



Selected Acquisition Report (SAR)

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



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

As of FY 2016 President's Budget

Defense Acquisition Management
Information Retrieval
(DAMIR)

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Common Acronyms and Abbreviations for MDAP Programs

Acq O&M - Acquisition-Related Operations and Maintenance
ACAT - Acquisition Category
ADM - Acquisition Decision Memorandum
APB - Acquisition Program Baseline
APPN - Appropriation
APUC - Average Procurement Unit Cost
\$B - Billions of Dollars
BA - Budget Authority/Budget Activity
Blk - Block
BY - Base Year
CAPE - Cost Assessment and Program Evaluation
CARD - Cost Analysis Requirements Description
CDD - Capability Development Document
CLIN - Contract Line Item Number
CPD - Capability Production Document
CY - Calendar Year
DAB - Defense Acquisition Board
DAE - Defense Acquisition Executive
DAMIR - Defense Acquisition Management Information Retrieval
DoD - Department of Defense
DSN - Defense Switched Network
EMD - Engineering and Manufacturing Development
EVM - Earned Value Management
FOC - Full Operational Capability
FMS - Foreign Military Sales
FRP - Full Rate Production
FY - Fiscal Year
FYDP - Future Years Defense Program
ICE - Independent Cost Estimate
IOC - Initial Operational Capability
Inc - Increment
JROC - Joint Requirements Oversight Council
\$K - Thousands of Dollars
KPP - Key Performance Parameter
LRIP - Low Rate Initial Production
\$M - Millions of Dollars
MDA - Milestone Decision Authority
MDAP - Major Defense Acquisition Program
MILCON - Military Construction
N/A - Not Applicable
O&M - Operations and Maintenance
ORD - Operational Requirements Document
OSD - Office of the Secretary of Defense
O&S - Operating and Support
PAUC - Program Acquisition Unit Cost

PB - President's Budget
PE - Program Element
PEO - Program Executive Officer
PM - Program Manager
POE - Program Office Estimate
RDT&E - Research, Development, Test, and Evaluation
SAR - Selected Acquisition Report
SCP - Service Cost Position
TBD - To Be Determined
TY - Then Year
UCR - Unit Cost Reporting
U.S. - United States
USD(AT&L) - Under Secretary of Defense (Acquisition, Technology and Logistics)

Program Information

Program Name

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

DoD Component

Air Force

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 October 7, 2013

Mission and Description

The HC/MC-130 Recapitalization Aircraft (HC/MC-130 Recap) 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 Recap Program successfully delivered 1 HC-130J and 6 MC-130Js (1 for AC-130J conversion) during the 2014 calendar year. As of December 31, 2014, 38 aircraft have been delivered (12 HC-130Js and 26 MC-130Js, 2 of which will be converted to AC-130Js).

In October 2014, Enhanced-Integrated Cockpit System Trainer (E-ICST) #1 was designated as Ready For Training (RFT) at Cannon Air Force Base (AFB). This marks the first maintenance trainer system to become operational and provides the unit a significant training capability that frees up aircraft for operations. In December 2014, Weapon System Trainer (WST) #5 was declared RFT at Kirtland AFB, 30 days ahead of schedule. The HC/MC-130J training systems bring high quality, high fidelity training to the warfighter and are providing a significant economic benefit. Pipeline and continuation training with the WST is \$1000 per hour versus the HC/MC-130J flying hour cost of almost \$10,000 per hour. The high fidelity of the WST was proven when a brand new MC-130J pilot executed three take offs and landings on a 3500'x60' strip during his first flight in the actual aircraft.

The final delivery of 2014 marked the standup of PACOM's MC-130J capability at Kadena Air Base, Japan. The HC/MC-130 Recap Program Office plans to utilize the savings from the FY 2013 aircraft buy negotiations to purchase an additional FY 2013 HC-130J. This aircraft will serve to fill a gap left by the removal of an HC-130J in FY 2019.

Of final note, the HC/MC-130 Recap Program received the OSD Certificate for Excellent Performance for Outstanding Achievement through Value Engineering.

