



Selected Acquisition Report (SAR)

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



C-130J Hercules Transport Aircraft (C-130J)

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

C-130J Hercules Transport Aircraft (C-130J)

DoD Component

Air Force

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Date

Assigned: July 1, 2013

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 Hercules Transport Aircraft (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 missions. 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.

Executive Summary

The C-130J Program Office continued to support warfighter requirements worldwide. Program Office efforts included continued management of all United States Government (USG) C-130J variant aircraft production and initial sparing, several USG specific modification programs, management of twelve FMS cases and an international development program for block upgrades for the C-130J fleet.

Lockheed Martin (LM) delivered a total of eighteen aircraft in CY 2014 to USG and FMS customers. Sixteen USG and three FMS C-130J aircraft are estimated for delivery in CY 2015.

The C-130J Program Office awarded the FY 2012 aircraft procurement (13 aircraft) and the FY 2013 aircraft procurement (7 aircraft) on August 15, 2014 and September 25, 2014 respectively. In 2014, the C-130J Program Office continued working towards awarding a Multi-Year procurement (MYP II). In October 2014, the team completed a successful Office of Secretary of Defense, Defense Procurement and Acquisition Policy Peer Review and entered negotiations. In December 2014, two Undefined Contract Actions (UCA) were awarded for MYP II Economic Order Quantity (EOQ) funding and the FY 2013 Congressional Adds procurement (10 aircraft).

The Army-led and funded, Extracted Container Delivery System – High Speed (ExCDS-HS) (formerly named the High Speed Container Delivery System (HSCDS)) expands the C-130J airdrop performance envelope and reduces the altitude required for airdrops. The Air Force released the initial capability in March 2014. Based on the program success, U.S. Army Natick Soldier Systems and Air Mobility Command (AMC) requested the team continue to analyze new parachute and airdrop bundle configurations for additional operational testing. AMC anticipates additional capability release in CY 2015.

In 2014, the C-130J Program Office continued collecting C-130J Large Aircraft Infrared Countermeasure (LAIRCM) data to support Phase II Operational Utility Evaluation. The first C-130J modified with LAIRCM at the Warner Robins Air Logistics Complex (WR-ALC) was completed in December 2014. Twelve C-130J aircraft are expected to receive the LAIRCM modification at WR-ALC in 2015.

International Collaborative Block Upgrade (BU) Programs:

The C-130J International Program Office (IPO) continues to execute the seven-nation collaborative, cost sharing development of C-130J BU 7.0 and 8.1. The BU 7.0 program brings the war fighter new and improved 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 effectiveness. The BU 7.0 program completed common core development and test in May 2014.

The BU 8.1 program incorporates ten new capabilities with emphasis on the Civil Data Link, Automatic Dependent Surveillance Broadcast-Out, and Identification Friend or Foe Transponder Mode-5. The BU 8.1 program started Phase I DT&E in September 2014. BU 8.1 common core completion is now estimated for May 2016.

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

Threshold Breaches

APB Breaches

| | | |
|---------------------|-------------|--------------------------|
| Schedule | | <input type="checkbox"/> |
| Performance | | <input type="checkbox"/> |
| Cost | RDT&E | <input type="checkbox"/> |
| | Procurement | <input type="checkbox"/> |
| | MILCON | <input type="checkbox"/> |
| | Acq O&M | <input type="checkbox"/> |
| O&S Cost | | <input type="checkbox"/> |
| Unit Cost | PAUC | <input type="checkbox"/> |
| | APUC | <input type="checkbox"/> |

Nunn-McCurdy Breaches

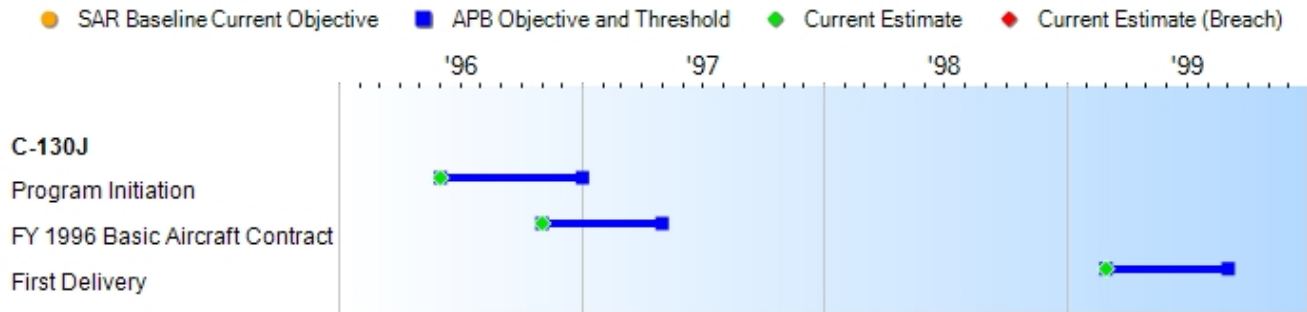
Current UCR Baseline

| | |
|------|------|
| 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 |
| | | | | |
| Program Initiation | Jun 1996 | Jun 1996 | Jan 1997 | Jun 1996 |
| FY 1996 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

| Performance Characteristics | | | | |
|---|--|--------------------------|------------------|-----------|
| SAR Baseline Production Estimate | 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 | 98.2% | 94.2 |
| Mission Capable Rate (MC) (%) | | | | |
| 84.0 | 84.0 | 81.0 | 79.8 | 81.0 |
| Mean Repair Time (hrs) | | | | |
| 6.3 | 6.3 | 7.4 | 6.1 hrs | 7.4 |

Mean Time Between Removal (MTBR) (hrs)

| | | | | |
|-----|-----|-----|---------|-----|
| 4.6 | 4.6 | 3.8 | 4.3 hrs | 3.8 |
|-----|-----|-----|---------|-----|

