



Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-373



MQ-4C Triton Unmanned Aircraft System (MQ-4C Triton)

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

MQ-4C Triton Unmanned Aircraft System (MQ-4C Triton)

DoD Component

Navy

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References

SAR Baseline (Development Estimate)

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated February 7, 2009

Approved APB

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated July 7, 2014

Mission and Description

The MQ-4C Triton Unmanned Aircraft System (MQ-4C Triton) is an integrated System of Systems and a force multiplier for the Joint Force and Fleet Commander, enhancing battlespace awareness and shortening the sensor-to-shooter kill chain. The system provides multiple-sensor, persistent maritime and littoral Intelligence, Surveillance and Reconnaissance data collection and dissemination as well as an airborne communications relay capability to Combatant Commanders, Expeditionary Strike Group Commanders, Carrier Strike Group Commanders, and other designated U.S. and Joint Commanders. The addition of a de-icing capability over the baseline Global Hawk provides operators with the capability to transition through icing conditions. The mission sensors installed on the MQ-4C Triton provide 360 degree radar and Electro-Optical/Infrared coverage. Additional functionality that optimizes the system for maritime search operations includes an Automatic Identification System and an Electronic Support Measures with Specific Emitter Identification. The MQ-4C Triton is a tactical, land-based, forward deployed platform that will operate from five operational sites (orbits) worldwide. It will provide surveillance when no other naval forces are present and will support operations in the littorals. Furthermore, the asset will respond to Theater level operational or National strategic taskings.

Executive Summary

As reported in the December 2012 SAR, the MQ-4C Triton program breached the APB cost threshold for RDT&E and the schedule thresholds for Milestone (MS) C, Operational Evaluation start, FRP, and IOC. The program has been re-planned and the cost and schedule remaining for the System Development and Demonstration (SDD) contract has been adjusted. The Over Target Baseline/Over Target Schedule contract modification was executed in January 2014. The SDD contract was also modified from Cost Plus Award Fee to Cost Plus Incentive Fee. A revised APB was approved July 7, 2014.

During this reporting period, the MQ-4C Triton program made significant progress during formal flight test; completing Initial Envelope Expansion in March 2014 and successfully ferrying the three developmental test aircraft (two Navy and one Northrop Grumman-owned) in the fall of 2014 from Palmdale, California to Patuxent River Naval Air Station in Maryland. Software installation in support of sensor testing began in December 2014. System integration testing continues in preparation for an Operational Assessment in 2015. Nine surrogate risk reduction flights were completed during 2014 on a Gulfstream testbed for the Multi-Function Active Sensor radar, bringing the total number of risk reduction flights completed to -date to 42. Production of the System Demonstration Test Article aircraft continued in 2014 and Production Readiness Reviews are on schedule to support a FY 2016 MS C decision. An Advanced Acquisition Contract was awarded February 26, 2015 for long lead material in support of FY 2016 LRIP Lot 1.

The program is fully resourced through FY 2016 and is expected to be fully resourced within the FYDP at MS C. Funding associated with phased modifications to update sensor and system performance, including upgrades to the MQ-4C Triton's Multiple Intelligence (Multi-Int) capabilities in support of the Chief of Naval Operations N2/N6 Intelligence, Surveillance, Reconnaissance and Targeting transition plan continues to be omitted from this report. Multi-Int funding will be reflected in the MS C APB and subsequent SAR. A separate Program Element has been established for Multi-Int development to satisfy Congressional direction for increased transparency of Triton's modernization funding.

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 Development Estimate	Current APB Development Objective/Threshold		Current Estimate
Milestone B	Apr 2008	Apr 2008	Apr 2008	Apr 2008
System Requirements Review (SRR)	Jan 2009	Jan 2009	Jul 2009	Jan 2009
Preliminary Design Review (PDR)	Jan 2010	Jan 2010	Jul 2010	Feb 2010
Critical Design Review (CDR)	Jan 2011	Jan 2011	Jul 2011	Feb 2011
Milestone C	May 2013	Dec 2015	Jun 2016	Dec 2015
Operational Evaluation (OPEVAL) Start	Jan 2015	Aug 2017	Feb 2018	Aug 2017 (Ch-1)
Full Rate Production (FRP)	Dec 2015	Mar 2018	Sep 2018	Mar 2018 (Ch-1)
IOC	Dec 2015	Apr 2018	Oct 2018	Apr 2018

Change Explanations

(Ch-1) The current estimates for Operational Evaluation Start and FRP have changed from April 2017 and January 2018 to August 2017 and March 2018 respectively, based on the APB approved by USD(AT&L) on July 7, 2014.