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

Threshold Breaches

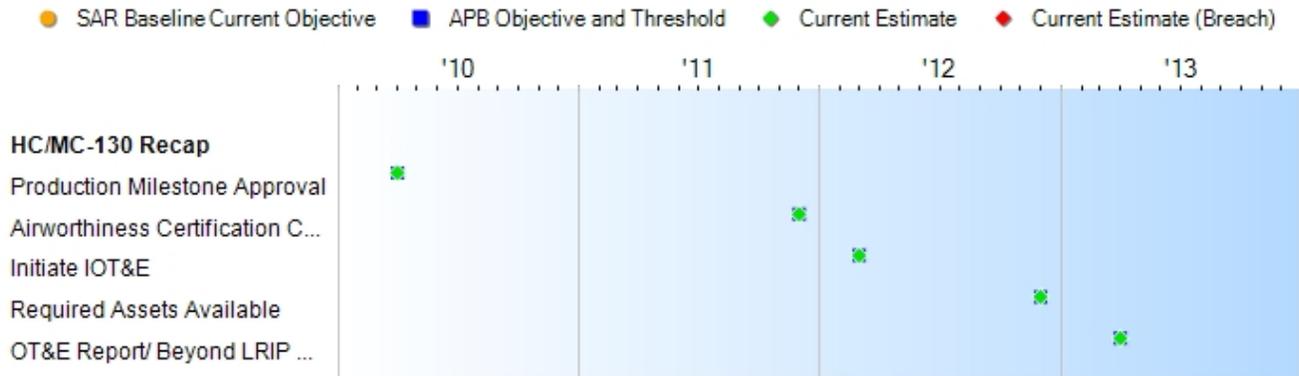
APB Breaches

- 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



Schedule Events				
Events	SAR Baseline Production Estimate	Current APB Production Objective/Threshold		Current Estimate
Production Milestone Approval	Feb 2010	Apr 2010	Apr 2010	Apr 2010
Airworthiness Certification Complete	Jan 2012	Dec 2011	Dec 2011	Dec 2011
Initiate IOT&E	Mar 2012	Mar 2012	Mar 2012	Mar 2012
Required Assets Available	Dec 2012	Dec 2012	Dec 2012	Dec 2012
OT&E Report/ Beyond LRIP Report Approved	Dec 2012	Apr 2013	Apr 2013	Apr 2013

Change Explanations

None

Acronyms and Abbreviations

IOT&E - Initial Operational Test and Evaluation

OT&E - Operational Test and Evaluation

Performance

Performance Characteristics				
SAR Baseline Production Estimate	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, simultaneously provide fuel to two CSAR recovery vehicles or SOF rotary wing receivers. Must aerial refuel one M/CV-22.	While in flight, simultaneously provide fuel to two CSAR recovery vehicles or SOF rotary wing receivers. Must aerial refuel one M/CV-22.	While in flight, simultaneously 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 described in the LAIRCM ORD and the ASACM CDD, respectively.	Provide warning for EO/IR and RF threats and equivalent capability described in the LAIRCM ORD and the ASACM CDD, respectively.	Provide warning for EO/IR and RF threats.	Provide warning for EO/IR and RF threats.	Provide warning for EO/IR and RF threats.
Survivability (Flight critical damage tolerance)				
Greater levels of ballistic	Greater levels of ballistic	Must withstand flight critical	Must withstand flight critical damage with	Must withstand flight critical damage with 95%

hardening/tolerance are desired and should be incorporated, if achievable, without significant aircraft performance or cost penalties.	hardening/tolerance are desired and should be incorporated, if achievable, without significant aircraft performance or cost penalties.	damage with 95% probability of survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes.	95% probability of survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes.	probability of survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes.
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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.
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Materiel Availability (Sustainability)

80% average monthly AA rate, 89% average monthly MC rate; from 25 to 30 months after both MAJCOMs declare IOC.	80% average monthly AA rate, 89% average monthly MC rate; from 25 to 30 months after both MAJCOMs declare IOC.	76% average monthly AA rate, 85% average monthly MC rate; from 25 to 30 months after both MAJCOMs declare IOC.	During IOT&E, the aircraft met the 76% AA rate, and the 85% average monthly MC rate.	Average monthly AA rate is 82.00% for HC-130J and 81.24% for the MC-130J. The average monthly MC should be 85%; from 25 to 30 months after both MAJCOMs declare IOC. AFSOC declared IOC in December 2012. ACC declared IOC in April 2013. Effective January 2015, the MC rate for HC-130J is 85.77% and the MC rate for the MC-130J is 88.07%.
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(Ch-1)

Requirements Reference

Capability Production Document (CPD) dated August 13, 2009

Change Explanations

(Ch-1) The current estimate for the AA rate changed from 88.64% to 82.00% (HC-130J) and 85.2% to 81.24% (MC-130J) (July-December 2014) due to aircraft downtime for getting post-production modifications to add mission specific capabilities. The average MC rate changed from 88.93% to 85.77% (HC-130J) and 95.22% to 88.07% (MC-130J) based on the latest January 2015 report.