Mean-Time Between Maintenance Corrective Actions (MTBMC) (hrs)

| | | | | |
|-----|-----|-----|---------|-----|
| 1.2 | 1.2 | 1.0 | 1.1 hrs | 1.0 |
|-----|-----|-----|---------|-----|

Requirements Reference

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

Change Explanations

None

Acronyms and Abbreviations

% - Percent

deg F - degree Fahrenheit

ft - feet

hrs - Hours

IMC - Instrument Meteorological Conditions

KTAS - Knots True Airspeed

lbs - Pounds

NM - Nautical Miles

Track to Budget

RDT&E

| Appn | BA | PE | |
|-----------|----------------|-------------|----------|
| Air Force | 3600 | 07 | 0401132F |
| | Project | Name | |
| | 675061 | C-130J | (Shared) |
| Air Force | 3600 | 04 | 0603852F |
| | Project | Name | |
| | 644025 | C-130J | (Sunk) |

Procurement

| Appn | BA | PE | |
|-----------|------------------|-------------|----------|
| Air Force | 3010 | 02 | 0401132F |
| | Line Item | Name | |
| | | | (Sunk) |
| | | | (Sunk) |
| Air Force | 3010 | 05 | 0401132F |
| | Line Item | Name | |
| | C1300J | C-130J Mods | (Shared) |
| Air Force | 3010 | 02 | 0401132F |
| | Line Item | Name | |
| | C130J0 | C-130J | |

MILCON

| Appn | BA | PE | |
|-----------|----------------|-----------------------|----------|
| Air Force | 3300 | 01 | 0401132F |
| | Project | Name | |
| | VARIOUS | Military Construction | |

Acq O&M

| Appn | BA | PE | |
|-----------|----------------|------------------------------|-----------------|
| Air Force | 3400 | 01 | 0401132F |
| | Project | Name | |
| | 021M | Operation & Maintenance - AF | (Shared) (Sunk) |

Cost and Funding

Cost Summary

| Total Acquisition Cost | | | | | | | |
|------------------------|----------------------------------|--|---------|------------------|----------------------------------|----------------------------------|------------------|
| Appropriation | BY 1996 \$M | | | BY 1996 \$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 | 8.9 | 349.1 | 384.0 | 282.2 | 9.2 | 446.6 | 362.9 |
| Procurement | 721.8 | 13041.0 | 14345.1 | 11793.6 | 830.5 | 15910.8 | 15231.2 |
| Flyaway | -- | -- | -- | 9756.0 | -- | -- | 12737.4 |
| Recurring | -- | -- | -- | 9614.5 | -- | -- | 12545.1 |
| Non Recurring | -- | -- | -- | 141.5 | -- | -- | 192.3 |
| Support | -- | -- | -- | 2037.6 | -- | -- | 2493.8 |
| Other Support | -- | -- | -- | 1022.7 | -- | -- | 1260.9 |
| Initial Spares | -- | -- | -- | 1014.9 | -- | -- | 1232.9 |
| MILCON | 0.0 | 153.0 | 168.3 | 142.8 | 0.0 | 182.4 | 181.2 |
| Acq O&M | 0.0 | 45.0 | 49.5 | 21.0 | 0.0 | 51.7 | 23.7 |
| Total | 730.7 | 13588.1 | N/A | 12239.6 | 839.7 | 16591.5 | 15799.0 |

| Total Quantity | | | |
|----------------|----------------------------------|------------------------|------------------|
| Quantity | SAR Baseline Production Estimate | Current APB Production | Current Estimate |
| RDT&E | | 0 | 0 |
| Procurement | | 11 | 168 |
| Total | | 11 | 168 |

Quantity Notes

The Amended FY 2015 PB includes an Overseas Contingency Operations aircraft in FY 2015 to replace one lost in Afghanistan. The addition of this aircraft and the fact that the lost aircraft is included in the prior year totals giving a total procurement of 169 aircraft.

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 | 277.0 | 22.9 | 28.6 | 23.9 | 10.5 | 0.0 | 0.0 | 0.0 | 362.9 |
| Procurement | 10172.4 | 692.9 | 987.4 | 556.6 | 382.0 | 322.6 | 142.0 | 1975.3 | 15231.2 |
| MILCON | 148.7 | 0.0 | 8.5 | 0.0 | 24.0 | 0.0 | 0.0 | 0.0 | 181.2 |
| Acq O&M | 23.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 23.7 |
| PB 2016 Total | 10621.8 | 715.8 | 1024.5 | 580.5 | 416.5 | 322.6 | 142.0 | 1975.3 | 15799.0 |
| PB 2015 Total | 10621.8 | 645.7 | 978.5 | 275.3 | 124.6 | 103.5 | 1093.0 | 1927.5 | 15769.9 |
| Delta | 0.0 | 70.1 | 46.0 | 305.2 | 291.9 | 219.1 | -951.0 | 47.8 | 29.1 |

Funding Notes

1. The Amended FY 2015 PB included an Operational Contingency Operations aircraft in FY 2015 to replace one lost in Afghanistan. This explains the delta in FY 2015 above and below in quantity, which also increased our total to 169.
2. FY 2017-2019 deltas derive from moving 8 aircraft out of FY 2020 to those years. FY 2016 delta due to Advance Procurement for FY 2017.

| 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 | 129 | 8 | 14 | 5 | 3 | 2 | 0 | 8 | 169 |
| PB 2016 Total | 0 | 129 | 8 | 14 | 5 | 3 | 2 | 0 | 8 | 169 |
| PB 2015 Total | 0 | 129 | 7 | 14 | 2 | 0 | 0 | 8 | 8 | 168 |
| Delta | 0 | 0 | 1 | 0 | 3 | 3 | 2 | -8 | 0 | 1 |

