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Exhibit R-2, RDT&E Budget Item Justification: PB 2013 Navy	DATE: February 2012
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APPROPRIATION/BUDGET ACTIVITY				R-1 ITEM NOMENCLATURE							
1319: <i>Research, Development, Test & Evaluation, Navy</i> BA 6: <i>RDT&E Management Support</i>				PE 0605154N: <i>Center For Naval Analyses</i>							
COST (\$ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost
Total Program Element	45.582	42.751	46.856	-	46.856	47.655	48.816	48.894	49.822	Continuing	Continuing
0031: <i>MCOAG</i>	7.005	7.172	6.105	-	6.105	6.221	6.338	6.458	6.579	Continuing	Continuing
0148: <i>Center For Naval Analyses (CNA)</i>	38.577	35.579	40.751	-	40.751	41.434	42.478	42.436	43.243	Continuing	Continuing

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 thirteen 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.

B. Program Change Summary (\$ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total
Previous President's Budget	49.165	47.127	49.364	-	49.364
Current President's Budget	45.582	42.751	46.856	-	46.856
Total Adjustments	-3.583	-4.376	-2.508	-	-2.508
• Congressional General Reductions	-	-4.376			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-0.032	-			
• SBIR/STTR Transfer	-0.202	-			
• Program Adjustments	-	-	-2.508	-	-2.508
• Congressional General Reductions	-3.349	-	-	-	-
Adjustments					

Change Summary Explanation

Technical: N/A

Schedule: N/A

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Exhibit R-2A, RDT&E Project Justification: PB 2013 Navy								DATE: February 2012			
APPROPRIATION/BUDGET ACTIVITY 1319: Research, Development, Test & Evaluation, Navy BA 6: RDT&E Management Support				R-1 ITEM NOMENCLATURE PE 0605154N: Center For Naval Analyses				PROJECT 0031: MCOAG			
COST (\$ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost
0031: MCOAG	7.005	7.172	6.105	-	6.105	6.221	6.338	6.458	6.579	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		
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 Programs (\$ in Millions, Article Quantities in Each)								FY 2011	FY 2012	FY 2013	
Title: MARINE CORPS OPERATIONS AND ANALYSIS GROUP								7.005	7.172	6.105	
Articles:								1	1	1	
Description: FY13 funding decrease is due to programmatic realignments to other Navy priorities.											
FY 2011 Accomplishments:											
- Continued the following efforts from the FY10 Marine Corps Studies System Master Plan (MCSSMP): Setting and Building a Balanced Force; Marine Air Ground Task Force (MAGTF) Combat Airspace Management and Training; Ground Force Training Utilizing M&S; Amphibious Warfare Capability; MCTAG Development Analysis; Combat Airspace and Integration in Support of the MAGTF; Operationalizing Measures of Time to Train.											
- Provided formal study and analysis support to the operating forces and headquarters elements included in the annual MCSSMP.											
- Scientific analysts for direct analytical support to Marine Corps Headquarters staff elements: ACMC; DCMC Plans, Policies, and Operations; DCMC Installations and Logistics; DCMC Manpower and Reserve Affairs (x2); DCMC Aviation; and DCMC Programs and Resources, CD&I, TECOM, MARFORRES, AND RA.											
- 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).											

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APPROPRIATION/BUDGET ACTIVITY 1319: <i>Research, Development, Test & Evaluation, Navy</i> BA 6: <i>RDT&E Management Support</i>	R-1 ITEM NOMENCLATURE PE 0605154N: <i>Center For Naval Analyses</i>	PROJECT 0031: <i>MCOAG</i>	
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)		FY 2011	FY 2012
<ul style="list-style-type: none"> - 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. - Initiated high priority study and analysis projects approved in FY11 MCSSMP. <p>FY 2012 Plans:</p> <ul style="list-style-type: none"> - Continue all efforts of FY11. - Initiate high priority study and analysis projects approved in FY12 MCSSMP. <p>FY 2013 Plans:</p> <ul style="list-style-type: none"> - Continue all efforts of FY12. - Initiate high priority study and analysis projects approved in FY13 MCSSMP. 			
Accomplishments/Planned Programs Subtotals		7.005	7.172
C. Other Program Funding Summary (\$ in Millions) N/A			
D. Acquisition Strategy N/A			
E. Performance Metrics <p>The Marine Corps' portion of the CNA program is executed via the Marine Corps Studies System (MCSS) Annual Plan which is reviewed and updated on a quarterly basis. The MCSS maintains a comprehensive listing of all CNA studies performed for the Marine Corps. The MCSS ensures there are no duplicate analytical efforts within the Marine Corps. Additionally, the Operations Analysis Division of Marine Corps Combat Development Command (MCCDC) provides analytical review of all CNA products for the Marine Corps and integrates the results and recommendations into a quarterly newsletter for research and analysis. Other evaluation processes are as follows:</p> <p>A) Contract Status Meetings: The Marine Corps participates in the DoN Contract Status Meetings. As part of the CNA oversight process, the Contracting Officer chairs a monthly meeting with the COTR, the Marine Corps, 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.</p> <p>B) Award Fee Evaluation Process: As required by CNA's contract with DoN, the Marine Corps participates in the CNA evaluation on a semi-annual basis throughout the entire five year performance period of Contract N00014-05-D-0500. Over 28 Marine Corps sponsors of CNA deliverables provide input regarding CNA's value to their respective organizations. Evaluations cover CNA's support to Marine Corps leadership and management, timeliness and quality of research, as well as cost effectiveness and efficiency. The Marine Corps' evaluation contributes to CNA's overall performance rating that is the primary basis for determining the amount, if any, of the available award fee earned by CNA.</p>			

