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## Selected Acquisition Report (SAR)

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



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

As of FY 2019 President's Budget

Defense Acquisition Management  
Information Retrieval  
(DAMIR)

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## **Sensitivity Originator**

No originator info Available at this time.

## 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 is providing 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

### Program Highlights Since Last Report

The HC/MC-130 Recap Program successfully delivered four HC-130J and three MC-130Js (three for AC-130J conversion) during the CY 2017. Aircraft delivered prior to contractual delivery except for one late aircraft delivery. As of December 31, 2017, 69 aircraft have been delivered of 133 total (23 HC-130Js and 46 MC-130Js; 12 of the MC-130Js are being converted to AC-130Js).

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

**History of Significant Developments Since Program Initiation**

History of Significant Developments Since Program Initiation	
Date	Significant Development Description
April 2010	Milestone C/LRIP Decision
July 2010	First Flight
December 2012	Initial Operational Capability (MC-130J)
April 2013	Initial Operational Capability (HC-130J)
October 2013	Full-Rate Production Decision

## Threshold Breaches

### APB Breaches

<b>Schedule</b>		<input type="checkbox"/>
<b>Performance</b>		<input type="checkbox"/>
<b>Cost</b>	RDT&E	<input checked="" type="checkbox"/>
	Procurement	<input type="checkbox"/>
	MILCON	<input type="checkbox"/>
	Acq O&M	<input type="checkbox"/>
<b>O&amp;S Cost</b>		<input type="checkbox"/>
<b>Unit Cost</b>	PAUC	<input type="checkbox"/>
	APUC	<input type="checkbox"/>

### Explanation of Breach

RDT&E cost breach will be resolved once FY 2018 \$20M reprogramming out of the program is realized.

### 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	
<b>Simultaneous air refueling (CSAR and SOF receivers)</b>				
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.
<b>Net-ready</b>				
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.
<b>Survivability (IR Signature)</b>				
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.
<b>Survivability (Threat warning)</b>				
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.
<b>Survivability (Flight critical damage tolerance)</b>				
Greater levels of ballistic hardening/tol-	Greater levels of ballistic hardening/tol-	Must withstand flight critical damage with 95% probability of	Must withstand flight critical damage with 95% probability of	Must withstand flight critical damage with 95% probability of



erance are desired and should be incorporated, if achievable, without significant aircraft performance or cost penalties.	erance are desired and should be incorporated, if achievable, without significant aircraft performance or cost penalties.	survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes.	survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes.	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.	The MAJCOMs declared IOC in Dec 12 and Oct 13. Therefore, the program met in May 15 thru Nov 17 the 76% average monthly AA rate and the 85% average monthly MC rate.
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(Ch-1)

#### Requirements Reference

Capability Production Document (CPD) dated August 13, 2009

#### Change Explanations

(Ch-1) Both MAJCOMs have met the Materiel Availability requirement.

**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&amp;E

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

## Procurement

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



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**MILCON**

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

## 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	165.1 <sup>1</sup>	154.3	160.2	180.7
Procurement	7436.0	12665.9	13932.5	12256.6	8054.2	14836.6	13934.7
Flyaway	--	--	--	9772.4	--	--	11102.2
Recurring	--	--	--	9662.0	--	--	10989.2
Non Recurring	--	--	--	110.4	--	--	113.0
Support	--	--	--	2484.2	--	--	2832.5
Other Support	--	--	--	1212.5	--	--	1384.5
Initial Spares	--	--	--	1271.7	--	--	1448.0
MILCON	494.1	336.7	370.4	224.4	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	12646.1	8745.3	15374.7	14357.2

<sup>1</sup> APB Breach

#### Cost Notes

In accordance with Section 842 of the National Defense Authorization Act for FY 2017, which amended title 10 U.S.C. § 2334, the Director of Cost Assessment and Program Evaluation, and the Secretary of the military department concerned or the head of the Defense Agency concerned, must issue guidance requiring a discussion of risk, the potential impacts of risk on program costs, and approaches to mitigate risk in cost estimates for MDAPs and major subprograms. The information required by the guidance is to be reported in each SAR. This guidance is not yet available; therefore, the information on cost risk is not contained in this SAR.

133 aircraft reflects additional MC-130J to replace AC-130J damaged during flight test and deemed not airworthy.