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 |
| 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 | -- | -- | -- | -- | -- | -- | 24.5 |
| 2012 | -- | -- | -- | -- | -- | -- | 33.5 |
| 2013 | -- | -- | -- | -- | -- | -- | 16.0 |
| 2014 | -- | -- | -- | -- | -- | -- | 18.2 |
| 2015 | -- | -- | -- | -- | -- | -- | 22.9 |
| 2016 | -- | -- | -- | -- | -- | -- | 28.6 |
| 2017 | -- | -- | -- | -- | -- | -- | 23.9 |
| 2018 | -- | -- | -- | -- | -- | -- | 10.5 |
| Subtotal | -- | -- | -- | -- | -- | -- | 362.9 |

| Annual Funding 3600 RDT&E Research, Development, Test, and Evaluation, Air Force | | | | | | | |
|---|----------|----------------------------------|---|-----------------------------|------------------|------------------|------------------|
| Fiscal Year | Quantity | BY 1996 \$M | | | | | |
| | | End Item Recurring Flyaway | Non End Item Recurring Flyaway | Non Recurring Flyaway | Total Flyaway | Total Support | Total Program |
| 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 | -- | -- | -- | -- | -- | -- | 18.8 |
| 2012 | -- | -- | -- | -- | -- | -- | 25.2 |
| 2013 | -- | -- | -- | -- | -- | -- | 11.8 |
| 2014 | -- | -- | -- | -- | -- | -- | 13.3 |
| 2015 | -- | -- | -- | -- | -- | -- | 16.5 |
| 2016 | -- | -- | -- | -- | -- | -- | 20.2 |
| 2017 | -- | -- | -- | -- | -- | -- | 16.6 |
| 2018 | -- | -- | -- | -- | -- | -- | 7.2 |
| Subtotal | -- | -- | -- | -- | -- | -- | 282.2 |

| 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 |
| 1994 | 2 | 66.8 | -- | -- | 66.8 | -- | 66.8 |
| 1995 | -- | -- | -- | -- | -- | -- | -- |
| 1996 | 5 | 225.2 | -- | -- | 225.2 | 8.2 | 233.4 |
| 1997 | 9 | 433.9 | -- | -- | 433.9 | 72.7 | 506.6 |
| 1998 | 7 | 352.8 | 2.9 | -- | 355.7 | 92.0 | 447.7 |
| 1999 | 5 | 271.0 | -- | -- | 271.0 | 174.5 | 445.5 |
| 2000 | 1 | 67.0 | -- | -- | 67.0 | 73.1 | 140.1 |
| 2001 | 3 | 184.8 | -- | -- | 184.8 | 120.6 | 305.4 |
| 2002 | 5 | 365.8 | -- | -- | 365.8 | 73.2 | 439.0 |
| 2003 | 1 | 157.2 | -- | -- | 157.2 | 171.9 | 329.1 |
| 2004 | 4 | 380.6 | 9.6 | -- | 390.2 | 83.2 | 473.4 |
| 2005 | 11 | 754.2 | 41.9 | -- | 796.1 | 147.4 | 943.5 |
| 2006 | 12 | 682.9 | 4.8 | 15.8 | 703.5 | 257.7 | 961.2 |
| 2007 | 14 | 835.8 | 14.8 | 24.8 | 875.4 | 242.5 | 1117.9 |
| 2008 | 30 | 1653.2 | 25.5 | 37.9 | 1716.6 | 126.0 | 1842.6 |
| 2009 | -- | -- | 24.6 | -- | 24.6 | 85.4 | 110.0 |
| 2010 | 4 | 296.5 | -- | 5.6 | 302.1 | 138.2 | 440.3 |
| 2011 | 8 | 332.3 | 5.6 | 12.0 | 349.9 | 119.5 | 469.4 |
| 2012 | 1 | 65.8 | 12.6 | 4.4 | 82.8 | 10.8 | 93.6 |
| 2013 | 1 | 131.0 | 3.3 | 10.1 | 144.4 | 22.8 | 167.2 |
| 2014 | 6 | 565.6 | 0.4 | 8.9 | 574.9 | 64.8 | 639.7 |
| 2015 | 8 | 593.9 | 0.5 | 12.6 | 607.0 | 85.9 | 692.9 |
| 2016 | 14 | 876.7 | 28.8 | 21.5 | 927.0 | 60.4 | 987.4 |
| 2017 | 5 | 405.3 | 77.9 | 10.0 | 493.2 | 63.4 | 556.6 |
| 2018 | 3 | 239.3 | 79.6 | 6.2 | 325.1 | 56.9 | 382.0 |
| 2019 | 2 | 165.9 | 121.3 | 4.2 | 291.4 | 31.2 | 322.6 |
| 2020 | -- | -- | 133.5 | -- | 133.5 | 8.5 | 142.0 |
| 2021 | 4 | 410.5 | 133.9 | 9.0 | 553.4 | 40.6 | 594.0 |
| 2022 | 4 | 426.6 | 137.4 | 9.3 | 573.3 | 42.2 | 615.5 |
| 2023 | -- | -- | 138.8 | -- | 138.8 | 20.2 | 159.0 |
| 2024 | -- | -- | 141.4 | -- | 141.4 | -- | 141.4 |
| 2025 | -- | -- | 145.4 | -- | 145.4 | -- | 145.4 |
| 2026 | -- | -- | 147.4 | -- | 147.4 | -- | 147.4 |
| 2027 | -- | -- | 115.6 | -- | 115.6 | -- | 115.6 |
| 2028 | -- | -- | 57.0 | -- | 57.0 | -- | 57.0 |
| Subtotal | 169 | 10940.6 | 1604.5 | 192.3 | 12737.4 | 2493.8 | 15231.2 |

