(Ch-1) The AA rate changed from 76% to 81.8% (HC-130J) and 85.6% (MC-130J) respectively due to the latest report dated January 2013. The average MC rate changed from 85% to 91.1% (HC-130J) and 89.6% (MC-130J) respectively based on the latest January 2013 report. The ACC IOC date changed from Spring 2013 to the actual date of April 2013.

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 04	PE 0207237F	(Air Force)	
	ICN C130JA	AC-130 Recap		
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		(Sunk)
MILCON				

APPN 3300	BA 01	PE 0207224F	(Air Force)
	Project VARIOUS	Combat Rescue and Recovery	(Shared)
APPN 0500	BA 01	PE 1140494BB	(DoD)
	Project VARIOUS	USSOCOM	(Shared)

Cost and Funding

Cost Summary

Total Acquisition Cost and Quantity

Appropriation	BY2009 $M			BY2009 $M	TY $M		
	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	160.1	154.3	154.3	172.3
Procurement	7436.0	12168.2	13385.0	12249.7	8054.2	13573.2	14356.9
Flyaway	6008.1	--	--	10053.7	6505.4	--	11806.7
Recurring	5995.1	--	--	10010.7	6492.2	--	11760.2
Non Recurring	13.0	--	--	43.0	13.2	--	46.5
Support	1427.9	--	--	2196.0	1548.8	--	2550.2
Other Support	649.4	--	--	989.7	705.1	--	1141.3
Initial Spares	778.5	--	--	1206.3	843.7	--	1408.9
MILCON	494.1	494.1	543.5	251.8	536.8	536.8	278.4
Acq O&M	0.0	0.0	--	0.0	0.0	0.0	0.0
Total	8078.1	12810.3	N/A	12661.6	8745.3	14264.3	14807.6

Confidence Level for Current APB Cost 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 (MDAPs). 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	131
Total	74	122	131

Cost and Funding

Funding Summary

Appropriation and Quantity Summary
FY2014 President's Budget / December 2012 SAR (TY$ M)

Appropriation	Prior	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	To Complete	Total
RDT&E	87.6	19.0	6.2	20.5	18.4	10.2	10.4	0.0	172.3
Procurement	3964.1	691.0	1183.6	650.9	1313.8	865.2	543.0	5145.3	14356.9
MILCON	216.4	8.5	0.0	17.5	0.0	0.0	36.0	0.0	278.4
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PB 2014 Total	4268.1	718.5	1189.8	688.9	1332.2	875.4	589.4	5145.3	14807.6
PB 2013 Total	4269.0	740.0	1550.1	493.6	1165.4	883.9	1255.7	3649.1	14006.8
Delta	-0.9	-21.5	-360.3	195.3	166.8	-8.5	-666.3	1496.2	800.8

Program funding and production quantities listed in this SAR are consistent with the FY 2014 President's Budget (PB). The FY 2014 PB did not reflect the enacted DoD appropriation for FY 2013, nor sequestration; it reflected the President's requested amounts for FY 2013.

Quantity	Undistributed	Prior	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	To Complete	Total
Development	0	0	0	0	0	0	0	0	0	0
Production	0	42	7	10	6	13	8	6	39	131
PB 2014 Total	0	42	7	10	6	13	8	6	39	131
PB 2013 Total	0	42	7	15	4	9	7	10	28	122
Delta	0	0	0	-5	2	4	1	-4	11	9

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	--	--	--	--	--	--	21.6
2013	--	--	--	--	--	--	19.0
2014	--	--	--	--	--	--	6.2
2015	--	--	--	--	--	--	20.5
2016	--	--	--	--	--	--	18.4
2017	--	--	--	--	--	--	10.2
2018	--	--	--	--	--	--	10.4
Subtotal	**--**	**--**	**--**	**--**	**--**	**--**	**172.3**

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	--	--	--	--	--	--	18.0
2011	--	--	--	--	--	--	14.4
2012	--	--	--	--	--	--	20.4
2013	--	--	--	--	--	--	17.5
2014	--	--	--	--	--	--	5.6
2015	--	--	--	--	--	--	18.2
2016	--	--	--	--	--	--	16.0
2017	--	--	--	--	--	--	8.7
2018	--	--	--	--	--	--	8.7
Subtotal	**--**	**--**	**--**	**--**	**--**	**--**	**160.1**