Total Quantity			
Quantity	SAR Baseline Production Estimate	Current APB Production	Current Estimate
RDT&E	0	0	0
Procurement	74	131	133
Total	74	131	133



## Cost and Funding

### Funding Summary

Appropriation Summary									
FY 2019 President's Budget / December 2017 SAR (TY\$ M)									
Appropriation	Prior	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	To Complete	Total
RDT&E	99.9	38.6	32.6	4.8	4.8	0.0	0.0	0.0	180.7
Procurement	9084.6	801.0	1307.4	1439.6	449.1	270.8	198.5	383.7	13934.7
MILCON	241.8	0.0	0.0	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 2019 Total	9426.3	839.6	1340.0	1444.4	453.9	270.8	198.5	383.7	14357.2
PB 2018 Total	9604.0	839.6	418.9	580.4	486.0	232.5	612.3	1705.4	14479.1
Delta	-177.7	0.0	921.1	864.0	-32.1	38.3	-413.8	-1321.7	-121.9

#### Funding Notes

Plan to reprogram \$20M of FY18 RDT&E out of the program.

FY21-FY23 RDT&E funds that are not included in totals will be part of a separate ACAT.

Quantity Summary										
FY 2019 President's Budget / December 2017 SAR (TY\$ M)										
Quantity	Undistributed	Prior	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	To Complete	Total
Development	0	0	0	0	0	0	0	0	0	0
Production	0	96	7	8	13	4	3	2	0	133
PB 2019 Total	0	96	7	8	13	4	3	2	0	133
PB 2018 Total	0	96	7	3	5	4	2	4	11	132
Delta	0	0	0	5	8	0	1	-2	-11	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
2008	--	--	--	--	--	--	13.0
2009	--	--	--	--	--	--	19.6
2010	--	--	--	--	--	--	18.4
2011	--	--	--	--	--	--	7.6
2012	--	--	--	--	--	--	15.1
2013	--	--	--	--	--	--	8.4
2014	--	--	--	--	--	--	1.0
2015	--	--	--	--	--	--	3.6
2016	--	--	--	--	--	--	10.5
2017	--	--	--	--	--	--	2.7
2018	--	--	--	--	--	--	38.6
2019	--	--	--	--	--	--	32.6
2020	--	--	--	--	--	--	4.8
2021	--	--	--	--	--	--	4.8
Subtotal	--	--	--	--	--	--	180.7

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	--	--	--	--	--	--	--	0.9
2015	--	--	--	--	--	--	--	3.3
2016	--	--	--	--	--	--	--	9.4
2017	--	--	--	--	--	--	--	2.4
2018	--	--	--	--	--	--	--	33.4
2019	--	--	--	--	--	--	--	27.7
2020	--	--	--	--	--	--	--	4.0
2021	--	--	--	--	--	--	--	3.9
Subtotal	--	--	--	--	--	--	--	165.1



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	849.5	72.8	--	922.3	92.6	1014.9
2014	11	841.4	84.7	--	926.1	303.4	1229.5
2015	7	538.9	10.8	--	549.7	191.4	741.1
2016	14	953.5	22.6	--	976.1	222.2	1198.3
2017	10	700.1	39.6	--	739.7	186.9	926.6
2018	7	539.1	193.1	--	732.2	68.8	801.0
2019	8	682.0	89.8	--	771.8	535.6	1307.4
2020	13	1119.7	5.8	--	1125.5	314.1	1439.6
2021	4	352.7	4.0	--	356.7	92.4	449.1
2022	3	266.7	4.1	--	270.8	--	270.8
2023	2	184.3	4.4	--	188.7	9.8	198.5
2024	--	--	75.3	--	75.3	15.0	90.3
2025	--	--	65.6	--	65.6	15.0	80.6
2026	--	--	55.4	--	55.4	10.0	65.4
2027	--	--	54.4	--	54.4	10.0	64.4
2028	--	--	51.7	--	51.7	--	51.7
2029	--	--	31.3	--	31.3	--	31.3
Subtotal	133	10088.5	900.7	24.4	11013.6	2832.5	13846.1