Performance

Performance Characteristics				
SAR Baseline Development Estimate	Current APB Development Objective/Threshold	Demonstrated Performance	Current Estimate	
Persistent multi-sensor maritime ISR at mission radius				
On station 24 hrs a day / 7 days a week for 30 consecutive days with an ETOS of $\geq 95\%$	On station 24 hrs a day / 7 days a week for 30 consecutive days with an ETOS of $\geq 95\%$	On station 24 hrs a day for 7 consecutive days with ETOS of $\geq 80\%$	TBD	On station 24 hrs a day / 7 days a week for 7 consecutive days with an ETOS of $\geq 88\%$ at a mission radius of 2,000 nm
Level of Interoperability 1-5				
BLOS and LOS from MOB/ FOB (Land Based) MCS	BLOS and LOS from MOB/ FOB (Land Based) MCS	BLOS and LOS from the MOB (Land Based) MCS	BLOS and LOS from MOB (Land Based) MCS (LOI 4 and 5)	BLOS and LOS from MOB (Land Based) MCS
UA Mission Radius				
$\geq 3,000$ nm	$\geq 3,000$ nm	$\geq 2,000$ nm	TBD	$\geq 2,000$ nm
Level Of Interoperability 2 Capability				
LOS/BLOS multi-ISR payload reception to Maritime Forces	LOS/BLOS multi-ISR payload reception to Maritime Forces	LOS, ISR payload sensor data reception to Maritime Forces afloat (CVN, LHA/LHD)	TBD	LOS, ISR payload sensor data reception to Maritime Forces afloat (CVN, LHA/LHD)
Net Ready				
IAW CJCSI 6212.01D	IAW CJCSI 6212.01D	IAW CJCSI 6212.01D	TBD	IAW CJCSI 6212.01D
Operational Availability				
≥ 0.9	≥ 0.9	≥ 0.7 at IOT&E ≥ 0.8 at IOC plus two years	TBD	≥ 0.86

Classified Performance information is provided in the classified annex to this submission.

Requirements Reference

Capability Development Document (CDD) dated May 21, 2007.

Change Explanations

None

Acronyms and Abbreviations

BLOS - Beyond Line of Sight
CJCSI - Chairman of the Joint Chiefs of Staff Instruction
CVN - Aircraft Carrier Nuclear
ETOS - Effective Time On Station
FOB - Forward Operating Base
hrs - hours
IAW - In Accordance With
IOT&E - Initial Operational Test & Evaluation
ISR - Intelligence, Surveillance, and Reconnaissance
LHA - Amphibious Assault Ship (General Purpose)
LHD - Amphibious Assault Ship (Multi Purpose)
LOI - Level of Interoperability
LOS - Line of Sight
MCS - Mission Control System
MOB - Main Operating Base
nm - nautical miles
UA - Unmanned Aircraft

Track to Budget

RDT&E

Appn	BA	PE		
Navy	1319	07	0305205N	
	Project	Name		
	4020		MQ-4C Triton	(Shared) (Sunk)
Navy	1319	07	0305220N	
	Project	Name		
	4020		MQ-4C Triton	

Notes

RDT&E funding totaling \$567.3M (TY) in FY 2015 - FY 2020 funded in PE 0305421N associated with phased modifications to update sensor and system performance, including upgrades to the MQ-4C Triton's Multiple Intelligence (Multi-Int) capabilities in support of the Chief of Naval Operations (CNO) N2/N6 Intelligence, Surveillance, Reconnaissance and Targeting transition plan, continues to be omitted from this report and will be reflected in the Milestone (MS) C APB and subsequent SAR.

Procurement

Appn	BA	PE		
Navy	1506	04	0305220N	
	Line Item	Name		
	0442		BAMS UAS	
Navy	1506	06	0305220N	
	Line Item	Name		
	0605		BAMS UAS	(Shared)

Notes

Aircraft Procurement funding totaling \$774.3M (TY) in FY 2018 - FY 2032 associated with phased modifications to update sensor and system performance, including upgrades to the MQ-4C Triton's Multi-Int capabilities in support of the CNO N2/N6 Intelligence, Surveillance, Reconnaissance and Targeting transition plan, continues to be omitted from this report and will be reflected in the MS C APB and subsequent SAR.

