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FY 2007 RDT&E,N BUDGET ITEM JUSTIFICATION SHEET
Exhibit R-2

DATE: Feb 2006

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

COST: (Dollars in Thousands)

Project Number & Title	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate
Total PE	42,336	48,024	48,900	50,056	51,057	52,144	53,264
0031 MARINE CORPS OPERATIONS AND ANALYSIS GROUP (MCOAG)							
	3,877	6,746	7,633	7,796	7,866	7,991	8,079
0148 CENTER FOR NAVAL ANALYSES, NAVY							
	38,459	41,278	41,267	42,260	43,191	44,153	45,185

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 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
FY 2006 President's Budget Submission	42,280	49,891	51,524
Congressional Undistributed Reductions/Rescissions	-33	-1,867	0
Execution Adjustments	80	0	0
Functional Realignment for OPNAV Program Support Costs	0	0	-718
Program Adjustments	9	0	-2,543
Rate Adjustments	0	0	637
FY 2007 President's Budget Submission	42,336	48,024	48,900

PROGRAM CHANGE SUMMARY EXPLANATION:

Technical: Not applicable.

Schedule: Not applicable.

C. OTHER PROGRAM FUNDING SUMMARY:

Not applicable.

D. ACQUISITION STRATEGY:

Not applicable.

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

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recommendations into a quarterly newsletter and an annual plan for research and analysis. Other evaluation processes are as follows:

- 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 N00014-00-D-0700. 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) Annual Two- and Three-Star Board of Directors (BoD) 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 Two- and Three-Star BoD members 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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PROGRAM ELEMENT: 0605154N

PROJECT NUMBER: 0031

PROGRAM ELEMENT TITLE: CENTER FOR NAVAL ANALYSES

PROJECT TITLE: MARINE CORPS OPERATIONS AND ANALYSIS GROUP (MCOAG)

COST: (Dollars in Thousands)

Project Number & Title	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate
0031 MARINE CORPS OPERATIONS AND ANALYSIS GROUP (MCOAG)	3,877	6,746	7,633	7,796	7,866	7,991	8,079

A. MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: This project supports the Marine Corps portion of the DoN CNA Research Program. It 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 number of field representatives for the Operational Forces Commanders and five specific areas of expertise for CNA to establish and maintain. The areas of expertise are linked to the Marine Corps Advocacy (proponency), which are the (1) Command Element, (2) Operations, (3) Aviation, (4) Integration and Logistics, and (5) Manpower. Scientific analyst support provides five scientific analysts, one for each of the five focus areas. The program continues analytical support for field exercises, ad hoc, and quick response requirements.

B. ACCOMPLISHMENTS/PLANNED PROGRAM:

	FY 2005	FY 2006	FY 2007
MARINE CORPS OPERATIONS AND ANALYSIS GROUP	3,877	6,746	7,633

FY 2005 Accomplishments:

- Provided formal study and analysis support to the operating forces and headquarters elements included in the annual Marine Corps Studies System Master Plan (MCSSMP).
- Continued the following efforts from the FY04 MCSSMP: Armed Forces Vocational Aptitude Battery (ASVAB) Validation and Marine Corps Prepositioning in 2025 studies.
- Initiated the following efforts from the FY05 MCSSMP: USMC in Global War on Terrorism (GWOT)/Distributed Operations, Review of Officer Manpower System, Medical & Dental Manpower Requirements, Military-Civilian Billet Conversion/Appropriate Ratio, Reserve Retention/Attrition Analysis, Implications of Fleet Response

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Program.

- Provided five 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; and DCMC Programs and Resources.
- 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 include: general concept development, quick response studies, CNA self-initiated analysis efforts, administrative support, liaison, travel, and contract award fee.

