

UNCLASSIFIED

FY 2008/2009 RDT&E,N BUDGET ITEM JUSTIFICATION SHEET
Exhibit R-2

DATE: February 2007

BUDGET ACTIVITY: 06
PROGRAM ELEMENT: 0605154N
PROGRAM ELEMENT TITLE: CENTER FOR NAVAL ANALYSES

COST: (Dollars in Thousands)

Project Number & Title	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Total PE	46,798	47,439	49,360	45,867	47,609	48,407	48,971	49,590
0031 MARINE CORPS OPERATIONS ANALYSIS GROUP (MCOAG)	6,188	7,041	7,845	7,927	8,055	8,135	8,313	8,544
0148 CENTER FOR NAVAL ANALYSES, NAVY	40,610	40,398	41,515	37,940	39,554	40,272	40,658	41,046

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: The Center for Naval Analyses (CNA) is the Department of the Navy's (DoN) only Federally Funded Research and Development Center (FFRDC). CNA provides independent, objective, and expert analyses based on its unique access to sensitive data and hands-on exposure to fleet operations gained through its world-wide field program. CNA's research program is centrally funded by this program element and is primarily concentrated along one Marine Corps category and twelve Navy categories of study called product areas. These product areas are structured to enhance CNA's focus of research and analysis upon the major present and future needs and issues of the Navy and the Marine Corps. Because of rapid advances in technology, changes in the fleet, the increasing complexity of weapon systems, and reductions in manpower, force structure, budgets, the current security environment, and Department of Defense (DoD) transformation, the Navy and Marine Corps have a greater need for analyses that are sophisticated, relevant, and timely. CNA is highly qualified to meet that need.

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B. PROGRAM CHANGE SUMMARY:

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
FY 2007 President's Budget Submission	48,024	48,900	50,056	51,057
Congressional Adjustment	43	-1,461	0	0
Execution Adjustments	-565	0	0	0
Functional Realignment for OPNAV Program Support Costs	-704	0	0	0
Program Adjustments	0	0	-215	-3,728
Program Realignment	0	0	-481	-1,462
FY 2008/FY 2009 President's Budget Submission	46,798	47,439	49,360	45,867

PROGRAM CHANGE SUMMARY EXPLANATION:

Technical: Not applicable.

Schedule: Not applicable.

C. OTHER PROGRAM FUNDING SUMMARY:

Not applicable.

D. ACQUISITION STRATEGY:

E. PERFORMANCE METRICS:

The CNA is reviewed throughout the research year on several different levels to ensure that research produced is not duplicated elsewhere. The primary (and most effective) method of review for duplication is the Contracting Officer's Technical Representative (COTR) review and approval of each and every project proposal submitted by CNA. This method is highly effective in providing the necessary oversight to ensure that duplication of effort does not occur. The Marine Corps Studies System (MCSS) maintains a comprehensive listing of all CNA studies performed for the USMC. The MCSS ensures there are no duplicate analytical efforts within the USMC. Additionally, the Studies and Analysis Division of Marine Corps Combat Development Command (MCCDC) provides analytical review of all CNA products for the USMC and integrates the results and recommendations into a quarterly newsletter and an annual plan for research and analysis. Other evaluation processes are as follows:

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- A) DoN Contract Status Meetings - As part of the CNA oversight process, the ONR Contracting Officer chairs a monthly meeting with the COTR, the USMC, and members of the CNA Business Support Group to provide guidance regarding contract management. Issues range from reviewing the Defense Technical Information Center (DTIC) database requirements to emphasize the contractual requirement that all ongoing research be submitted to DTIC to ensure against duplication to reviewing CNA's cost effectiveness and efficiency.
- B) Award Fee Evaluation Process - As required by CNA's contract with DoN, CNA is evaluated on a semi-annual basis by the government throughout the entire five-year performance period of Contract N00014-05-D-0500. Over 200 sponsors of CNA deliverables provide input regarding CNA's value to their respective organizations. CNA's support to DoN leadership and management, their timeliness and quality of research, as well as their cost effectiveness and efficiency are evaluated. CNA's overall performance rating is the primary basis for determining the amount, if any, of the available award fee earned by CNA.
- C) Two-Star Flag Officers and VCNO Corporate Board Meetings. DoN Two- and Three-Star Flag officers and their equivalent civilian counterparts meet several times a year to review the current fiscal year's research and provide guidance to CNA regarding their future research for DoN. These high-level meetings are essential to provide CNA with DoN's guidance to ensure that the research conducted is of the greatest value to DoN. The meetings also serve as the catalyst for the formation of the CNA Annual Plan, CNA's roadmap for research during the upcoming fiscal year. The CNA Annual Plan is then submitted to the VCNO Corporate Board for their final review and acceptance.
- D) CNA Comprehensive Review - Prior to contract renewal, CNA, as a FFRDC, must be evaluated to ensure that the DoN wants to renew their contract for an additional five-years. DoN recently completed an exhaustive review of sponsors' technical needs and mission requirements; DoN's consideration of alternative sources; CNA's efficiency and effectiveness; CNA's management and cost effectiveness, as well as the establishment criteria and sponsorship agreement. The CNA Comprehensive Review was approved by ASN (RDA) and accepted by OSD (AT&L).