| Annual Funding | | | | | | | |
|--|----------|----------------------------|--------------------------------|-----------------------|---------------|---------------|---------------|
| 3010 Procurement Aircraft Procurement, Air Force | | | | | | | |
| Fiscal Year | Quantity | BY 1996 \$M | | | | | |
| | | End Item Recurring Flyaway | Non End Item Recurring Flyaway | Non Recurring Flyaway | Total Flyaway | Total Support | Total Program |
| 1994 | 2 | 66.7 | -- | -- | 66.7 | -- | 66.7 |
| 1995 | -- | -- | -- | -- | -- | -- | -- |
| 1996 | 5 | 218.6 | -- | -- | 218.6 | 7.9 | 226.5 |
| 1997 | 9 | 417.0 | -- | -- | 417.0 | 69.9 | 486.9 |
| 1998 | 7 | 336.9 | 2.8 | -- | 339.7 | 87.8 | 427.5 |
| 1999 | 5 | 256.0 | -- | -- | 256.0 | 164.8 | 420.8 |
| 2000 | 1 | 62.3 | -- | -- | 62.3 | 68.0 | 130.3 |
| 2001 | 3 | 170.2 | -- | -- | 170.2 | 111.0 | 281.2 |
| 2002 | 5 | 332.8 | -- | -- | 332.8 | 66.6 | 399.4 |
| 2003 | 1 | 140.7 | -- | -- | 140.7 | 153.8 | 294.5 |
| 2004 | 4 | 331.8 | 8.4 | -- | 340.2 | 72.5 | 412.7 |
| 2005 | 11 | 639.0 | 35.5 | -- | 674.5 | 124.9 | 799.4 |
| 2006 | 12 | 563.6 | 4.0 | 13.0 | 580.6 | 212.7 | 793.3 |
| 2007 | 14 | 671.9 | 11.9 | 19.9 | 703.7 | 194.9 | 898.6 |
| 2008 | 30 | 1308.0 | 20.2 | 30.0 | 1358.2 | 99.6 | 1457.8 |
| 2009 | -- | -- | 19.1 | -- | 19.1 | 66.5 | 85.6 |
| 2010 | 4 | 226.3 | -- | 4.3 | 230.6 | 105.5 | 336.1 |
| 2011 | 8 | 249.5 | 4.2 | 9.0 | 262.7 | 89.8 | 352.5 |
| 2012 | 1 | 48.6 | 9.3 | 3.3 | 61.2 | 8.0 | 69.2 |
| 2013 | 1 | 94.7 | 2.4 | 7.3 | 104.4 | 16.4 | 120.8 |
| 2014 | 6 | 402.2 | 0.3 | 6.3 | 408.8 | 46.1 | 454.9 |
| 2015 | 8 | 416.2 | 0.4 | 8.8 | 425.4 | 60.2 | 485.6 |
| 2016 | 14 | 603.0 | 19.8 | 14.8 | 637.6 | 41.6 | 679.2 |
| 2017 | 5 | 273.4 | 52.7 | 6.7 | 332.8 | 42.7 | 375.5 |
| 2018 | 3 | 158.3 | 52.7 | 4.1 | 215.1 | 37.6 | 252.7 |
| 2019 | 2 | 107.6 | 78.7 | 2.7 | 189.0 | 20.2 | 209.2 |
| 2020 | -- | -- | 84.9 | -- | 84.9 | 5.4 | 90.3 |
| 2021 | 4 | 255.9 | 83.4 | 5.6 | 344.9 | 25.3 | 370.2 |
| 2022 | 4 | 260.7 | 83.9 | 5.7 | 350.3 | 25.8 | 376.1 |
| 2023 | -- | -- | 83.2 | -- | 83.2 | 12.1 | 95.3 |
| 2024 | -- | -- | 83.0 | -- | 83.0 | -- | 83.0 |
| 2025 | -- | -- | 83.7 | -- | 83.7 | -- | 83.7 |
| 2026 | -- | -- | 83.2 | -- | 83.2 | -- | 83.2 |
| 2027 | -- | -- | 64.0 | -- | 64.0 | -- | 64.0 |
| 2028 | -- | -- | 30.9 | -- | 30.9 | -- | 30.9 |
| Subtotal | 169 | 8611.9 | 1002.6 | 141.5 | 9756.0 | 2037.6 | 11793.6 |

| Cost Quantity Information | | |
|--|----------|--|
| 3010 Procurement Aircraft Procurement, Air Force | | |
| Fiscal Year | Quantity | End Item Recurring Flyaway (Aligned With Quantity) BY 1996 \$M |
| 1994 | 2 | 66.7 |
| 1995 | -- | -- |
| 1996 | 5 | 218.6 |
| 1997 | 9 | 417.0 |
| 1998 | 7 | 336.9 |
| 1999 | 5 | 256.0 |
| 2000 | 1 | 62.3 |
| 2001 | 3 | 170.2 |
| 2002 | 5 | 332.8 |
| 2003 | 1 | 140.7 |
| 2004 | 4 | 331.8 |
| 2005 | 11 | 639.0 |
| 2006 | 12 | 563.6 |
| 2007 | 14 | 671.9 |
| 2008 | 30 | 1308.0 |
| 2009 | -- | -- |
| 2010 | 4 | 226.3 |
| 2011 | 8 | 249.4 |
| 2012 | 1 | 48.6 |
| 2013 | 1 | 94.3 |
| 2014 | 6 | 399.9 |
| 2015 | 8 | 411.9 |
| 2016 | 14 | 596.1 |
| 2017 | 5 | 270.2 |
| 2018 | 3 | 156.4 |
| 2019 | 2 | 106.3 |
| 2020 | -- | -- |
| 2021 | 4 | 252.8 |
| 2022 | 4 | 257.6 |
| 2023 | -- | -- |
| 2024 | -- | -- |
| 2025 | -- | -- |
| 2026 | -- | -- |
| 2027 | -- | -- |
| 2028 | -- | -- |
| Subtotal | 169 | 8585.3 |