MILCON

Appn	BA	PE		
Navy	1205	01	0203176N	
	Project	Name		
	00207655		BAMS Mission Control Complex	(Sunk)
Navy	1205	01	0212176N	
	Project	Name		
	00207662		BAMS Mission Control System	

Navy	1205 02	0212176N	
	Project	Name	
	00620240	BAMS Facility	
Navy	1205 01	0212176N	
	Project	Name	
	62995407	BAMS Aircraft and Maintenance Hangar	
	69232577	BAMS Forward Operating Base 3rd Fleet	
	69232593	BAMS Consolidated Maintenance Hangar	(Sunk)
	C1002960	BAMS Operational Facilities	(Sunk)
Navy	1205 01	0712876N	
	Project	Name	
	62995407	BAMS Triton Hangar and Operations Facility	
Navy	1205 01	0805976N	
	Project	Name	
	69232607	Triton Avionics and Fuel Systems Trainer	
Navy	1205 01	0815976N	
	Project	Name	
	00207153	BAMS UAS Operator Training Facility	(Sunk)
	41557625	BAMS Forward Operational and Maintenance Hangar	(Sunk)
	63042900	BAMS Maintenance Training Facility	(Sunk)
	C1002154	BAMS UAS Operator Training Facility	
Navy	1205 01	0816376N	
	Project	Name	
	0428A263	BAMS Test and Evaluation Facility	(Sunk)

Notes

Two new MILCON projects 69232607 and 62995407 were added to correctly align MILCON projects with program plans. No funds were expended under project 69232954.

Cost and Funding

Cost Summary

Total Acquisition Cost							
Appropriation	BY 2008 \$M			BY 2008 \$M	TY \$M		
	SAR Baseline Development Estimate	Current APB Development Objective/Threshold		Current Estimate	SAR Baseline Development Estimate	Current APB Development Objective	Current Estimate
RDT&E	2989.3	3586.8	3945.5	3503.9	3223.6	3885.8	3772.7
Procurement	8871.2	7589.9	8348.9	7595.3	11525.6	10315.0	10246.7
Flyaway	--	--	--	5415.2	--	--	7410.9
Recurring	--	--	--	5081.5	--	--	6969.7
Non Recurring	--	--	--	333.7	--	--	441.2
Support	--	--	--	2180.1	--	--	2835.8
Other Support	--	--	--	1670.6	--	--	2212.5
Initial Spares	--	--	--	509.5	--	--	623.3
MILCON	364.0	292.7	322.0	266.1	423.1	342.6	309.1
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	12224.5	11469.4	N/A	11365.3	15172.3	14543.4	14328.5

Current APB Cost Estimate Reference

Service Cost Position dated April 25, 2014

Confidence Level

Confidence Level of cost estimate for current APB: 50%

The current APB cost estimate assumes sufficient resources to execute the program under normal conditions; encountering average levels of technical, schedule, and programmatic risk and external interference. It is consistent with average resource expenditures based on historical actual cost data and represents a notional 50% confidence level when established.

Total Quantity			
Quantity	SAR Baseline Development Estimate	Current APB Development	Current Estimate
RDT&E	5	4	4
Procurement	65	66	66
Total	70	70	70

Quantity Notes

The RDT&E total quantity of five was originally comprised of two engineering development models and three System Demonstration Test Article (SDTA) Unmanned Aircraft. Funding reductions associated with sequestration necessitated the reduction of SDTA quantities from three to two. The Over Target Baseline/Over Target Schedule contract modification was executed in January 2014.

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	3088.9	451.4	227.2	5.2	0.0	0.0	0.0	0.0	3772.7
Procurement	0.0	67.7	702.8	692.6	690.3	660.5	660.2	6772.6	10246.7
MILCON	158.0	0.0	51.9	71.1	0.0	28.1	0.0	0.0	309.1
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PB 2016 Total	3246.9	519.1	981.9	768.9	690.3	688.6	660.2	6772.6	14328.5
PB 2015 Total	3317.5	475.5	1017.8	776.9	691.8	711.4	908.8	7468.7	15368.4
Delta	-70.6	43.6	-35.9	-8.0	-1.5	-22.8	-248.6	-696.1	-1039.9

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	4	0	0	0	0	0	0	0	0	4
Production	0	0	0	3	3	4	4	4	48	66
PB 2016 Total	4	0	0	3	3	4	4	4	48	70
PB 2015 Total	4	0	0	4	4	4	4	6	44	70
Delta	0	0	0	-1	-1	0	0	-2	4	0

Cost and Funding

Annual Funding By Appropriation

Annual Funding							
1319 RDT&E Research, Development, Test, and Evaluation, Navy							
Fiscal Year	Quantity	TY \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2004	--	--	--	--	--	--	17.9
2005	--	--	--	--	--	--	39.3
2006	--	--	--	--	--	--	--
2007	--	--	--	--	--	--	26.2
2008	--	--	--	--	--	--	83.1
2009	--	--	--	--	--	--	420.4
2010	--	--	--	--	--	--	438.1
2011	--	--	--	--	--	--	525.6
2012	--	--	--	--	--	--	550.4
2013	--	--	--	--	--	--	612.7
2014	--	--	--	--	--	--	375.2
2015	--	--	--	--	--	--	451.4
2016	--	--	--	--	--	--	227.2
2017	--	--	--	--	--	--	5.2
Subtotal	4	--	--	--	--	--	3772.7