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DATE: February 2007

BUDGET ACTIVITY: 06
 PROGRAM ELEMENT: 0605154N PROGRAM ELEMENT TITLE: CENTER FOR NAVAL ANALYSES
 PROJECT NUMBER: 0031 PROJECT TITLE: MARINE CORPS OPERATIONS ANALYSIS GROUP (MCOAG)

COST: (Dollars in Thousands)

Project Number & Title	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
0031 MARINE CORPS OPERATIONS ANALYSIS GROUP (MCOAG)	6,188	7,041	7,845	7,927	8,055	8,135	8,313	8,544

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: This project supports the Marine Corps portion of the DoN CNA Research Program, and is managed as an element of the Marine Corps Studies System. This program provides the Marine Corps with independent and objective research and analysis of specific issues/topics appropriately performed by a FFRDC. As a result of the findings and recommendations of the Fiscal Year 1997 Defense Science Board, the Marine Corps refocused the type of support CNA provides. The CNA maintains a varied number of field representatives for the Operational Forces Commanders and eight (8) program areas for CNA to establish and maintain. The program areas are linked to the Marine Corps Advocacy (prepotency), which are: (1) Policy and Operations; (2) Systems and Tactics; (3) Research, Development and Acquisition; (4) Infrastructure and Readiness; (5) Manpower, Medical and Training; (6) Resources, Planning and Assessments; (7) Capabilities, Force Structure and Systems and (8) Intelligence, Surveillance and Reconnaissance. Scientific Analyst support provides six scientific analysts for the following six focus areas: Deputy Commandant (DC), Plans, Policies and Operations; DC Aviation; DC Installation and Logistics; DC Programs and Resources; DC Manpower Reserve Affairs; and Director, Manpower Plans (MP) - Manpower and Reserve Affairs (M&RA). The program continues analytical support for field exercises, Ad Hoc and Quick Response study requirements.

B. ACCOMPLISHMENTS/PLANNED PROGRAM:

	FY 2006	FY 2007	FY 2008	FY 2009
MARINE CORPS OPERATIONS AND ANALYSIS GROUP	6,188	7,041	7,845	7,927

FY 2006 Accomplishments:

- Initiated and completed the following efforts from the FY06 Marine Corps Studies System Master Plan (MCSSMP): Military-Civilian Billet Conversion/Appropriate Ratio, Marine Logistics Group (MLG) Standardization and Analysis, Marine Forces North (MARFORNORTH) Roles, Missions and Organizations, Adapting Roles for Future

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PROGRAM ELEMENT TITLE: CENTER FOR NAVAL ANALYSES

PROJECT NUMBER: 0031

PROJECT TITLE: MARINE CORPS OPERATIONS ANALYSIS GROUP (MCOAG)

Marine Expeditionary Units (MEU), Effect of Operational Tempo on Reserve Retention and Marine Forces North (MFN) Roles and Missions.

- Completed the following efforts: (1) USMC in Global War on Terrorism (GWOT)/Distribution Operation, (2) Review of Officer Manpower System and (3) Medical and Dental Manpower Requirements.
- Provided six scientific analysts for direct analytical support to Marine Corps Headquarters staff elements: Deputy Commandant Marine Corps (DCMC) Plans, Policies, and Operations; DCMC Installations and Logistics; DCMC Manpower and Reserve Affairs; DCMC Aviation; DCMC Programs and Resources and Commanding General (CG), Marine Corps Combat Development Command.
- Provided six Field Representatives for direct analytical support to the Commander Marine Forces Pacific (COMMARFORPAC), Commander Marine Forces Atlantic (COMMARFORLANT), Commanding General I Marine Expeditionary Force (CG I MEF), Commanding General II Marine Corps Expeditionary Force (CG II MEF), Commanding General III Marine Expeditionary Force (CG III MEF), and Commanding General, Marine Air Weapons Training Squadron (MAWTS).
- Provided analysis support to operating forces exercises, ad hoc support for immediate analytical requirements, and other support functions which included: general concept development, quick response studies, CNA self-initiated analysis efforts, administrative support, liaison, travel, and contract award fee.