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APPROPRIATION/BUDGET ACTIVITY 1319: <i>Research, Development, Test & Evaluation, Navy</i> BA 6: <i>RDT&E Management Support</i>	R-1 ITEM NOMENCLATURE PE 0605154N: <i>Center For Naval Analyses</i>	PROJECT 0031: <i>MCOAG</i>
<p>C) Marine Corps Three-Star Flag Officer Review: The Commanding General, Marine Corps Combat Development Command (MCCDC) and the Director, Operations Analysis Division meet several times per month to review the current fiscal year's research program and provide guidance to CNA regarding their future research requirements for the Marine Corps. These high level meetings are essential to provide CNA with Marine Corps' guidance to ensure that the research conducted is of the greatest value to the Marine Corps. The meetings also serve as the roadmap for research during the upcoming fiscal year. The Marine Corps' research plan is consolidated with the DoN's Annual Plan that is submitted to the Deputy Chief of Naval Operations for Integration of Capabilities and Resources (N8) for final review and acceptance.</p> <p>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. The Marine Corps conducts a comprehensive review of sponsors' technical needs and mission requirements, consideration of alternative sources, efficiency and effectiveness, and management and cost effectiveness that contributes to DoN's establishment of criteria and sponsorship agreement.</p>		

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APPROPRIATION/BUDGET ACTIVITY 1319: Research, Development, Test & Evaluation, Navy BA 6: RDT&E Management Support				R-1 ITEM NOMENCLATURE PE 0605154N: Center For Naval Analyses				PROJECT 0148: Center For Naval Analyses (CNA)			
COST (\$ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost
0148: Center For Naval Analyses (CNA)	38.577	35.579	40.751	-	40.751	41.434	42.478	42.436	43.243	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		

A. Mission Description and Budget Item Justification

This program supports the Navy's portion of the CNA Research Program, which is primarily concentrated along eleven Navy categories of study called product areas. These product areas include the following: 1) Manpower/Personnel, Medical and Training; 2) Intelligence, Information and Networks; 3) Plans, Policy, and Operations; 4) Infrastructure and Readiness; 5) Resources, Programs, and Assessments; 6) Capability Integration; 7) Research, Development and Acquisition; 8) Navy Field Program; 9) Scientific Analyst Program; 10) Navy Quick Response Projects; and 11) CNA Initiated Projects. CNA's analyses have resulted in substantial improvements in force structure, fleet effectiveness, and significant cost avoidance.

B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)

	FY 2011	FY 2012	FY 2013
Title: CENTER FOR NAVAL ANALYSES, NAVY	38.577	35.579	40.751
Articles:	0	0	0
Description: FY13 funding reflects increase in Navy Priorities.			
FY 2011 Accomplishments: CNA continued to provide the Navy with exemplary, high caliber research during the reporting period. Issues of major importance to Navy leadership were addressed during the Annual Plan process which is reviewed annually to ensure CNA's research is addressing the Navy's most critical topics. Research of highest priority included: Analysis of Guam total force employment; developing a network (Cyber) common operational picture; countering anti-access strategies; reducing shore infrastructure cost; rotorcraft mission roles and responsibilities in 2030 and beyond; mine clearance in support of Homeland Security; and Navy installation energy strategy. In addition, CNA's field program, providing analysts to Navy commands around the world, as well as their Washington-based scientific analyst program, provided Navy leadership with on-site, cutting edge analyses.			
FY 2012 Plans: - Continue all efforts of FY11.			
FY 2013 Plans: - Continue all efforts of FY12.			
Accomplishments/Planned Programs Subtotals	38.577	35.579	40.751

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C. Other Program Funding Summary (\$ in Millions) N/A		
D. Acquisition Strategy N/A		
E. Performance Metrics <p>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 that there are no duplicate analytical efforts within the USMC. Additionally, the Studies and Analysis Division of the 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: 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 the CNA Business Support Group to provide guidance regarding contract management. B) Two-Star Flag Officers and VCNO Corporate Board Meetings: DoN Two-Star 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 VCNO/N8 for final review and acceptance. C) CNA Comprehensive Review: Prior to contract renewal, CNA, as an FFRDC, must be evaluated to ensure that the DoN wants to renew CNA's contract for an additional five year period. DoN completes an exhaustive review of sponsors' technical needs and mission requirements; DoN's consideration of other sources; CNA's efficiency and effectiveness; CNA's management and cost effectiveness; as well as the FFRDC establishment criteria and sponsorship agreement. The CNA Comprehensive Review is approved by ASN (RDA) and accepted by OSD (AT&L).</p>		