Acronyms and Abbreviations

AA - Aircraft Availability
ACC - Air Combat Command
AFSOC - Air Force Special Operations Command
ASACM - Advanced Situational Awareness Countermeasures
CSAR - Combat Search And Rescue
EO/IR - Electro-Optical/Infrared
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
RF - Radio Frequency
SOF - Special Operations Forces

Track to Budget

RDT&E

Appn	BA	PE	
Air Force	3600	05	0604261F
	Project	Name	
	655249	Personnel Recovery System (Shared) (Sunk)	
	Notes:	FY 2008 only	
Air Force	3600	05	0605278F
	Project	Name	
	655249	HC/MC-130 Recap (Sunk)	
Air Force	3600	07	0605278F
	Project	Name	
	675006	HC/MC-130 Recap (Shared)	

Procurement

Appn	BA	PE	
Air Force	3010	02	0401132F
	Line Item	Name	
	C130J0	C-130J (Shared) (Sunk)	
	Notes:	FY 2008 Global War on Terror Supplemental Funding	
Air Force	3010	04	0207237F
	Line Item	Name	
	C130JA	AC-130 Recap (Sunk)	
Air Force	3010	02	0207224F
	Line Item	Name	
	C130JH	Combat Search and Rescue	
Air Force	3010	02	0207230F
	Line Item	Name	
	C130JM	MC-130 Recap	
Air Force	3010	05	0401134F
	Line Item	Name	
	HCMC00	HC/MC-130 Modifications (Sunk)	
Air Force	3010	05	0207230F
	Line Item	Name	
	HCMC00	HC/MC-130 Modifications	
Air Force	3010	05	0207224F
	Line Item	Name	
	HCMC00	HC/MC-130 Modifications	
Air Force	3010	02	0207230F

		Line Item	Name	
		HMC130	MC-130 Recap	(Sunk)
Air Force	3010 02	0207224F		
		Line Item	Name	
		HMC130	Combat Search and Rescue	(Sunk)
Air Force	3010 05	0401134F		
		Line Item	Name	
		LAIRCM	Large Aircraft Infrared Countermeasures	(Shared) (Sunk)
Air Force	3010 04	0207237F		
		Line Item	Name	
		MC0130	AC-130 Recap	(Sunk)
Defense-Wide	0300 02	1160429BB		
		Line Item	Name	
		2012C130J	AC/MC-130J	(Sunk)

MILCON

Appn	BA	PE		
Air Force	3300 01	0207224F		
		Project	Name	
		VARIOUS	Combat Rescue and Recovery	(Shared)
Defense-Wide	0500 01	1140494BB		
		Project	Name	
		VARIOUS	USSOCOM	(Shared)

Cost and Funding

Cost Summary

Total Acquisition Cost							
Appropriation	BY 2009 \$M			BY 2009 \$M	TY \$M		
	SAR Baseline Production Estimate	Current APB Production Objective/Threshold		Current Estimate	SAR Baseline Production Estimate	Current APB Production Objective	Current Estimate
RDT&E	148.0	147.6	162.4	143.9	154.3	160.2	155.5
Procurement	7436.0	12665.9	13932.5	12616.4	8054.2	14836.6	14558.3
Flyaway	--	--	--	10197.1	--	--	11749.3
Recurring	--	--	--	9976.5	--	--	11495.2
Non Recurring	--	--	--	220.6	--	--	254.1
Support	--	--	--	2419.3	--	--	2809.0
Other Support	--	--	--	1255.0	--	--	1472.9
Initial Spares	--	--	--	1164.3	--	--	1336.1
MILCON	494.1	336.7	370.4	223.8	536.8	377.9	241.8
Acq O&M	0.0	0.0	--	0.0	0.0	0.0	0.0
Total	8078.1	13150.2	N/A	12984.1	8745.3	15374.7	14955.6

Confidence Level

Confidence Level of cost estimate for current APB: 55%

Cost is based on the HC/MC-130 Recap approved Service Cost Position, September 9, 2013.

The cost estimate represents the expected value, or mean, of the cost estimate distribution, and for both the Research, Development, Test and Evaluation (RDT&E) and production estimates, the confidence levels are approximately 55%. This portion of the estimate takes into consideration relevant risks, including ordinary levels of external and unforeseen events. It aims to provide sufficient resources to execute the program under normal conditions encountering average levels of technical, schedule, and programmatic risk and external influence.