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	217.3	1093.1
2013	7	547.6	--	12.9	560.5	130.5	691.0
2014	10	967.0	--	4.7	971.7	211.9	1183.6
2015	6	528.5	--	3.6	532.1	118.8	650.9
2016	13	1044.9	--	--	1044.9	268.9	1313.8
2017	8	676.9	--	--	676.9	188.3	865.2
2018	6	478.3	--	--	478.3	64.7	543.0
2019	8	778.4	--	--	778.4	218.0	996.4
2020	8	885.0	--	--	885.0	137.8	1022.8
2021	8	912.6	--	--	912.6	146.6	1059.2
2022	8	941.0	--	--	941.0	146.8	1087.8
2023	7	849.1	--	--	849.1	130.0	979.1
Subtotal	**131**	**11760.2**	**--**	**46.5**	**11806.7**	**2550.2**	**14356.9**

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	84.6	611.6
2009	13	844.8	--	12.7	857.5	125.4	982.9
2010	3	239.8	--	--	239.8	191.8	431.6
2011	9	593.0	--	10.2	603.2	147.3	750.5
2012	10	805.6	--	1.3	806.9	200.2	1007.1
2013	7	490.8	--	11.6	502.4	117.0	619.4
2014	10	850.6	--	4.1	854.7	186.4	1041.1
2015	6	456.2	--	3.1	459.3	102.6	561.9
2016	13	885.2	--	--	885.2	227.8	1113.0
2017	8	562.7	--	--	562.7	156.6	719.3
2018	6	390.2	--	--	390.2	52.8	443.0
2019	8	623.2	--	--	623.2	174.6	797.8
2020	8	695.4	--	--	695.4	108.2	803.6
2021	8	703.7	--	--	703.7	113.0	816.7
2022	8	712.0	--	--	712.0	111.1	823.1
2023	7	630.5	--	--	630.5	96.6	727.1
Subtotal	**131**	**10010.7**	**--**	**43.0**	**10053.7**	**2196.0**	**12249.7**

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

Fiscal Year	Quantity	End Item Recurring Flyaway (Aligned with Quantity) BY 2009 $M
2008	7	527.0
2009	13	771.5
2010	3	238.0
2011	9	568.9
2012	10	836.1
2013	7	503.3
2014	10	887.4
2015	6	383.7
2016	13	902.5
2017	8	583.7
2018	6	390.6
2019	8	610.0
2020	8	761.8
2021	8	703.7
2022	8	712.0
2023	7	630.5
Subtotal	**131**	**10010.7**

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

Fiscal Year	Total Program TY $M
2010	22.6
2011	35.8
2012	12.5
2013	8.5
2014	--
2015	17.5
2016	--
2017	--
2018	11.0
Subtotal	**107.9**

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

Fiscal Year	Total Program BY 2009 $M
2010	21.8
2011	33.7
2012	11.5
2013	7.6
2014	--
2015	15.0
2016	--
2017	--
2018	8.9
Subtotal	**98.5**

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	--
2014	--
2015	--
2016	--
2017	--
2018	25.0
Subtotal	**170.5**

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

Fiscal Year	Total Program BY 2009 $M
2010	13.4
2011	34.5
2012	85.2
2013	--
2014	--
2015	--
2016	--
2017	--
2018	20.2
Subtotal	**153.3**

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 Current Total LRIP Quantity is more than 10% of the total production quantity due to user's urgent need and existing capability of the aircraft production line.

The May 2011 Milestone C Acquisition Decision Memorandum (ADM) approved a LRIP quantity of 52 aircraft.