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	846.9	--	12.7	859.6	124.0	983.6
2010	3	255.3	1.9	--	257.2	177.2	434.4
2011	9	552.7	1.8	10.8	565.3	145.0	710.3
2012	10	757.6	29.2	--	786.8	198.4	985.2
2013	12	774.8	66.4	--	841.2	84.4	925.6
2014	11	756.9	76.2	--	833.1	273.0	1106.1
2015	7	478.8	9.6	--	488.4	170.1	658.5
2016	14	833.3	19.8	--	853.1	194.2	1047.3
2017	10	601.3	34.0	--	635.3	160.5	795.8
2018	7	453.5	162.4	--	615.9	57.9	673.8
2019	8	562.7	74.1	--	636.8	442.0	1078.8
2020	13	905.8	4.7	--	910.5	254.1	1164.6
2021	4	279.7	3.2	--	282.9	73.3	356.2
2022	3	207.4	3.2	--	210.6	--	210.6
2023	2	140.5	3.4	--	143.9	7.4	151.3
2024	--	--	56.3	--	56.3	11.2	67.5
2025	--	--	48.1	--	48.1	11.0	59.1
2026	--	--	39.8	--	39.8	7.2	47.0
2027	--	--	38.4	--	38.4	7.0	45.4
2028	--	--	35.7	--	35.7	--	35.7
2029	--	--	21.2	--	21.2	--	21.2
Subtotal	133	8932.6	729.4	23.5	9685.5	2484.2	12169.7

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
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		14.7
Subtotal		89.6

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	34.8
2012	86.5
Subtotal	134.8

## Low Rate Initial Production

Item	Initial LRIP Decision	Current Total LRIP
<b>Approval Date</b>	4/12/2010	5/9/2011
<b>Approved Quantity</b>	46	52
<b>Reference</b>	Milestone C ADM	Amended Milestone C ADM
<b>Start Year</b>	2008	2008
<b>End Year</b>	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.

## Foreign Military Sales

None

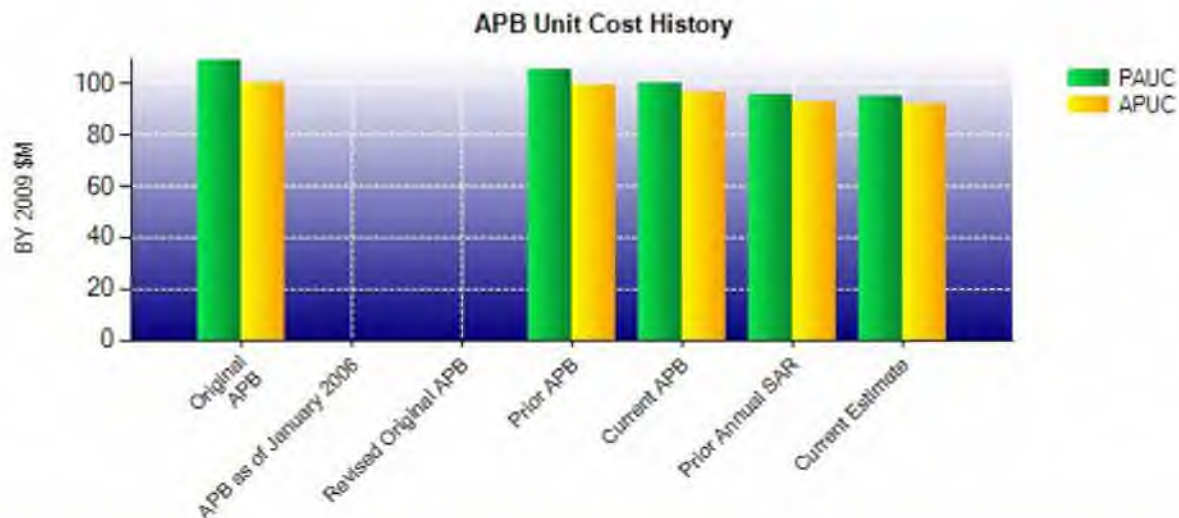
## Nuclear Costs

None

**Unit Cost**

Current UCR Baseline and Current Estimate (Base-Year Dollars)			
Item	BY 2009 \$M	BY 2009 \$M	% Change
	Current UCR Baseline (Oct 2013 APB)	Current Estimate (Dec 2017 SAR)	
Program Acquisition Unit Cost			
Cost	13150.2	12646.1	
Quantity	131	133	
Unit Cost	100.383	95.083	-5.28
Average Procurement Unit Cost			
Cost	12665.9	12256.6	
Quantity	131	133	
Unit Cost	96.686	92.155	-4.69
Original UCR Baseline and Current Estimate (Base-Year Dollars)			
Item	BY 2009 \$M	BY 2009 \$M	% Change
	Original UCR Baseline (Mar 2010 APB)	Current Estimate (Dec 2017 SAR)	
Program Acquisition Unit Cost			
Cost	8078.1	12646.1	
Quantity	74	133	
Unit Cost	109.164	95.083	-12.90
Average Procurement Unit Cost			
Cost	7436.0	12256.6	
Quantity	74	133	
Unit Cost	100.486	92.155	-8.29