Total Quantity			
Quantity	SAR Baseline Production Estimate	Current APB Production	Current Estimate
RDT&E	0	0	0
Procurement	74	131	131
Total	74	131	131

Cost and Funding

Funding Summary

Appropriation Summary									
FY 2016 President's Budget / December 2014 SAR (TY\$ M)									
Appropriation	Prior	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	To Complete	Total
RDT&E	84.7	4.5	10.8	23.9	21.9	4.8	4.9	0.0	155.5
Procurement	6208.2	798.1	1409.8	930.6	498.8	647.2	461.3	3604.3	14558.3
MILCON	224.9	0.0	16.9	0.0	0.0	0.0	0.0	0.0	241.8
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PB 2016 Total	6517.8	802.6	1437.5	954.5	520.7	652.0	466.2	3604.3	14955.6
PB 2015 Total	6515.9	662.4	1760.6	1257.9	596.6	918.9	1140.8	2244.2	15097.3
Delta	1.9	140.2	-323.1	-303.4	-75.9	-266.9	-674.6	1360.1	-141.7

Quantity Summary										
FY 2016 President's Budget / December 2014 SAR (TY\$ M)										
Quantity	Undistributed	Prior	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	To Complete	Total
Development	0	0	0	0	0	0	0	0	0	0
Production	0	64	7	13	9	5	6	4	23	131
PB 2016 Total	0	64	7	13	9	5	6	4	23	131
PB 2015 Total	0	63	6	16	12	6	7	8	13	131
Delta	0	1	1	-3	-3	-1	-1	-4	10	0

Cost and Funding

Annual Funding By Appropriation

Annual Funding							
3600 RDT&E Research, Development, Test, and Evaluation, Air Force							
Fiscal Year	Quantity	TY \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2008	--	--	--	--	--	--	13.0
2009	--	--	--	--	--	--	19.6
2010	--	--	--	--	--	--	18.4
2011	--	--	--	--	--	--	7.6
2012	--	--	--	--	--	--	15.1
2013	--	--	--	--	--	--	8.4
2014	--	--	--	--	--	--	2.6
2015	--	--	--	--	--	--	4.5
2016	--	--	--	--	--	--	10.8
2017	--	--	--	--	--	--	23.9
2018	--	--	--	--	--	--	21.9
2019	--	--	--	--	--	--	4.8
2020	--	--	--	--	--	--	4.9
Subtotal	--	--	--	--	--	--	155.5

Annual Funding 3600 RDT&E Research, Development, Test, and Evaluation, Air Force							
Fiscal Year	Quantity	BY 2009 \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2008	--	--	--	--	--	--	13.1
2009	--	--	--	--	--	--	19.5
2010	--	--	--	--	--	--	18.1
2011	--	--	--	--	--	--	7.3
2012	--	--	--	--	--	--	14.3
2013	--	--	--	--	--	--	7.8
2014	--	--	--	--	--	--	2.4
2015	--	--	--	--	--	--	4.1
2016	--	--	--	--	--	--	9.6
2017	--	--	--	--	--	--	20.9
2018	--	--	--	--	--	--	18.8
2019	--	--	--	--	--	--	4.0
2020	--	--	--	--	--	--	4.0
Subtotal	--	--	--	--	--	--	143.9

Annual Funding							
3010 Procurement Aircraft Procurement, Air Force							
Fiscal Year	Quantity	TY \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2008	7	528.4	--	--	528.4	86.8	615.2
2009	13	866.2	--	13.0	879.2	126.9	1006.1
2010	3	266.1	2.0	--	268.1	184.7	452.8
2011	9	585.4	1.9	11.4	598.7	153.6	752.3
2012	10	814.5	31.4	--	845.9	213.3	1059.2
2013	12	899.7	73.1	--	972.8	91.3	1064.1
2014	10	954.3	86.3	--	1040.6	129.3	1169.9
2015	7	598.7	43.2	--	641.9	156.2	798.1
2016	13	969.1	27.4	5.0	1001.5	408.3	1409.8
2017	9	685.4	6.9	5.0	697.3	233.3	930.6
2018	5	419.4	4.7	--	424.1	74.7	498.8
2019	6	545.0	36.0	--	581.0	66.2	647.2
2020	4	361.6	4.2	16.3	382.1	79.2	461.3
2021	10	979.5	70.3	49.9	1099.7	350.1	1449.8
2022	10	979.5	63.2	49.9	1092.6	350.1	1442.7
2023	3	293.9	74.3	15.0	383.2	105.0	488.2
2024	--	--	75.3	--	75.3	--	75.3
2025	--	--	65.6	--	65.6	--	65.6
2026	--	--	55.4	--	55.4	--	55.4
2027	--	--	15.4	--	15.4	--	15.4
2028	--	--	11.9	--	11.9	--	11.9
Subtotal	131	10746.7	748.5	165.5	11660.7	2809.0	14469.7