Foreign Military Sales

None

Nuclear Cost

None

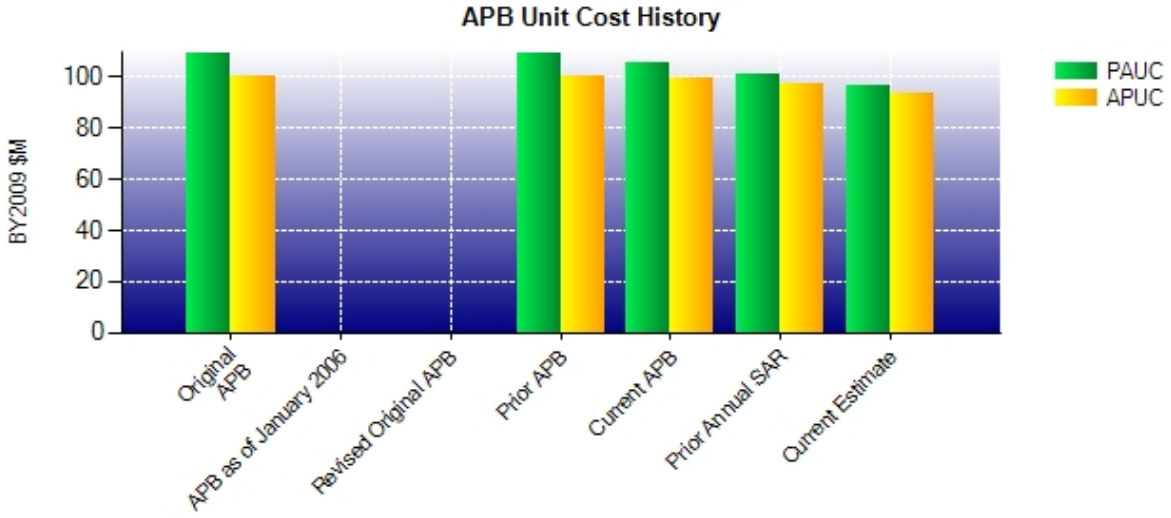
Unit Cost

Unit Cost Report

Unit Cost	BY2009 $M Current UCR Baseline (MAR 2011 APB)	BY2009 $M Current Estimate (DEC 2012 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	12810.3	12661.6	
Quantity	122	131	
Unit Cost	105.002	96.653	-7.95
Average Procurement Unit Cost (APUC)			
Cost	12168.2	12249.7	
Quantity	122	131	
Unit Cost	99.739	93.509	-6.25

Unit Cost	BY2009 $M Original UCR Baseline (MAR 2010 APB)	BY2009 $M Current Estimate (DEC 2012 SAR)	BY % Change
Program Acquisition Unit Cost (PAUC)			
Cost	8078.1	12661.6	
Quantity	74	131	
Unit Cost	109.164	96.653	-11.46
Average Procurement Unit Cost (APUC)			
Cost	7436.0	12249.7	
Quantity	74	131	
Unit Cost	100.486	93.509	-6.94

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 2011	100.894	97.107	114.810	110.689
Current Estimate	DEC 2012	96.653	93.509	113.035	109.595

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	2.906	-3.193	-0.363	0.000	-11.740	0.000	7.245	-5.145	113.035

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	2.812	0.871	-0.363	0.000	-9.811	0.000	7.245	0.754	109.595

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	14807.6
Total Quantity	N/A	N/A	74	131
Prog. Acq. Unit Cost (PAUC)	N/A	N/A	118.180	113.035

Cost Variance

Summary Then Year $M				
	RDT&E	Proc	MILCON	Total
SAR Baseline (Prod Est)	154.3	8054.2	536.8	8745.3
Previous Changes				
Economic	+1.1	+168.6	+6.1	+175.8
Quantity	--	+5240.4	--	+5240.4
Schedule	--	-92.3	--	-92.3
Engineering	--	--	--	--
Estimating	+8.0	-399.6	-203.5	-595.1
Other	--	--	--	--
Support	--	+532.7	--	+532.7
Subtotal	+9.1	+5449.8	-197.4	+5261.5
Current Changes				
Economic	+0.9	+199.8	+4.2	+204.9
Quantity	--	+1077.6	--	+1077.6
Schedule	--	+44.8	--	+44.8
Engineering	--	--	--	--
Estimating	+8.0	-885.7	-65.2	-942.9
Other	--	--	--	--
Support	--	+416.4	--	+416.4
Subtotal	+8.9	+852.9	-61.0	+800.8
Total Changes	+18.0	+6302.7	-258.4	+6062.3
CE - Cost Variance	172.3	14356.9	278.4	14807.6
CE - Cost & Funding	172.3	14356.9	278.4	14807.6

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	+5.6	-368.4	-185.7	-548.5
Other	--	--	--	--
Support	--	+440.3	--	+440.3
Subtotal	+5.6	+4411.1	-185.7	+4231.0
Current Changes				
Economic	--	--	--	--
Quantity	--	+803.5	--	+803.5
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	+6.5	-728.7	-56.6	-778.8
Other	--	--	--	--
Support	--	+327.8	--	+327.8
Subtotal	+6.5	+402.6	-56.6	+352.5
Total Changes	+12.1	+4813.7	-242.3	+4583.5
CE - Cost Variance	160.1	12249.7	251.8	12661.6
CE - Cost & Funding	160.1	12249.7	251.8	12661.6

Previous Estimate: December 2011

RDT&E	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	+0.9
Increase due to better definition of Block 7.0/8.1 Trial Kit Installation requirement. (Estimating)	+6.7	+8.2
Adjustment for current and prior escalation. (Estimating)	-0.2	-0.2
RDT&E Subtotal	+6.5	+8.9