| Annual Funding 3300 MILCON Military Construction, Air Force | |
|--|------------------|
| Fiscal Year | TY \$M |
| | Total Program |
| 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 | 30.2 |
| 2014 | -- |
| 2015 | -- |
| 2016 | 8.5 |
| 2017 | -- |
| 2018 | 24.0 |
| Subtotal | 181.2 |

| Annual Funding 3300 MILCON Military Construction, Air Force | |
|--|------------------|
| Fiscal Year | BY 1996 \$M |
| | Total Program |
| 2002 | 9.4 |
| 2003 | 23.2 |
| 2004 | 22.6 |
| 2005 | 4.2 |
| 2006 | -- |
| 2007 | 20.3 |
| 2008 | -- |
| 2009 | 16.4 |
| 2010 | 3.5 |
| 2011 | -- |
| 2012 | -- |
| 2013 | 21.7 |
| 2014 | -- |
| 2015 | -- |
| 2016 | 5.8 |
| 2017 | -- |
| 2018 | 15.7 |
| Subtotal | 142.8 |

| Annual Funding 3400 Acq O&M Operation and Maintenance, Air Force | |
|---|------------------|
| Fiscal Year | TY \$M |
| | Total Program |
| 2003 | 6.8 |
| 2004 | 9.3 |
| 2005 | 7.6 |
| Subtotal | 23.7 |

| Annual Funding 3400 Acq O&M Operation and Maintenance, Air Force | |
|---|------------------|
| Fiscal Year | BY 1996 \$M |
| | Total Program |
| 2003 | 6.2 |
| 2004 | 8.3 |
| 2005 | 6.5 |
| Subtotal | 21.0 |

Low Rate Initial Production

There is no LRIP for this program.

Foreign Military Sales

| Country | Date of Sale | Quantity | Total Cost \$M | Description |
|--------------|--------------|----------|----------------|--|
| Australia | 2/18/2014 | 0 | 47.7 | FMS Case AT-D-QAY. Aircraft modifications only. |
| India | 12/27/2013 | 6 | 1011.6 | FMS Case IN-D-SAD |
| Saudi Arabia | 2/6/2013 | 2 | 202.8 | FMS Case SR-D-SAQ |
| Norway | 7/20/2012 | 1 | 122.8 | FMS Case NO-D-SAG To replace diverted USAF aircraft. Delivery slated for Air Mobility Command in CY 2015. |
| Norway | 11/24/2011 | 0 | 30.5 | FMS Case NO-D-QAQ. Capability upgrades only. |
| Australia | 4/13/2010 | 0 | 30.5 | FMS Case AT-D-QAB. Capability upgrades only. |
| Israel | 3/25/2010 | 6 | 322.7 | FMS Case IS-D-SAD Denotes 4 full aircraft + long lead for 2 aircraft. |
| Italy | 12/1/2009 | 0 | 61.1 | FMS Case IT-D-QAB. Capability upgrades only. |
| Denmark | 4/22/2009 | 0 | 16.2 | FMS Case DE-D-QOH. Capability upgrades only. |
| Iraq | 9/14/2008 | 6 | 700.6 | FMS Cases 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 | 491.3 | FMS Case NO-D-SAF Amendment 5 signed on July 19, 2012 (drawdown) for closure, Period of Performance ended June 16, 2012. |

Notes

The C-130J FMS Program Management Office continues to manage twelve FMS cases worth over \$2.8B on behalf of eight countries. Existing case workload includes acquisition cases for the production, delivery, retrofit/modification, and/or sustainment for Saudi Arabia, India, Iraq, Israel, Denmark, Italy, Australia, and Norway.

In March 2014, the United States Government received a Letter of Request for Letter of Offer and Acceptance (LOA) from the Government of Brunei; LOA offer to country forecast for mid-CY 2015.