Annual Funding 3010 Procurement Aircraft Procurement, Air Force							
Fiscal Year	Quantity	BY 2009 \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2008	7	525.4	--	--	525.4	86.3	611.7
2009	13	846.8	--	12.7	859.5	124.1	983.6
2010	3	255.3	1.9	--	257.2	177.1	434.3
2011	9	552.5	1.8	10.8	565.1	144.9	710.0
2012	10	756.6	29.2	--	785.8	198.2	984.0
2013	12	817.2	66.4	--	883.6	82.9	966.5
2014	10	852.8	77.1	--	929.9	115.6	1045.5
2015	7	527.3	38.0	--	565.3	137.7	703.0
2016	13	837.7	23.7	4.3	865.7	353.0	1218.7
2017	9	581.1	5.9	4.2	591.2	197.8	789.0
2018	5	348.6	3.9	--	352.5	62.1	414.6
2019	6	444.2	29.3	--	473.5	54.0	527.5
2020	4	288.9	3.4	13.0	305.3	63.3	368.6
2021	10	767.3	55.1	39.1	861.5	274.2	1135.7
2022	10	752.2	48.5	38.3	839.0	269.0	1108.0
2023	3	221.3	55.9	11.3	288.5	79.1	367.6
2024	--	--	55.6	--	55.6	--	55.6
2025	--	--	47.5	--	47.5	--	47.5
2026	--	--	39.3	--	39.3	--	39.3
2027	--	--	10.7	--	10.7	--	10.7
2028	--	--	8.1	--	8.1	--	8.1
Subtotal	131	9375.2	601.3	133.7	10110.2	2419.3	12529.5

Cost Quantity Information		
3010 Procurement Aircraft Procurement, Air Force		
Fiscal Year	Quantity	End Item Recurring Flyaway (Aligned With Quantity) BY 2009 \$M
2008	7	525.4
2009	13	773.4
2010	3	253.4
2011	9	518.0
2012	10	792.9
2013	12	827.1
2014	10	885.6
2015	7	449.7
2016	13	846.4
2017	9	595.8
2018	5	345.2
2019	6	426.3
2020	4	352.6
2021	10	786.7
2022	10	771.8
2023	3	224.9
2024	--	--
2025	--	--
2026	--	--
2027	--	--
2028	--	--
Subtotal	131	9375.2

Annual Funding 0300 Procurement Procurement, Defense-Wide							
Fiscal Year	Quantity	TY \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2008	--	--	--	56.9	56.9	--	56.9
2009	--	--	--	9.5	9.5	--	9.5
2010	--	--	--	1.5	1.5	--	1.5
2011	--	--	--	2.0	2.0	--	2.0
2012	--	--	--	18.7	18.7	--	18.7
Subtotal	--	--	--	88.6	88.6	--	88.6

Annual Funding 0300 Procurement Procurement, Defense-Wide							
Fiscal Year	Quantity	BY 2009 \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2008	--	--	--	56.7	56.7	--	56.7
2009	--	--	--	9.3	9.3	--	9.3
2010	--	--	--	1.5	1.5	--	1.5
2011	--	--	--	1.9	1.9	--	1.9
2012	--	--	--	17.5	17.5	--	17.5
Subtotal	--	--	--	86.9	86.9	--	86.9

Annual Funding 3300 MILCON Military Construction, Air Force	
Fiscal Year	TY \$M
	Total Program
2010	22.6
2011	35.8
2012	12.5
2013	8.5
2014	--
2015	--
2016	16.9
<hr/>	
Subtotal	96.3

Annual Funding 3300 MILCON Military Construction, Air Force	
Fiscal Year	BY 2009 \$M
	Total Program
2010	21.8
2011	33.8
2012	11.6
2013	7.7
2014	--
2015	--
2016	14.5
Subtotal	89.4

Annual Funding 0500 MILCON Military Construction, Defense-Wide	
Fiscal Year	TY \$M
	Total Program
2010	14.2
2011	37.3
2012	94.0
Subtotal	145.5

Annual Funding 0500 MILCON Military Construction, Defense-Wide	
Fiscal Year	BY 2009 \$M
	Total Program
2010	13.5
2011	34.7
2012	86.2
Subtotal	134.4

Low Rate Initial Production

Item	Initial LRIP Decision	Current Total LRIP
Approval Date	4/12/2010	5/9/2011
Approved Quantity	46	52
Reference	Milestone C ADM	Milestone C 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 ADM approved an updated LRIP quantity of 52 aircraft.