Annual Funding 1319 RDT&E Research, Development, Test, and Evaluation, Navy							
Fiscal Year	Quantity	BY 2008 \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2004	--	--	--	--	--	--	19.6
2005	--	--	--	--	--	--	41.8
2006	--	--	--	--	--	--	--
2007	--	--	--	--	--	--	26.4
2008	--	--	--	--	--	--	82.2
2009	--	--	--	--	--	--	410.7
2010	--	--	--	--	--	--	421.7
2011	--	--	--	--	--	--	494.0
2012	--	--	--	--	--	--	508.6
2013	--	--	--	--	--	--	557.7
2014	--	--	--	--	--	--	338.1
2015	--	--	--	--	--	--	400.5
2016	--	--	--	--	--	--	198.1
2017	--	--	--	--	--	--	4.5
Subtotal	4	--	--	--	--	--	3503.9

Annual Funding 1506 Procurement Aircraft Procurement, Navy								
Fiscal Year	Quantity	TY \$M						
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program	
2015	--	67.7	--	--	67.7	--	67.7	
2016	3	297.5	--	58.3	355.8	347.0	702.8	
2017	3	324.6	--	53.4	378.0	314.6	692.6	
2018	4	368.4	--	52.6	421.0	269.3	690.3	
2019	4	362.8	--	46.1	408.9	251.6	660.5	
2020	4	371.1	--	40.0	411.1	249.1	660.2	
2021	4	379.2	--	18.3	397.5	364.6	762.1	
2022	4	387.8	--	--	387.8	95.7	483.5	
2023	4	396.7	--	--	396.7	79.5	476.2	
2024	4	406.1	--	19.6	425.7	75.3	501.0	
2025	4	415.8	--	--	415.8	76.0	491.8	
2026	4	425.8	--	--	425.8	76.9	502.7	
2027	4	436.3	--	21.1	457.4	78.1	535.5	
2028	4	447.1	--	--	447.1	78.7	525.8	
2029	4	458.2	--	--	458.2	79.4	537.6	
2030	4	469.8	--	22.7	492.5	80.2	572.7	
2031	4	475.6	--	--	475.6	81.1	556.7	
2032	4	479.2	--	109.1	588.3	238.7	827.0	
Subtotal	66	6969.7	--	441.2	7410.9	2835.8	10246.7	

Annual Funding 1506 Procurement Aircraft Procurement, Navy								
Fiscal Year	Quantity	BY 2008 \$M						
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program	
2015	--	59.2	--	--	59.2	--	59.2	
2016	3	255.3	--	50.0	305.3	297.9	603.2	
2017	3	273.3	--	45.0	318.3	264.9	583.2	
2018	4	304.1	--	43.4	347.5	222.4	569.9	
2019	4	293.7	--	37.3	331.0	203.6	534.6	
2020	4	294.5	--	31.7	326.2	197.7	523.9	
2021	4	295.0	--	14.2	309.2	283.7	592.9	
2022	4	295.8	--	--	295.8	73.0	368.8	
2023	4	296.6	--	--	296.6	59.5	356.1	
2024	4	297.7	--	14.4	312.1	55.2	367.3	
2025	4	298.8	--	--	298.8	54.7	353.5	
2026	4	300.0	--	--	300.0	54.2	354.2	
2027	4	301.4	--	14.6	316.0	53.9	369.9	
2028	4	302.8	--	--	302.8	53.3	356.1	
2029	4	304.2	--	--	304.2	52.8	357.0	
2030	4	305.8	--	14.8	320.6	52.2	372.8	
2031	4	303.5	--	--	303.5	51.8	355.3	
2032	4	299.8	--	68.3	368.1	149.3	517.4	
Subtotal	66	5081.5	--	333.7	5415.2	2180.1	7595.3	

Cost Quantity Information		
1506 Procurement Aircraft Procurement, Navy		
Fiscal Year	Quantity	End Item Recurring Flyaway (Aligned With Quantity) BY 2008 \$M
2015	--	--
2016	3	266.6
2017	3	256.9
2018	4	303.0
2019	4	292.7
2020	4	293.1
2021	4	293.8
2022	4	294.6
2023	4	295.4
2024	4	296.5
2025	4	297.6
2026	4	298.8
2027	4	300.2
2028	4	301.6
2029	4	303.0
2030	4	304.6
2031	4	302.3
2032	4	380.8
Subtotal	66	5081.5