FY 2006 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 FY06 MCSSMP: Prepositioning Armored Equipment aboard Maritime Prepositioning Ships (MPS) and in geo-prepositioning sites, Marine Air Ground Task Force (MAGTF) Logistics Command and Control - Gap Analysis of Blue/Green Integrated Command and Control (C2), Adapting Roles for Future Marine Expeditionary Units (MEU), Counter Insurgency/Global War on Terrorism (GWOT) Training Gaps and Adjusting Training in Light of the Global War on Terrorism, Effect of Operational Tempo on Reserve Retention, Force Service Support Groups (FSSG) Standardization and Analysis, Manpower Policy in Support of Distributed Operations (DO), Marine Corps Posture for Homeland Defense and Marine Forces North (MFN) Roles and Missions), Military/Civilian Conversions Study, USMC Manpower Performance Indicators, and the USMC Prepositioning in 2025 and Maritime Prepositioning Force (MPF) Attainment and Norwegian Support for Surge Maintenance) Studies.
- Continue and complete the following efforts from the FY05 MCSSMP: USMC in Global War on Terrorism (GWOT)/Distributed Operations, Review of Officer Manpower System, Medical & Dental Manpower Requirements, Military-Civilian Billet Conversion/Appropriate Ratio, Reserve Retention/Attrition Analysis, Implications of Fleet Response Program and Marine Corps Prepositioning in 2025 studies.
- Provide six scientific analysts for direct analytical support to Marine Corps Headquarters staff elements: DCMC Plans, Policies, and Operations; DCMC Installations and Logistics; DCMC Manpower and Reserve Affairs; DCMC Aviation; DCMC Programs and Resources, and Commanding General, Marine Corps Combat Development Command.
- Provide six Field Representatives for direct analytical support to the Commander Marine Forces Pacific

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PROJECT NUMBER: 0031

PROGRAM ELEMENT TITLE: CENTER FOR NAVAL ANALYSES

PROJECT TITLE: MARINE CORPS OPERATIONS AND ANALYSIS GROUP (MCOAG)

(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).

- Provide analysis support to operating forces exercises, ad hoc support for immediate analytical requirements, and other support functions which include: 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 high priority study and analysis projects approved in FY07 MCSSMP.
- Provide six scientific analysts for direct analytical support to Marine Corps Headquarters staff elements: DCMC Plans, Policies, and Operations; DCMC Installations and Logistics; DCMC Manpower and Reserve Affairs; DCMC Aviation; DCMC Programs and Resources and CG, Marine Corps Combat Development Command.
- Provide 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).
- Provide analysis support to operating forces exercises, ad hoc support for immediate analytical requirements, and other support functions which include: general concept development, quick response studies, CNA self-initiated analysis efforts, administrative support, liaison, travel, and contract award fee.

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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BUDGET ACTIVITY: 06

PROGRAM ELEMENT: 0605154N

PROJECT NUMBER: 0148

PROGRAM ELEMENT TITLE: CENTER FOR NAVAL ANALYSES

PROJECT TITLE: CENTER FOR NAVAL ANALYSES, NAVY

Project Number & Title	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate
0148 CENTER FOR NAVAL ANALYSES, NAVY	38,459	41,278	41,267	42,260	43,191	44,153	45,185

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 2005	FY 2006	FY 2007
CENTER FOR NAVAL ANALYSES, NAVY	38,459	41,278	41,267

FY 2005 Accomplishments:

- Continued to address issues of major importance to Navy leadership in the above research areas. CNA's Research Program was 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, continued to comprise approximately 20% of the funding.
- During the reporting period, CNA undertook many essential taskings of the highest priority to the nation. CNA provided analytic support to Operation Iraqi Freedom (OIF), Hurricane Katrina relief analyses, tsunami relief efforts, Sea Strike, Sea Shield, Sea Basing, FORCEnet, Force Structure, and rapid-response analyses. CNA provides analysis that is non-partisan, focused, and free of conflict of interest.

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DATE: Feb 2006

BUDGET ACTIVITY: 06

PROGRAM ELEMENT: 0605154N

PROJECT NUMBER: 0148

PROGRAM ELEMENT TITLE: CENTER FOR NAVAL ANALYSES

PROJECT TITLE: CENTER FOR NAVAL ANALYSES, NAVY

FY 2006 Plans:

- Continue 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 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.

C. OTHER PROGRAM FUNDING SUMMARY:

NAVY RELATED RDT&E:

PE 0605152N (Studies and Analysis Support-Navy)

D. ACQUISITION STRATEGY:

Not applicable.