Exhibit R-2, RDT&E Budget Item Justification: PB 2011 Navy	DATE: February 2010

APPROPRIATION/BUDGET ACTIVITY 1319: Research, Development, Test & Evaluation, Navy BA 5: Development & Demonstration (SDD)	R-1 ITEM NOMENCLATURE PE 0604761N: Intelligence Engineering

COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
Total Program Element	23.705	14.378	6.820	0.000	6.820	7.262	7.266	7.416	7.561	Continuing	Continuing
3103: Intelligence Engineering	23.705	14.378	6.820	0.000	6.820	7.262	7.266	7.416	7.561	Continuing	Continuing

A. Mission Description and Budget Item Justification

This PE encompasses the Navy Foreign Materiel Program (FMP) and the Advanced Maritime Analysis Center (AMAC). The funding for the Maritime Domain Awareness (MDA) program ended in FY09. The FMP provides high leverage cost benefit through acquisition of foreign manufactured equipment with military application and potential military application and the subsequent exploitation of that materiel for potential vulnerabilities and countermeasures. Advanced Maritime Analysis Center (AMAC) fosters continual improvements in the quality of naval intelligence analysis by identifying and developing analytic best practices with respect to methods and tools, facilitating their implementation throughout ONI's analytic workforce, and introducing them to other naval intelligence entities

B. Program Change Summary ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Previous President's Budget	13.706	14.438	0.000	0.000	0.000
Current President's Budget	23.705	14.378	6.820	0.000	6.820
Total Adjustments	9.999	-0.060	6.820	0.000	6.820
• Congressional General Reductions		-0.060			
• Congressional Directed Reductions		0.000			
• Congressional Rescissions	0.000	0.000			
• Congressional Adds		0.000			
• Congressional Directed Transfers		0.000			
• Reprogrammings	9.999	0.000			
• SBIR/STTR Transfer	0.000	0.000			
• Program Adjustments	0.000	0.000	6.820	0.000	6.820

Change Summary Explanation

FY09 delta is an add from a Below Threshhold Reprogramming (BTR) action in the amount of $999K to continue work in three specific Spiral 1 areas in support of MDA and a $9000K increase from a coordinated effort between DUSN & FMB for BLUEWATER withhold.

Exhibit R-2, RDT&E Budget Item Justification: PB 2011 Navy		**DATE:** February 2010
APPROPRIATION/BUDGET ACTIVITY 1319: *Research, Development, Test & Evaluation, Navy* BA 5: *Development & Demonstration (SDD)*	**R-1 ITEM NOMENCLATURE** PE 0604761N: *Intelligence Engineering*	

Schedule: Not applicable.

FY11 from previous President's Budget is shown as zero because no FY11-15 data was presented in President's Budget 2010.

Navy

Exhibit R-2A, RDT&E Project Justification: PB 2011 Navy		DATE: February 2010

APPROPRIATION/BUDGET ACTIVITY 1319: *Research, Development, Test & Evaluation, Navy* BA 5: *Development & Demonstration (SDD)*	R-1 ITEM NOMENCLATURE PE 0604761N: *Intelligence Engineering*	PROJECT 3103: *Intelligence Engineering*

COST ($ in Millions)	FY 2009 Actual	FY 2010 Estimate	FY 2011 Base Estimate	FY 2011 OCO Estimate	FY 2011 Total Estimate	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	Cost To Complete	Total Cost
3103: *Intelligence Engineering*	23.705	14.378	6.820	0.000	6.820	7.262	7.266	7.416	7.561	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		

A. Mission Description and Budget Item Justification

The FMP provides high leverage cost benefit through acquisition of foreign manufactured equipment with military application and potential military application and the subsequent exploitation of that materiel for potential vulnerabilities and countermeasures. The AMAC's objective is to integrate cutting edge technology and tradecraft into Naval Intelligence collection and analytic processes, leveraging to the maximum extent possible, National Intelligence capabilities to satisfy requirements across the Navy and advance Navy Information Dominance.

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Intelligence Engineering	23.705	14.378	6.820	0.000	6.820

FY 2009 Accomplishments:
  Foreign Materiel Explotiation
  Foreign Materiel Acquisition
  Maritime Domain Awareness, IT enterprise Hardware and software
 	
FY 2010 Plans:
  Foreign Materiel Acquisition
  OUSDI Higher Priority Program
  (This OUSDI funding will be functionally transferred out of this project during 2nd QTR FY10.)
 	
FY 2011 Base Plans:
  Foreign Materiel Exploitation
  Foreign Materiel Acquisition					

Navy

Exhibit R-2A, **RDT&E Project Justification:** PB 2011 Navy		**DATE:** February 2010
APPROPRIATION/BUDGET ACTIVITY 1319: *Research, Development, Test & Evaluation, Navy* BA 5: *Development & Demonstration (SDD)*	**R-1 ITEM NOMENCLATURE** PE 0604761N: *Intelligence Engineering*	**PROJECT** 3103: *Intelligence Engineering*

B. Accomplishments/Planned Program ($ in Millions)

	FY 2009	FY 2010	FY 2011 Base	FY 2011 OCO	FY 2011 Total
Analytic Tools Testing & Evaluation					
Accomplishments/Planned Programs Subtotals	23.705	14.378	6.820	0.000	6.820

C. Other Program Funding Summary ($ in Millions)
  N/A

D. Acquisition Strategy
  The FMP program combines operational, intelligence and RDT&E requirements into a prioritized list used to identify which acquisition opportunities will obtain priority for funding. The limited N2/N6 FMP funding line is then used to leverage additional funding from OSD in order to fulfill full costs of acquisitions. After acquisition approval the FMP utilizes a Navy contracting office to write and execute the contract. AMAC leverages relevant intelligence community efforts and in collaboration with ONI Staff, stakeholders and external entities, the Innovation Office shall foster continual improvement in the quality of naval intelligence analysis by identifying, developing and testing advanced information technology solutions, tools, and tradecraft and facilitate implementation throughout ONI's analytic workforce. Hardware and software procurements are based on ONI Command requirements and in accordance with established CIO policy and the HOPPER Information Technology requirement process.

E. Performance Metrics
  Details held at a higher classification level.