Annual Funding 1205 MILCON Military Construction, Navy and Marine Corps		
Fiscal Year	TY \$M	
	Total Program	
2011		33.0
2012		4.5
2013		65.0
2014		55.5
2015		--
2016		51.9
2017		71.1
2018		--
2019		28.1
Subtotal		309.1

Annual Funding 1205 MILCON Military Construction, Navy and Marine Corps	
Fiscal Year	BY 2008 \$M
	Total Program
2011	30.3
2012	4.1
2013	57.9
2014	48.6
2015	--
2016	43.9
2017	58.9
2018	--
2019	22.4
Subtotal	266.1

MILCON costs are for eight sites which will support program development, operations, and sustainment: Patuxent River, Maryland (Test & Evaluation) in FY 2011; Jacksonville, Florida in FY 2012, FY 2013 and FY 2016; Central Command in FY 2013; Ventura County, California in FY 2013, FY 2014, FY 2016 and FY 2017; Guam in FY 2014; Sigonella, Italy in FY 2016; Whidbey Island, Washington in FY 2017; and East Coast (C4F) in FY 2019.

Low Rate Initial Production

Item	Initial LRIP Decision	Current Total LRIP
Approval Date	4/18/2008	11/1/2011
Approved Quantity	10	10
Reference	Milestone B ADM	ADM
Start Year	2013	2013
End Year	2015	2017

The Current Total LRIP Quantity is more than 10% of the total production quantity due to the establishment of an initial production base for the system and an orderly and efficient increase in the production rate.

The April 18, 2008 Milestone (MS) B ADM approved the planning for the program's MS C LRIP decision and stipulated the quantity will not exceed 10 unmanned aircraft systems and related ground control systems.

A subsequent ADM directed redesignation of the first lot of aircraft from LRIP Lot 1 to System Demonstration Test Articles (SDTAs), with LRIP Lot 1 to follow. The SDTA aircraft will validate critical KPPs in developmental test and serve as the test articles for Operational Evaluation (OPEVAL). These aircraft will receive hardware and software updates as required to make them production representative and will be transferred for operational use at the conclusion of OPEVAL. The result of redesignating this lot of aircraft is a net reduction in the quantity produced as LRIP. The program is authorized to procure 10 LRIP aircraft but currently plans to procure six aircraft before proceeding to a FRP decision. The total number of vehicles delivered for operational use over the life of the program, and the funding source for each lot of aircraft, are unaffected by this decision.

Foreign Military Sales

Notes

The Office of the Under Secretary of Defense for Acquisition, Technology & Logistics (OUSD(AT&L)) selected the MQ-4C Triton to participate in Phase-I of the Defense Exportability Features (DEF) pilot program to assess the feasibility of incorporating technology protection measures to enhance the exportability of the MQ-4C Triton. Efforts began in 2012 and will continue through 2015. The goal of the DEF program is to define export configurations for the MQ-4C Triton. This will ultimately increase interoperability with our allies while reducing the unit cost to the United States Government (USG). Actual implementation of the features will be covered under Phase II of the DEF program.

Over the years, the Commonwealth of Australia (CoA) has maintained interest in the MQ-4C Triton as a top solution to meet their need for a Multi-mission Unmanned Aircraft System (MUAS). The CoA participated in a cooperative program with the USG for the pre-System Development and Demonstration (SDD) phase of the MQ-4C Triton program. However in 2008, they decided not to continue as a cooperative partner for SDD phase. The CoA recently renewed interest in the MQ-4C Triton program, and implemented an FMS Planning case with the United States Navy on August 1, 2013. The FMS Planning case is providing technical information and services to validate that the MQ-4C Triton will meet their specific MUAS requirements and help transition the CoA to an FMS procurement case.

Other interested foreign governments include Canada, Japan, Germany, Norway and the United Kingdom.