APB 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 2016	95.353	92.452	109.690	106.546
Current Estimate	Dec 2017	95.083	92.155	107.949	104.772

### SAR Unit Cost History

Current SAR Baseline to Current Estimate (TY \$M)									
PAUC Production Estimate	Changes								PAUC Current Estimate
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
118.180	0.582	-3.161	-1.171	2.307	-18.544	0.000	9.756	-10.231	107.949

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	0.530	0.983	-1.228	2.195	-16.305	0.000	9.756	-4.069	104.772

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	14357.2
Total Quantity	N/A	N/A	74	133
PAUC	N/A	N/A	118.180	107.949

**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	--	+119.0	+7.5	+126.5
Quantity	--	+6439.1	--	+6439.1
Schedule	--	-102.3	--	-102.3
Engineering	+14.9	+288.2	--	+303.1
Estimating	+4.0	-2078.8	-302.5	-2377.3
Other	--	--	--	--
Support	--	+1344.7	--	+1344.7
Subtotal	+18.9	+6009.9	-295.0	+5733.8
Current Changes				
Economic	-0.4	-48.5	-0.2	-49.1
Quantity	--	+113.3	--	+113.3
Schedule	+7.5	-61.0	--	-53.5
Engineering	--	+3.7	--	+3.7
Estimating	+0.4	-89.7	+0.2	-89.1
Other	--	--	--	--
Support	--	-47.2	--	-47.2
Subtotal	+7.5	-129.4	--	-121.9
Total Changes	+26.4	+5880.5	-295.0	+5611.9
CE - Cost Variance	180.7	13934.7	241.8	14357.2
CE - Cost & Funding	180.7	13934.7	241.8	14357.2



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	--	+5333.6	--	+5333.6
Schedule	--	-105.6	--	-105.6
Engineering	+12.6	+264.2	--	+276.8
Estimating	-1.9	-1791.4	-269.9	-2063.2
Other	--	--	--	--
Support	--	+1066.9	--	+1066.9
Subtotal	+10.7	+4767.7	-269.9	+4508.5
Current Changes				
Economic	--	--	--	--
Quantity	--	+86.4	--	+86.4
Schedule	+6.1	+46.4	--	+52.5
Engineering	--	+2.8	--	+2.8
Estimating	+0.3	-72.1	+0.2	-71.6
Other	--	--	--	--
Support	--	-10.6	--	-10.6
Subtotal	+6.4	+52.9	+0.2	+59.5
Total Changes	+17.1	+4820.6	-269.7	+4568.0
CE - Cost Variance	165.1	12256.6	224.4	12646.1
CE - Cost & Funding	165.1	12256.6	224.4	12646.1

Previous Estimate: December 2016

RDT&E	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-0.4
Block 7.0/8.1 re-phasing from FY 2017/2018 to FY 2019/2020 (Schedule)	+6.1	+7.5
Adjustment for current and prior escalation. (Estimating)	+0.3	+0.3
Revised estimate to reflect application of new outyear escalation indices. (Estimating)	0.0	+0.1
RDT&E Subtotal	+6.4	+7.5