Foreign Military Sales

None

Nuclear Costs

None

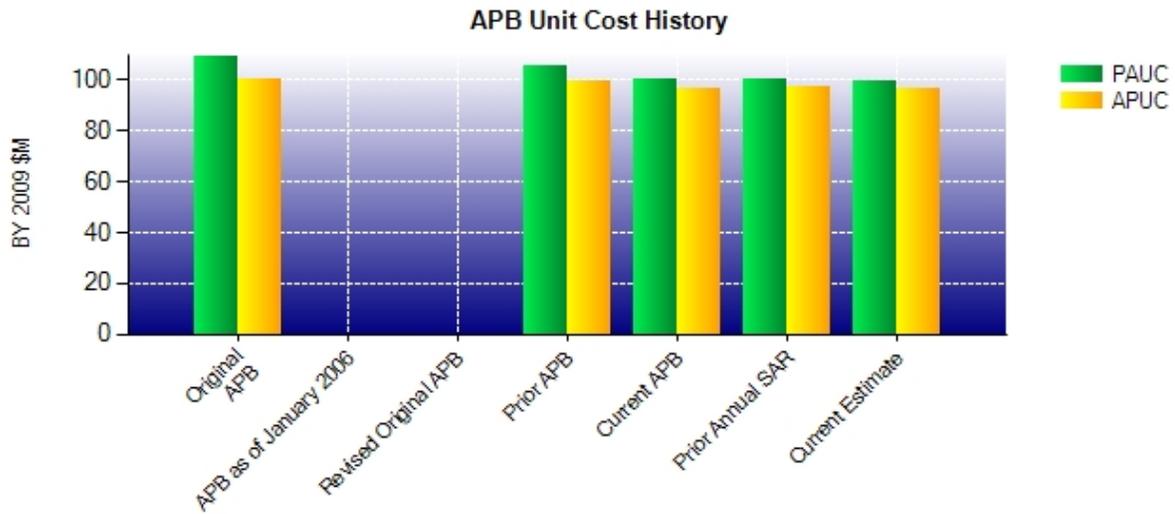
Unit Cost

Unit Cost Report

Item	BY 2009 \$M	BY 2009 \$M	% Change
	Current UCR Baseline (Oct 2013 APB)	Current Estimate (Dec 2014 SAR)	
Program Acquisition Unit Cost			
Cost	13150.2	12984.1	
Quantity	131	131	
Item	100.383	99.115	-1.26
Average Procurement Unit Cost			
Cost	12665.9	12616.4	
Quantity	131	131	
Unit Cost	96.686	96.308	-0.39

Item	BY 2009 \$M	BY 2009 \$M	% Change
	Original UCR Baseline (Mar 2010 APB)	Current Estimate (Dec 2014 SAR)	
Program Acquisition Unit Cost			
Cost	8078.1	12984.1	
Quantity	74	131	
Unit Cost	109.164	99.115	-9.21
Average Procurement Unit Cost			
Cost	7436.0	12616.4	
Quantity	74	131	
Unit Cost	100.486	96.308	-4.16

Unit Cost History



Item	Date	BY 2009 \$M		TY \$M	
		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 2011	105.002	99.739	116.920	111.256
Current APB	Oct 2013	100.383	96.686	117.364	113.256
Prior Annual SAR	Dec 2013	99.833	96.971	115.247	112.150
Current Estimate	Dec 2014	99.115	96.308	114.165	111.132

SAR Unit Cost History

Current SAR Baseline to Current Estimate (TY \$M)									
Initial PAUC Production Estimate	Changes								PAUC Current Estimate
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
118.180	1.427	-3.192	-1.017	2.167	-12.951	0.000	9.551	-4.015	114.165

Current SAR Baseline to Current Estimate (TY \$M)									
Initial APUC Production Estimate	Changes								APUC Current Estimate
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
108.841	1.364	0.871	-1.017	2.167	-10.645	0.000	9.551	2.291	111.132

SAR Baseline History				
Item	SAR Planning Estimate	SAR Development Estimate	SAR Production Estimate	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	14955.6
Total Quantity	N/A	N/A	74	131
PAUC	N/A	N/A	118.180	114.165