Nuclear Costs

None

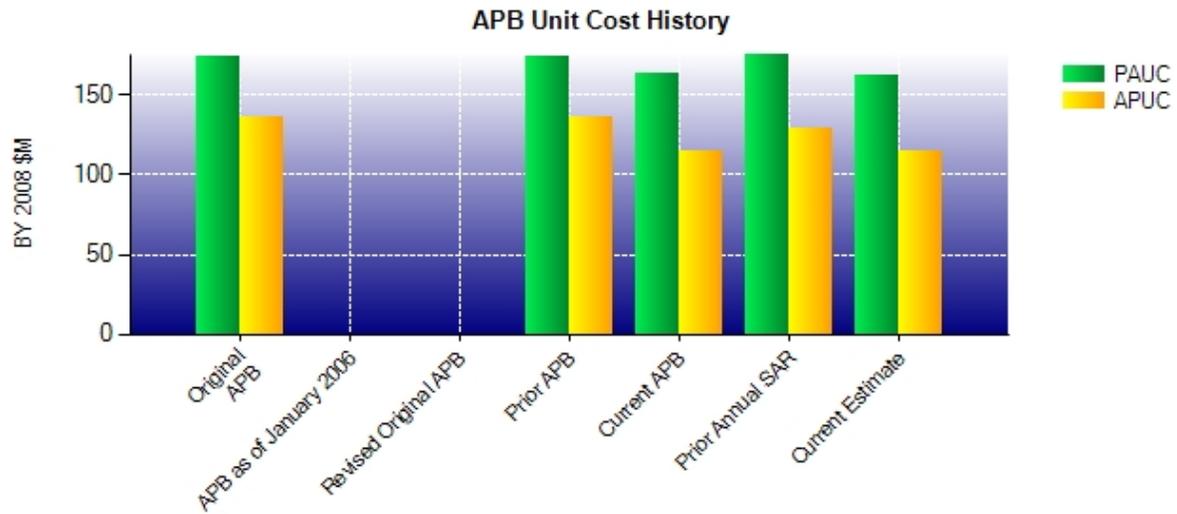
Unit Cost

Unit Cost Report

Item	BY 2008 \$M	BY 2008 \$M	% Change
	Current UCR Baseline (Jul 2014 APB)	Current Estimate (Dec 2014 SAR)	
Program Acquisition Unit Cost			
Cost	11469.4	11365.3	
Quantity	70	70	
Item	163.849	162.361	-0.91
Average Procurement Unit Cost			
Cost	7589.9	7595.3	
Quantity	66	66	
Unit Cost	114.998	115.080	+0.07

Item	BY 2008 \$M	BY 2008 \$M	% Change
	Original UCR Baseline (Feb 2009 APB)	Current Estimate (Dec 2014 SAR)	
Program Acquisition Unit Cost			
Cost	12224.5	11365.3	
Quantity	70	70	
Unit Cost	174.636	162.361	-7.03
Average Procurement Unit Cost			
Cost	8871.2	7595.3	
Quantity	65	66	
Unit Cost	136.480	115.080	-15.68

Unit Cost History



Item	Date	BY 2008 \$M		TY \$M	
		PAUC	APUC	PAUC	APUC
Original APB	Feb 2009	174.636	136.480	216.747	177.317
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	Jan 2012	174.636	136.480	216.747	177.317
Current APB	Jul 2014	163.849	114.998	207.763	156.288
Prior Annual SAR	Dec 2013	174.899	128.661	219.549	171.102
Current Estimate	Dec 2014	162.361	115.080	204.693	155.253

SAR Unit Cost History

Current SAR Baseline to Current Estimate (TY \$M)									
Initial PAUC Development Estimate	Changes								PAUC Current Estimate
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
216.747	-5.873	1.731	19.266	0.319	-7.351	0.000	-20.146	-12.054	204.693

Current SAR Baseline to Current Estimate (TY \$M)									
Initial APUC Development Estimate	Changes								APUC Current Estimate
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
177.317	-5.315	-0.850	20.433	0.000	-14.456	0.000	-21.876	-22.064	155.253

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	Apr 2008	N/A	Apr 2008
Milestone C	N/A	May 2013	N/A	Dec 2015
IOC	N/A	Dec 2015	N/A	Apr 2018
Total Cost (TY \$M)	N/A	15172.3	N/A	14328.5
Total Quantity	N/A	70	N/A	70
PAUC	N/A	216.747	N/A	204.693

Cost Variance

Summary TY \$M				
Item	RDT&E	Procurement	MILCON	Total
SAR Baseline (Development Estimate)	3223.6	11525.6	423.1	15172.3
Previous Changes				
Economic	-45.7	-200.8	-0.6	-247.1
Quantity	--	+121.2	--	+121.2
Schedule	--	+621.7	--	+621.7
Engineering	+22.3	--	--	+22.3
Estimating	+499.2	-6.2	-79.8	+413.2
Other	--	--	--	--
Support	+33.6	-768.8	--	-735.2
Subtotal	+509.4	-232.9	-80.4	+196.1
Current Changes				
Economic	-11.8	-150.0	-2.2	-164.0
Quantity	--	--	--	--
Schedule	--	+726.9	--	+726.9
Engineering	--	--	--	--
Estimating	+51.5	-947.9	-31.4	-927.8
Other	--	--	--	--
Support	--	-675.0	--	-675.0
Subtotal	+39.7	-1046.0	-33.6	-1039.9
Total Changes	+549.1	-1278.9	-114.0	-843.8
CE - Cost Variance	3772.7	10246.7	309.1	14328.5
CE - Cost & Funding	3772.7	10246.7	309.1	14328.5