Procurement	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-48.5
Total Quantity variance resulting from an increase of one aircraft from 132 to 133; which was one above the current program of record but 40 aircraft short of the JROC-validation HC-130J (Air Force). (Subtotal)	+67.8	+88.9
Quantity variance resulting from an increase of one aircraft from 132 to 133 (APAF). (Quantity)	(+86.4)	(+113.3)
Allocation to Schedule resulting from Quantity change. (Schedule) (QR)	(-1.0)	(-1.3)
Allocation to Engineering resulting from Quantity change. (Engineering) (QR)	(+2.8)	(+3.7)
Allocation to Estimating resulting from Quantity change. (Estimating) (QR)	(-20.4)	(-26.8)
Acceleration of procurement buy profile from FY 2024+ to within the FYDP due to MYP III incorporation. (Schedule)	0.0	-114.7
Additional schedule variance due to acceleration of procurement buy profile from FY 2024+ to within the FYDP due to MYP III incorporation (APAF). (Schedule)	-1.3	-15.3
Additional schedule variance due to extension of modification program (APAF). (Schedule)	+48.7	+70.3
Net reprogramming of FY 2016 and FY 2017 funds (Air Force). (Estimating)	-3.4	-4.1
Adjustment for current and prior escalation. (Estimating)	+16.1	+18.7
Revised estimate to reflect application of new outyear escalation indices (Air Force). (Estimating)	+15.9	+19.8
Separate ACAT Funding (Estimating)	-80.3	-97.3
Adjustment for current and prior escalation. (Support)	+3.9	+4.1
Decrease in Other Support due to reallocation based on current program needs. (Support)	-45.1	-79.5
Increase in Initial Spares due to reallocation based on current program needs. (Support)	+30.6	+28.2
Procurement Subtotal	+52.9	-129.4

(QR) Quantity Related

MILCON	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-0.2
Adjustment for current and prior escalation. (Estimating)	+0.2	+0.2
MILCON Subtotal	+0.2	0.0



## Contracts

### General Notes

The HC/MC-130 Recapitalization program uses the Multi-Year Procurement Contract for production aircraft buys.

### 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:** Fixed Price Incentive(Firm Target) (FPIF)  
**Award Date:** December 09, 2013  
**Definitization Date:** December 30, 2015

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	3027.2	3027.2	43	3027.2	3027.2

### Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to the definitization of the MYP II contract that occurred December 30, 2015, placing 43 HC/MC aircraft on contract.

### Cost and Schedule Variance Explanations

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

### 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 Supplement clauses 252.234-7001 and 252.234-7002 was approved by Headquarters Air Force Materiel Command 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	69	69	133	51.88%
Total Program Quantity Delivered	69	69	133	51.88%

Expended and Appropriated (TY \$M)			
Total Acquisition Cost	14357.2	Years Appropriated	11
Expended to Date	6714.7	Percent Years Appropriated	50.00%
Percent Expended	46.77%	Appropriated to Date	10265.9
Total Funding Years	22	Percent Appropriated	71.50%

The above data is current as of February 12, 2018.



## Operating and Support Cost

### Cost Estimate Details

Date of Estimate:	January 31, 2017
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

One aircraft damaged during AC-130J flight test and deemed not airworthy will not be sustained. The O&S estimate captures requirements per the current program of record of 131 fielded aircraft. Also, not capturing the sustainment of one additional HC-103J that was added in the FY 2019 Presidents Budget and is beyond the current program of record.

### 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 Antecedent System is the MC-130P. The MC-130P was selected as it most closely mirrored the unique mission set and expected service life requirements of the HC/MC Recap aircraft. 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	4.023		4.500
Unit Operations	1.041		1.700
Maintenance	1.367		3.500
Sustaining Support	0.474		0.400
Continuing System Improvements	0.759		0.600
Indirect Support	2.104		1.100
Other	--		--
Total	9.768		11.800

Item	Total O&S Cost \$M			
	HC/MC-130 Recap			MC-130P (Antecedent)
	Current Production APB Objective/Threshold		Current Estimate	
Base Year	40008.6	44009.5	38388.2	N/A
Then Year	58602.4	N/A	68279.6	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 \$9.768M average annual cost per aircraft = \$38,388.2M).

O&S Cost Variance		
Category	BY 2009 \$M	Change Explanations
Prior SAR Total O&S Estimates - Dec 2016 SAR	39822.6	
Programmatic/Planning Factors	0.0	
Cost Estimating Methodology	0.0	
Cost Data Update	-1434.4	Updated per 2017 POE; Decrease in estimated maintenance cost is the driving factor
Labor Rate	0.0	
Energy Rate	0.0	
Technical Input	0.0	
Other	0.0	
Total Changes	-1434.4	
Current Estimate	38388.2	

#### Disposal Estimate Details

Date of Estimate: July 15, 2015  
Source of Estimate: Updated AFCAA Position

**Disposal/Demilitarization Total Cost (BY 2009 \$M):**

Total costs for disposal of all Aircraft are 14.9