Nuclear Costs

None

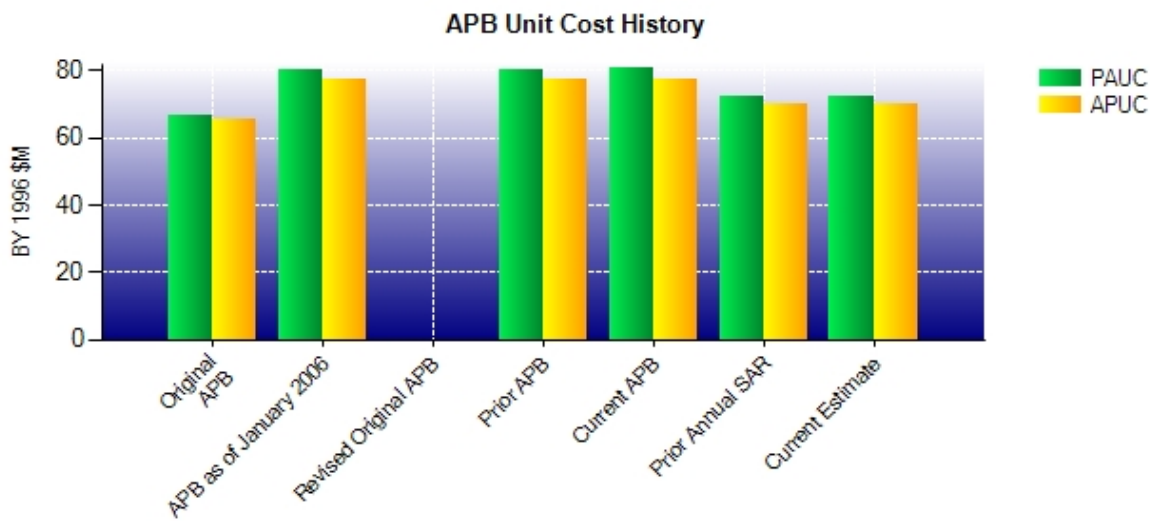
Unit Cost

Unit Cost Report

| Item | BY 1996 \$M | BY 1996 \$M | % Change |
|--------------------------------------|-------------------------------------|---------------------------------|----------|
| | Current UCR Baseline (Apr 2007 APB) | Current Estimate (Dec 2014 SAR) | |
| Program Acquisition Unit Cost | | | |
| Cost | 13588.1 | 12239.6 | |
| Quantity | 168 | 169 | |
| Item | 80.882 | 72.424 | -10.46 |
| Average Procurement Unit Cost | | | |
| Cost | 13041.0 | 11793.6 | |
| Quantity | 168 | 169 | |
| Unit Cost | 77.625 | 69.785 | -10.10 |

| Item | BY 1996 \$M | BY 1996 \$M | % Change |
|--------------------------------------|--------------------------------------|---------------------------------|----------|
| | Original UCR Baseline (Oct 1996 APB) | Current Estimate (Dec 2014 SAR) | |
| Program Acquisition Unit Cost | | | |
| Cost | 730.7 | 12239.6 | |
| Quantity | 11 | 169 | |
| Unit Cost | 66.427 | 72.424 | +9.03 |
| Average Procurement Unit Cost | | | |
| Cost | 721.8 | 11793.6 | |
| Quantity | 11 | 169 | |
| Unit Cost | 65.618 | 69.785 | +6.35 |

Unit Cost History



| Item | Date | BY 1996 \$M | | TY \$M | |
|------------------------|----------|-------------|--------|--------|--------|
| | | 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 2013 | 72.466 | 69.771 | 93.868 | 90.424 |
| Current Estimate | Dec 2014 | 72.424 | 69.785 | 93.485 | 90.125 |

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 | |
| 76.336 | 0.650 | -4.890 | -3.046 | 1.159 | 9.956 | 0.000 | 13.320 | 17.149 | 93.485 |

| Current SAR Baseline to Current Estimate (TY \$M) | | | | | | | | | |
|---|---------|--------|--------|-------|-------|-------|--------|--------|-----------------------|
| Initial APUC Production Estimate | Changes | | | | | | | | APUC Current Estimate |
| | Econ | Qty | Sch | Eng | Est | Oth | Spt | Total | |
| 75.500 | 0.590 | -4.109 | -3.019 | 0.000 | 7.843 | 0.000 | 13.320 | 14.625 | 90.125 |

| SAR Baseline History | | | | |
|----------------------|-----------------------|--------------------------|-------------------------|------------------|
| Item | SAR Planning Estimate | SAR Development Estimate | SAR Production Estimate | 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 | 15799.0 |
| Total Quantity | N/A | 11 | 11 | 169 |
| PAUC | N/A | 76.336 | 76.336 | 93.485 |

Cost Variance

| Summary TY \$M | | | | | |
|------------------------------------|--------|-------------|--------|---------|----------|
| Item | RDT&E | Procurement | MILCON | Acq O&M | Total |
| SAR Baseline (Production Estimate) | 9.2 | 830.5 | -- | -- | 839.7 |
| Previous Changes | | | | | |
| Economic | +6.0 | +162.8 | +4.5 | +1.1 | +174.4 |
| Quantity | -- | +11139.4 | -- | -- | +11139.4 |
| Schedule | -- | -475.4 | -4.5 | -- | -479.9 |
| Engineering | +169.1 | -- | +26.7 | -- | +195.8 |
| Estimating | +195.3 | +1246.7 | +148.7 | +22.6 | +1613.3 |
| Other | -- | -- | -- | -- | -- |
| Support | -- | +2287.2 | -- | -- | +2287.2 |
| Subtotal | +370.4 | +14360.7 | +175.4 | +23.7 | +14930.2 |
| Current Changes | | | | | |
| Economic | -1.1 | -63.1 | -0.4 | -- | -64.6 |
| Quantity | -- | +95.4 | -- | -- | +95.4 |
| Schedule | -- | -34.8 | -- | -- | -34.8 |
| Engineering | -- | -- | -- | -- | -- |
| Estimating | -15.6 | +78.7 | +6.2 | -- | +69.3 |
| Other | -- | -- | -- | -- | -- |
| Support | -- | -36.2 | -- | -- | -36.2 |
| Subtotal | -16.7 | +40.0 | +5.8 | -- | +29.1 |
| Total Changes | +353.7 | +14400.7 | +181.2 | +23.7 | +14959.3 |
| CE - Cost Variance | 362.9 | 15231.2 | 181.2 | 23.7 | 15799.0 |
| CE - Cost & Funding | 362.9 | 15231.2 | 181.2 | 23.7 | 15799.0 |