Summary BY 2008 \$M				
Item	RDT&E	Procurement	MILCON	Total
SAR Baseline (Development Estimate)	2989.3	8871.2	364.0	12224.5
Previous Changes				
Economic	--	--	--	--
Quantity	--	+81.0	--	+81.0
Schedule	--	+259.6	--	+259.6
Engineering	+19.2	--	--	+19.2
Estimating	+418.7	-18.5	-70.9	+329.3
Other	--	--	--	--
Support	+31.0	-701.7	--	-670.7
Subtotal	+468.9	-379.6	-70.9	+18.4
Current Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	+329.0	--	+329.0
Engineering	--	--	--	--
Estimating	+45.7	-733.8	-27.0	-715.1
Other	--	--	--	--
Support	--	-491.5	--	-491.5
Subtotal	+45.7	-896.3	-27.0	-877.6
Total Changes	+514.6	-1275.9	-97.9	-859.2
CE - Cost Variance	3503.9	7595.3	266.1	11365.3
CE - Cost & Funding	3503.9	7595.3	266.1	11365.3

Previous Estimate: December 2013

RDT&E	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-11.8
Adjustment for current and prior escalation. (Estimating)	+8.3	+9.2
Revised estimate due to updated SCP. (Estimating)	+37.4	+42.3
RDT&E Subtotal	+45.7	+39.7

Procurement	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-150.0
Stretch-out of procurement buy profile end date from FY 2028 to FY 2032. (Schedule)	0.0	+312.0
Additional Schedule Variance due to learning and rate impact due to the stretch-out of procurement buy profile end date from FY 2028 to FY 2032. (Schedule)	+329.0	+414.9
Adjustment for current and prior escalation. (Estimating)	+0.7	+0.8
Revised estimate to reflect technology refresh phasing adjustment due to quantity profile change. (Estimating)	+20.2	+39.0
Revised estimate for mission control systems based on methodology change and updated bill of material. (Estimating)	+15.2	+18.5
Revised estimate for airframe Contractor Furnished Equipment based on updated material and labor, assembly, and systems engineering and program management support from Global Hawk actuals. (Estimating)	-284.1	-363.3
Revised estimate for Contractor Furnished Equipment mission electronics based on updated bill of materials. (Estimating)	-469.2	-621.9
Revised estimate for recurring fly-away Engineering Change Orders based on impacts from airframe and mission electronics Contractor Furnished Equipment adjustments. (Estimating)	-16.6	-25.4
Revised estimate due to advanced Procurement adjustment. (Estimating)	0.0	+4.4
Decrease in Other Support due to quantity stream adjustment. (Support)	-20.7	-7.2
Decrease in Initial Spares due to change from Contractor Logistics Support to Organic Maintenance Support. (Support)	-470.8	-667.8
Procurement Subtotal	-896.3	-1046.0

MILCON	\$M	
Current Change Explanations	Base Year	Then Year
Revised escalation indices. (Economic)	N/A	-2.2
Adjustment for current and prior escalation. (Estimating)	+0.6	+0.7
Adjustment reflects actual contract award values. (Estimating)	-20.8	-23.7
Revised Navy estimate for construction of East coast basing site. (Estimating)	-6.8	-8.4
MILCON Subtotal	-27.0	-33.6

Contracts

Contract Identification

Appropriation: RDT&E
Contract Name: BAMS UAS SDD Contract
Contractor: Northrop Grumman Systems Corporation
Contractor Location: 17006 Goldentop Rd
 San Diego, CA 92127
Contract Number: N00019-08-C-0023
Contract Type: Cost Plus Incentive Fee (CPIF)
Award Date: April 22, 2008
Definitization Date: April 22, 2008

Contract Price

Initial Contract Price (\$M)			Current Contract Price (\$M)			Estimated Price At Completion (\$M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
2234.0	N/A	2	2827.8	N/A	4	2892.0	2903.4

Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to contract scope increases negotiated to satisfy United States Navy requirements.

Contract Variance

Item	Cost Variance	Schedule Variance
Cumulative Variances To Date (12/31/2014)	-22.3	-51.2
Previous Cumulative Variances	-2.0	-21.0
Net Change	-20.3	-30.2

Cost and Schedule Variance Explanations

The unfavorable net change in the cost variance is due to greater than expected software defect corrections, test procedure maturity, and delay in completion of configuration management documentation.

The unfavorable net change in the schedule variance is due to late wing deliveries for System Demonstration Test Article aircraft.