Procurement	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	+199.8
Quantity variance resulting from an increase of nine Aircraft from 122 to 131. (Quantity) (QR)	+803.5	+1077.6
Stretch-out of procurement buy profile from FY 2022 to FY 2023. (Schedule)	0.0	+44.8
Adjustment for current and prior escalation. (Estimating)	-13.9	-15.2
Adjustment for current and prior escalation. (Support)	-3.6	-3.9
Decrease due to use of Multi-Year Procurement contract strategy. (Estimating)	-248.2	-292.4
Decrease due to updated aircraft unit prices resulting from Office of Secretary of Defense Cost Assessment Program Evaluation (CAPE) Independent Cost Estimate (ICE). (Estimating)	-466.6	-578.1
Increase in Other Support costs due to the addition of nine aircraft. (Support) (QR)	+138.4	+167.0
Increase in Initial Spares costs for the addition of nine aircraft and revised spares estimating methodology. (Support) (QR)	+193.0	+253.3
Procurement Subtotal	+402.6	+852.9

(QR) Quantity Related

MILCON	$M	
Current Change Explanations	**Base Year**	**Then Year**
Revised escalation indices. (Economic)	N/A	+4.2
Adjustment for current and prior escalation. (Estimating)	-2.2	-2.3
Revised estimate to reflect miscelaneous adjustments. (Estimating)	+1.0	+2.3
Decrease in MILCON requirements to accurately reflect FY 2014 President's Budget. (Estimating)	-55.4	-65.2
MILCON Subtotal	-56.6	-61.0

Contracts

General Contract Memo

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

Appropriation: Procurement

Contract Name	**HC/MC-130J Production (FYOC III)**
Contractor	Lockheed Martin
Contractor Location	86 South Cobb Drive 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	2219.4	N/A	31	2219.4	2219.4

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 increased number of aircraft and associated logistic support.

Appropriation: Procurement

Contract Name	**HC/MC-130J Production (FYOC IV)**
Contractor	Lockheed Martin
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	466.3	N/A	11	466.3	466.3

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 increased number of aircraft and associated logistics support.

Deliveries and Expenditures

Deliveries To Date	Plan To Date	Actual To Date	Total Quantity	Percent Delivered
Development	0	0	0	--
Production	24	24	131	18.32%
Total Program Quantities Delivered	24	24	131	18.32%

Expenditures and Appropriations (TY $M)			
Total Acquisition Cost	14807.6	Years Appropriated	6
Expenditures To Date	2252.2	Percent Years Appropriated	37.50%
Percent Expended	15.21%	Appropriated to Date	4986.6
Total Funding Years	16	Percent Appropriated	33.68%

The above data is current as of 3/31/2013.

Operating and Support Cost

HC/MC-130 Recap

Assumptions and Ground Rules

Cost Estimate Reference:
The Operating and Support (O&S) cost estimate is documented in the February 2013 Program Office Estimate (POE).

Sustainment Strategy:
Two level maintenance is planned for fleet of 131 aircraft. Aircraft will have a 30 year service life.

Antecedent Information:
Antecedent annual costs of the MC-130P are listed. No MC-130P total O&S estimate is available.

Unitized O&S Costs BY2009 $M		
Cost Element	**HC/MC-130 Recap Average Annual Aircraft Cost**	**MC-130P (Antecedent) Average Annual Aircraft Cost**
Unit-Level Manpower	4.3	4.5
Unit Operations	1.2	1.7
Maintenance	1.5	3.5
Sustaining Support	0.3	0.4
Continuing System Improvements	0.9	0.6
Indirect Support	1.3	1.1
Other	0.0	0.0
Total	9.5	11.8

Unitized Cost Comments:
Aircraft unitized cost based on an average annual operating cost over a 30 year system life.

	Total O&S Cost $M			
	Current Production APB Objective/Threshold		Current Estimate	
	HC/MC-130 Recap		HC/MC-130 Recap	MC-130P (Antecedent)
Base Year	37645.1	41409.6	37333.6	N/A
Then Year	50363.1	N/A	53729.5	0.0

Total O&S Costs Comments:

Total O&S costs were calculated based on a 30 year useful life x quantity x unitized cost per aircraft. O&S base-year 2009 cost increased from the 2011 SAR due to nine additional aircraft. Then-year O&S costs decreased due to revised Office of the Secretary of Defense energy inflation indices.

Disposal Costs

Currently working with the Air Force Cost Analysis Improvement Group to include disposal and demilitarization cost in the service cost position and future Selected Acquisition Reports.