| Summary BY 1996 \$M | | | | | |
|------------------------------------|--------|-------------|--------|---------|----------|
| Item | RDT&E | Procurement | MILCON | Acq O&M | Total |
| SAR Baseline (Production Estimate) | 8.9 | 721.8 | -- | -- | 730.7 |
| Previous Changes | | | | | |
| Economic | -- | -- | -- | -- | -- |
| Quantity | -- | +8590.0 | -- | -- | +8590.0 |
| Schedule | -- | -264.1 | -3.0 | -- | -267.1 |
| Engineering | +126.2 | -- | +17.7 | -- | +143.9 |
| Estimating | +157.8 | +796.1 | +124.2 | +21.0 | +1099.1 |
| Other | -- | -- | -- | -- | -- |
| Support | -- | +1877.7 | -- | -- | +1877.7 |
| Subtotal | +284.0 | +10999.7 | +138.9 | +21.0 | +11443.6 |
| Current Changes | | | | | |
| Economic | -- | -- | -- | -- | -- |
| Quantity | -- | +58.3 | -- | -- | +58.3 |
| Schedule | -- | -- | -- | -- | -- |
| Engineering | -- | -- | -- | -- | -- |
| Estimating | -10.7 | +35.6 | +3.9 | -- | +28.8 |
| Other | -- | -- | -- | -- | -- |
| Support | -- | -21.8 | -- | -- | -21.8 |
| Subtotal | -10.7 | +72.1 | +3.9 | -- | +65.3 |
| Total Changes | +273.3 | +11071.8 | +142.8 | +21.0 | +11508.9 |
| CE - Cost Variance | 282.2 | 11793.6 | 142.8 | 21.0 | 12239.6 |
| CE - Cost & Funding | 282.2 | 11793.6 | 142.8 | 21.0 | 12239.6 |

Previous Estimate: December 2013

| RDT&E | \$M | |
|--|--------------|--------------|
| Current Change Explanations | Base Year | Then Year |
| Revised escalation indices. (Economic) | N/A | -1.1 |
| Revised estimate to reflect the application of new out year escalation indices. (Estimating) | -11.5 | -16.7 |
| Adjustment for current and prior escalation. (Estimating) | +0.2 | +0.2 |
| Revised estimate to reflect the application of new out year escalation indices. (Estimating) | +0.6 | +0.9 |
| RDT&E Subtotal | -10.7 | -16.7 |

| Procurement | \$M | |
|---|--------------|--------------|
| Current Change Explanations | Base Year | Then Year |
| Revised escalation indices. (Economic) | N/A | -63.1 |
| Quantity variance resulting from an increase of 1 aircraft from 168 to 169 to replace one lost in Afghanistan. (Quantity) | +58.3 | +95.4 |
| Acceleration of procurement buy profile due to movement of 8 aircraft from FY 2020 to FY 2017-FY 2019 (Schedule) | 0.0 | -34.8 |
| Revised estimate due to an increase in time to install Block 7.0/8.1 retrofit kits on the aircraft. (Estimating) | +43.3 | +91.2 |
| Revised estimate for aircraft price based on FY 2012 negotiated annual buy contract. (Estimating) | -23.2 | -71.0 |
| Adjustment for current and prior escalation. (Estimating) | +6.7 | +9.4 |
| Revised estimate to reflect the application of new out year escalation indices. (Estimating) | +8.8 | +49.1 |
| Adjustment for current and prior escalation. (Support) | +1.0 | +1.5 |
| Increase in Other Support due to extending procurement schedule 1 year. (Support) | +18.6 | +27.9 |
| Decrease in Initial Spares to reflect prior year actuals. (Support) | -41.4 | -65.6 |
| Procurement Subtotal | +72.1 | +40.0 |

| MILCON | \$M | |
|---|-------------|-------------|
| Current Change Explanations | Base Year | Then Year |
| Revised escalation indices. (Economic) | N/A | -0.4 |
| Yokota real estate availability caused MILCON work to be deferred from FY 2017 to FY 2018. (Estimating) | +3.6 | +5.8 |
| Adjustment for current and prior escalation. (Estimating) | +0.1 | +0.1 |
| Revised estimate to reflect the application of new out year escalation indices. (Estimating) | +0.2 | +0.3 |
| MILCON Subtotal | +3.9 | +5.8 |

Contracts

Contract Identification

Appropriation: RDT&E
Contract Name: C-130J - BUIC: Blk 8.1
Contractor: Lockheed Martin
Contractor Location: 86 South Cobb Drive
 Marietta, GA 30063-0001
Contract Number: FA8625-04-D-6452/7
Contract Type: Cost Plus Award Fee (CPAF)
Award Date: November 18, 2011
Definitization Date: November 18, 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 |
| 166.7 | N/A | N/A | 166.3 | N/A | N/A | 181.5 | 197.6 |

Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to reductions for

1. the test venue change from Edwards Air Force Base to Marietta, GA,
2. unearned award fees for periods 1 through 3,

and due to increases for

1. the Block 8.1 compatibility incorporation into Color Multi-Function Display Unit Diminishing Manufacturing Sources replacement hardware,
2. implementation of Air Mobility Command Aircraft Communications Addressing and Reporting System Standard Message Set (SMS) Version 3.2 and Barometric Vertical Navigation and
3. Block 8.1 Airline Operational Control SMS addition of crew select messaging On/Off switch and metric conversion.

| Contract Variance | | |
|---|---------------|-------------------|
| Item | Cost Variance | Schedule Variance |
| Cumulative Variances To Date (12/28/2014) | -1.3 | -1.9 |
| Previous Cumulative Variances | +2.2 | -2.9 |
| Net Change | -3.5 | +1.0 |

Cost and Schedule Variance Explanations

The unfavorable net change in the cost variance is due to overruns in the air vehicle, airframe and systems engineering work breakdown structure elements.

The favorable net change in the schedule variance is due to performance beginning to catch up with schedule in the air vehicle and airframe work breakdown structure elements.