FY 2007 Plans:

- Provide formal study and analysis support to the operating forces and headquarters elements included in the annual MCSSMP.
- Initiate the following study and analysis projects approved in FY07 MCSSMP: Stress on the Force - Assistant Commandant of the Marine Corps (ACMC), Headquarters Alignment (ACMC), USMC Force Posture in the Pacific (ADMC), Seabasing (ACMC), Functional Overlap - Marine Forces (MARFORs), Marine Expeditionary Forces (MEFs), and Military Sealift Commands (MSCs), Marine Expeditionary Unit/Marine Special Operations Capable (MEU/MSOC) Interoperability, Analysis of Career Paths for Special Ops Marines, Analysis of Entry Level Training, Marine Air Ground Task Force (MAGTF) Electronic Warfare Requirements, Distributed Operations (DO) Implementation Analysis, and Next Generation Enterprise Network/Navy Marine Corps Intranet (NGEN/NMCI) Follow on Requirements.
- Continue all efforts of FY06 less those noted as completed above.

FY 2008 Plans:

- Initiate high priority study and analysis projects approved in FY08 MCSSMP.
- Continue all efforts of FY07 less those noted as complete above.

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PROJECT NUMBER: 0031

PROGRAM ELEMENT TITLE: CENTER FOR NAVAL ANALYSES

PROJECT TITLE: MARINE CORPS OPERATIONS ANALYSIS GROUP (MCOAG)

FY 2009 Plans:

- Initiate high priority study and analysis projects approved in FY09 MCSSMP.
- Continue all efforts of FY08 less those noted as complete above.

C. OTHER PROGRAM FUNDING SUMMARY:

NAVY RELATED RDT&E:

PE 0605873M (Marine Corps Program Wide Support)

D. ACQUISITION STRATEGY:

Not applicable.

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PROGRAM ELEMENT: 0605154N

PROGRAM ELEMENT TITLE: CENTER FOR NAVAL ANALYSES

PROJECT NUMBER: 0148

PROJECT TITLE: CENTER FOR NAVAL ANALYSES, NAVY

Project Number & Title	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
0148 CENTER FOR NAVAL ANALYSES, NAVY	40,610	40,398	41,515	37,940	39,554	40,272	40,658	41,046

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: This project supports the Navy's portion of the CNA Research Program, which is primarily concentrated along twelve Navy categories of study called product areas. These product areas include the following: 1) Policy and Operations; 2) Resources, Planning, and Assessments; 3) Research, Development, and Acquisition; 4) Infrastructure and Readiness; 5) Manpower, Medical, and Training; 6) Systems and Tactics; 7) Capabilities, Force Structure, and Systems; 8) Intelligence, Surveillance, and Reconnaissance; 9) Navy Field Program; 10) Navy Scientific Analyst Program; 11) Navy Quick Response Projects; and (12) CNA Initiated Projects. CNA's analyses have resulted in substantial improvements in force structure, fleet effectiveness, and significant cost avoidance.

B. ACCOMPLISHMENTS/PLANNED PROGRAM:

	FY 2006	FY 2007	FY 2008	FY 2009
CENTER FOR NAVAL ANALYSES, NAVY	40,610	40,398	41,515	37,940

FY 2006 Accomplishments:

- Continued to address issues of major importance to Navy leadership in the above research areas. CNA's Research Program will be continually updated to support the Navy efficiently and effectively. Support for the CNA field program, which assigns analysts to thirty four locations around the world, including at sea, will continue to comprise approximately 20% of the funding.

FY 2007 Plans:

- Continue all efforts of FY 2006.

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BUDGET ACTIVITY: 06

PROGRAM ELEMENT: 0605154N

PROJECT NUMBER: 0148

PROGRAM ELEMENT TITLE: CENTER FOR NAVAL ANALYSES

PROJECT TITLE: CENTER FOR NAVAL ANALYSES, NAVY

FY 2008 Plans:

- Continue all efforts of FY 2007.

FY 2009 Plans:

- Continue all efforts of FY 2008.

C. OTHER PROGRAM FUNDING SUMMARY:

NAVY RELATED RDT&E:

PE 0605152N (Studies and Analysis Support-Navy)

D. ACQUISITION STRATEGY:

Not applicable.