Notes

The contract was modified from Cost Plus Award Fee to Cost Plus Incentive Fee as part of an Over Target Baseline/Over Target Schedule contract modification in January 2014.

Deliveries and Expenditures

Deliveries				
Delivered to Date	Planned to Date	Actual to Date	Total Quantity	Percent Delivered
Development	2	2	4	50.00%
Production	0	0	66	0.00%
Total Program Quantity Delivered	2	2	70	2.86%

Expended and Appropriated (TY \$M)			
Total Acquisition Cost	14328.5	Years Appropriated	12
Expended to Date	3055.4	Percent Years Appropriated	41.38%
Percent Expended	21.32%	Appropriated to Date	3766.0
Total Funding Years	29	Percent Appropriated	26.28%

The above data is current as of February 24, 2015.

Operating and Support Cost

Cost Estimate Details

Date of Estimate:	April 09, 2014
Source of Estimate:	SCP
Quantity to Sustain:	68
Unit of Measure:	Aircraft
Service Life per Unit:	20.00 Years
Fiscal Years in Service:	FY 2018 - FY 2045

The average monthly flight hour utilization rate is 256.2 flight hours/month/aircraft, and the average annual flight hour utilization rate is 3,074.4 flight hours/year/aircraft. Primary Authorized Aircraft is 20, and these 20 aircraft are to be distributed equally across five orbits. The program is estimated to have four year ramp up period, followed by a 20 year service period, followed by a four year ramp down period which results in 456.832 aircraft years. The predicted attrition rate of this Unmanned Aircraft System is four per 100,000 flight hours. Two of the 70 aircraft will remain as test articles, resulting in a quantity to sustain of 68 aircraft.

Sustainment Strategy

The MQ-4C Sustainment Strategy focuses on total platform support to ensure compliance with operational requirements and metrics as defined by the Fleet via a Warfighter Performance Based Agreement. The Life Cycle Sustainment Strategy is being evaluated by a series of single element Business Case Analyses and studies to identify element support strategies that provide the greatest cost, benefit, performance and risk solutions for each element to comply with Naval Organizational, Intermediate, and Depot Level Maintenance Concepts. Maintenance support will be Organic.

Antecedent Information

No Antecedent. The MQ-4C Triton is projected to fly significantly more hours than the closest analogous airframe and has different missions, different concept of operations, and different payloads; resulting in substantially different projected avionics repair costs (the next major O&S cost driver after the number of flight hours).

Cost Element	Annual O&S Costs BY2008 \$M	
	MQ-4C Triton Average Annual Cost Per Aircraft	No Antecedent (Antecedent) N/A
Unit-Level Manpower	3.558	0.000
Unit Operations	1.848	0.000
Maintenance	15.404	0.000
Sustaining Support	0.793	0.000
Continuing System Improvements	1.757	0.000
Indirect Support	1.337	0.000
Other	0.000	0.000
Total	24.697	--

Item	Total O&S Cost \$M			
	MQ-4C Triton		Current Estimate	No Antecedent (Antecedent)
	Current Development APB Objective/Threshold			
Base Year	11282.4	12410.6	11282.4	N/A
Then Year	17309.0	N/A	17309.0	N/A

Equation to Translate Annual Cost to Total Cost

Total Aircraft O&S = Unitized cost * number of operational aircraft years (\$11,282.4M = \$24.697M * 456.832 aircraft years)

O&S Cost Variance		
Category	BY 2008 \$M	Change Explanations
Prior SAR Total O&S Estimates - Dec 2013 SAR	7538.3	
Programmatic/Planning Factors	1411.0	Added four year ramp down and increased monthly flight hour utilization rate from 226 to 256.2.
Cost Estimating Methodology	198.0	Updated multiple cost elements to reflect latest estimating practices.
Cost Data Update	60.7	Updated engine overhaul cost to utilize latest actuals.
Labor Rate	201.0	Updated military rates to FY 2013 OSD Military Standard Composite Rates and Original Equipment Manufacturer rates to latest Forward Pricing Rate Agreement rates.
Energy Rate	93.0	Updated fuel estimate to utilize the 2013 actual price per gallon vice the 2011 actual price per gallon.
Technical Input	1780.4	Began using a Triton parts list with reliability and pricing predictions to estimate Aviation Depot Level Repairable vice component analogies.
Other	0.0	
Total Changes	3744.1	
Current Estimate	11282.4	

Disposal Estimate Details

Date of Estimate: April 09, 2014
Source of Estimate: SCP
Disposal/Demilitarization Total Cost (BY 2008 \$M): Total costs for disposal of all Aircraft are 15.6

Disposal of attrition aircraft is included in the Disposal estimate.