Contract Identification

Appropriation: Procurement
Contract Name: C-130J 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: February 01, 2006
Definitization Date: February 01, 2006

| Contract Price | | | | | | | |
|------------------------------|---------|-----|------------------------------|---------|-----|-------------------------------------|-----------------|
| Initial Contract Price (\$M) | | | Current Contract Price (\$M) | | | Estimated Price At Completion (\$M) | |
| Target | Ceiling | Qty | Target | Ceiling | Qty | Contractor | Program Manager |
| 2848.5 | N/A | N/A | 2848.5 | N/A | 42 | 2848.5 | 2848.5 |

Cost and Schedule Variance Explanations

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

Contract Identification

Appropriation: Procurement
Contract Name: C-130J 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 16, 2011
Definitization Date: March 16, 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 |
| 171.2 | N/A | 0 | 171.2 | N/A | 2 | 171.2 | 171.2 |

Cost and Schedule Variance Explanations

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

Contract Identification

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

| Contract Price | | | | | | | | |
|------------------------------|---------|-----|------------------------------|---------|-----|-------------------------------------|-----------------|--|
| Initial Contract Price (\$M) | | | Current Contract Price (\$M) | | | Estimated Price At Completion (\$M) | | |
| Target | Ceiling | Qty | Target | Ceiling | Qty | Contractor | Program Manager | |
| 50.8 | N/A | N/A | 50.8 | N/A | N/A | 199.5 | 199.5 | |

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

Cost and Schedule Variance Explanations

None

General Contract Variance Explanation

Cost and schedule variances are not reported for this FPIF contract, because EVM reporting has been waived. A class deviation to exclude Defense Federal Acquisition Regulation clauses 252.234-7001 and 252.234-7002 was approved on February 13, 2014.

Deliveries and Expenditures

| Deliveries | | | | |
|----------------------------------|-----------------|----------------|----------------|-------------------|
| Delivered to Date | Planned to Date | Actual to Date | Total Quantity | Percent Delivered |
| Development | 0 | 0 | 0 | -- |
| Production | 121 | 121 | 169 | 71.60% |
| Total Program Quantity Delivered | 121 | 121 | 169 | 71.60% |

| Expended and Appropriated (TY \$M) | | | |
|------------------------------------|---------|----------------------------|---------|
| Total Acquisition Cost | 15799.0 | Years Appropriated | 22 |
| Expended to Date | 9754.4 | Percent Years Appropriated | 62.86% |
| Percent Expended | 61.74% | Appropriated to Date | 11337.6 |
| Total Funding Years | 35 | Percent Appropriated | 71.76% |

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

Operating and Support Cost

Cost Estimate Details

| | |
|---------------------------------|-------------------|
| Date of Estimate: | October 10, 2014 |
| Source of Estimate: | POE |
| Quantity to Sustain: | 168 |
| Unit of Measure: | Aircraft |
| Service Life per Unit: | 30.00 Years |
| Fiscal Years in Service: | FY 2000 - FY 2053 |

The Amended FY 2015 PB included an Overseas Contingency Operations aircraft in FY 2015 to replace one lost in Afghanistan. The addition of this aircraft and the fact that the lost aircraft is included in the prior year totals giving a total procurement of 169 aircraft.

Sustainment Strategy

The C-130J ensures continued aircraft availability to the warfighter within the financial constraints defined by the owning commands and the United States Air Force (USAF) by using a Long Term Sustainment contract with Lockheed Martin, a Power-By-The-Hour engine contract with Rolls Royce, and C-130 Legacy common organic resources.

Antecedent Information

The C-130H1 and C-130H2 are the antecedent aircraft. The Air Force Total Ownership Cost (AFTOC) database for the fourth quarter of CY 2014 was used to obtain costs. Costs assume a 30 year life span.

| Cost Element | Annual O&S Costs BY1996 \$M | |
|--------------------------------|--|---|
| | C-130J Average Annual Cost Per Aircraft | C-130H1 & H2 (Antecedent) Avg Annual Cost Per Aircraft |
| Unit-Level Manpower | 2.713 | 3.019 |
| Unit Operations | 1.180 | 1.984 |
| Maintenance | 1.118 | 1.273 |
| Sustaining Support | 0.289 | 0.019 |
| Continuing System Improvements | 0.024 | 0.014 |
| Indirect Support | 0.236 | 0.329 |
| Other | 0.000 | 0.000 |
| Total | 5.560 | 6.638 |

| Item | Total O&S Cost \$M | | |
|------------------|---|------------------|------------------------------|
| | C-130J | | C-130H1 & H2 (Antecedent) |
| | Current Production APB Objective/Threshold | Current Estimate | |
| Base Year | N/A | N/A | 28022.4 |
| Then Year | N/A | N/A | 58523.3 |
| | | | 31590.7 |
| | | | N/A |

There are no Objective or Threshold values listed in the APB.

Equation to Translate Annual Cost to Total Cost

The unitized cost multiplied by the quantity (168) multiplied by the service life (30 yrs) equals the Total O&S cost in BY\$.

| O&S Cost Variance | | |
|--|----------------|--|
| Category | BY 1996 \$M | Change Explanations |
| Prior SAR Total O&S Estimates - Dec 2013 SAR | 28717.9 | |
| Programmatic/Planning Factors | -530.8 | Decrease in Flying Hours (FH) from 594 to 535 per aircraft per year. |
| Cost Estimating Methodology | 0.0 | |
| Cost Data Update | -23.6 | Lower AFTOC historical data for repair parts. |
| Labor Rate | 0.0 | |
| Energy Rate | 809.8 | Increase in aviation petroleum, oil and lubricants. |
| Technical Input | -951.0 | Revised headcount per Primary Authorized Aircraft (PAA) for Active Units 6% lower. |
| Other | 0.0 | |
| Total Changes | -695.6 | |
| Current Estimate | 28022.3 | |

Disposal Estimate Details

Date of Estimate: October 10, 2014
Source of Estimate: Program Office Estimate
Disposal/Demilitarization Total Cost (BY 1996 \$M): Total costs for disposal of all Aircraft are 3.1

Disposal begins in FY 2030 and ends in FY 2053.