Cost Variance

Summary TY \$M				
Item	RDT&E	Procurement	MILCON	Total
SAR Baseline (Production Estimate)	154.3	8054.2	536.8	8745.3
Previous Changes				
Economic	+1.0	+289.4	+8.3	+298.7
Quantity	--	+6318.0	--	+6318.0
Schedule	--	-185.4	--	-185.4
Engineering	--	+283.9	--	+283.9
Estimating	+1.5	-1843.5	-296.2	-2138.2
Other	--	--	--	--
Support	--	+1775.0	--	+1775.0
Subtotal	+2.5	+6637.4	-287.9	+6352.0
Current Changes				
Economic	-0.6	-110.7	-0.4	-111.7
Quantity	--	--	--	--
Schedule	--	+52.2	--	+52.2
Engineering	--	--	--	--
Estimating	-0.7	+449.0	-6.7	+441.6
Other	--	--	--	--
Support	--	-523.8	--	-523.8
Subtotal	-1.3	-133.3	-7.1	-141.7
Total Changes	+1.2	+6504.1	-295.0	+6210.3
CE - Cost Variance	155.5	14558.3	241.8	14955.6
CE - Cost & Funding	155.5	14558.3	241.8	14955.6

Summary BY 2009 \$M				
Item	RDT&E	Procurement	MILCON	Total
SAR Baseline (Production Estimate)	148.0	7436.0	494.1	8078.1
Previous Changes				
Economic	--	--	--	--
Quantity	--	+5247.2	--	+5247.2
Schedule	--	-104.5	--	-104.5
Engineering	--	+261.1	--	+261.1
Estimating	-2.6	-1546.7	-264.6	-1813.9
Other	--	--	--	--
Support	--	+1410.1	--	+1410.1
Subtotal	-2.6	+5267.2	-264.6	+5000.0
Current Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	-1.5	+331.9	-5.7	+324.7
Other	--	--	--	--
Support	--	-418.7	--	-418.7
Subtotal	-1.5	-86.8	-5.7	-94.0
Total Changes	-4.1	+5180.4	-270.3	+4906.0
CE - Cost Variance	143.9	12616.4	223.8	12984.1
CE - Cost & Funding	143.9	12616.4	223.8	12984.1

Previous Estimate: December 2013

RDT&E	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-0.6
Revised estimate to reflect the net impact of Below Threshold Reprogramming and Resource Memorandum Decision for Block 7/8.1. (Estimating)	-1.6	-0.8
Adjustment for current and prior escalation. (Estimating)	+0.1	+0.1
RDT&E Subtotal	-1.5	-1.3

Procurement	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-110.7
Stretch-out of procurement buy profile. Decelerated six aircraft from FY 2016 and FY 2017, one aircraft from FY 2018 and FY 2019, and two aircraft from FY 2020 to outside the FYDP (Air Force). (Schedule)	0.0	+52.2
Revised estimate to reflect prior year actuals. (Estimating)	-30.5	-31.9
Adjustment for current and prior escalation. (Estimating)	+14.2	+15.9
Revised estimate to reflect Block 8.1 retrofit activity (FY 2016 - To Complete) (Estimating)	+348.2	+465.0
Adjustment for current and prior escalation. (Support)	+2.4	+2.7
Increase in Other Support due to additional training devices and associated training aids, interim contractor support, support equipment, and technical data/publications. (Support)	+272.8	+355.2
Decrease in Initial Spares due primarily to a reduction in the estimated spares requirement and removal of the Block 8.1 Upgrade. (Support)	-693.9	-881.7
Procurement Subtotal	-86.8	-133.3

MILCON	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-0.4
Revised estimate to reflect Military Construction requirements from Major Command. (Estimating)	-5.9	-6.9
Adjustment for current and prior escalation. (Estimating)	+0.2	+0.2
MILCON Subtotal	-5.7	-7.1

Contracts

General Notes

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

Contract Identification

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: FA8625-06-C-6456
Contract Type: Firm Fixed Price (FFP)
Award Date: June 13, 2008
Definitization Date: June 15, 2010

Contract Price							
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

Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to the increased number of aircraft and associated logistics support.

Cost and Schedule Variance Explanations

Cost and Schedule Variance reporting is not required on this (FFP) contract.

Contract Identification

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: FA8625-11-C-6597
Contract Type: Firm Fixed Price (FFP)
Award Date: March 17, 2011
Definitization Date: March 17, 2011

Contract Price							
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

Target Price Change Explanation

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.

Cost and Schedule Variance Explanations

Cost and Schedule Variance reporting is not required on this (FFP) contract.

Contract Identification

Appropriation: Procurement
Contract Name: HC/MC-130J Multi-Year Procurement II (MYP II)
Contractor: Lockheed Martin
Contractor Location: 86 South Cobb Drive
 Marietta, GA 39963-0290
Contract Number: FA8625-14-C-6450
Contract Type: Firm Fixed Price (FFP)
Award Date: December 09, 2013
Definitization Date:

Contract Price							
Initial Contract Price (\$M)			Current Contract Price (\$M)			Estimated Price At Completion (\$M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
132.0	N/A	0	292.0	N/A	0	3517.6	3517.6

Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to the award of the advanced procurement funding required for the FY 2015 aircraft under MYP II.

Cost and Schedule Variance Explanations

Cost and Schedule Variance reporting is not required on this (FFP) contract.

Notes

This is the first time this contract is being reported.

Only Advanced Procurement has been awarded. Not to exceed negotiations are on-going and no aircraft have been awarded at this time.

Deliveries and Expenditures

Deliveries				
Delivered to Date	Planned to Date	Actual to Date	Total Quantity	Percent Delivered
Development	0	0	0	--
Production	37	37	131	28.24%
Total Program Quantity Delivered	37	37	131	28.24%

Expended and Appropriated (TY \$M)			
Total Acquisition Cost	14955.6	Years Appropriated	8
Expended to Date	3606.0	Percent Years Appropriated	38.10%
Percent Expended	24.11%	Appropriated to Date	7320.4
Total Funding Years	21	Percent Appropriated	48.95%

The above data is current as of January 31, 2015.

Operating and Support Cost

Cost Estimate Details

Date of Estimate:	November 17, 2014
Source of Estimate:	POE
Quantity to Sustain:	131
Unit of Measure:	Aircraft
Service Life per Unit:	30.00 Years
Fiscal Years in Service:	FY 2013 - FY 2055

Sustainment Strategy

Two level maintenance is planned for fleet of 131 aircraft. Contractor Logistics Support for Airframe provide by Lockheed Martin and for Engines by Rolls Royce. Maintenance cycle for basic maintenance is six years and de-paint and scuff is 12 years.

Antecedent Information

The HC/MC-130 Recap program recapitalizes several antecedents, including the HC-130P/N and MC-130E/H/P fleets. It also provides aircraft which, after modification in a separate Special Operations Command (SOCOM) program, recapitalize the AC-130H/U/W gunship fleet. The total of these antecedents was 131 aircraft before retirements began.

Antecedent aircraft were designed for a 30-year service life; multiple center wing box replacements and other actions extended that life to 48 years for the last of the now-retired MC-130E. MC-130P retirement planning also reflects service lives of up to 48 years after similar extensions. O&S cost comparisons are based on the MC-130P.

Antecedent annual costs of the MC-130P are listed. Antecedent annual cost information is based on analysis of Air Force Total Ownership Cost 2010 data for HC/MC-130P.

Annual O&S Costs BY2009 \$M		
Cost Element	HC/MC-130 Recap Average Annual Cost Per Aircraft	MC-130P (Antecedent) Average Annual Cost Per Aircraft
Unit-Level Manpower	4.077	4.500
Unit Operations	0.950	1.700
Maintenance	1.842	3.500
Sustaining Support	0.411	0.400
Continuing System Improvements	0.756	0.600
Indirect Support	2.097	1.100
Other	--	--
Total	10.133	11.800

Item	Total O&S Cost \$M			
	HC/MC-130 Recap		Current Estimate	MC-130P (Antecedent)
	Current Production APB Objective/Threshold			
Base Year	40008.6	44009.5	39822.6	N/A
Then Year	58602.4	N/A	63751.1	N/A

Equation to Translate Annual Cost to Total Cost

Total O&S cost were calculated based on 30 year useful life x quantity x unitized cost per aircraft (30 years x 131 aircraft x \$10.133M average annual cost per aircraft = \$39,822.6M).

O&S Cost Variance		
Category	BY 2009 \$M	Change Explanations
Prior SAR Total O&S Estimates - Dec 2013 SAR	40008.6	
Programmatic/Planning Factors	0.0	
Cost Estimating Methodology	-186.0	Revised price escalation methodology.
Cost Data Update	0.0	
Labor Rate	0.0	
Energy Rate	0.0	
Technical Input	0.0	
Other	0.0	
Total Changes	-186.0	
Current Estimate	39822.6	

Disposal Estimate Details

Date of Estimate: October 03, 2013
Source of Estimate: SCP
Disposal/Demilitarization Total Cost (BY 2009 \$M): Total costs for disposal of all Aircraft are 10.7