

## Recent Developments in Defense Technology – Restructuring of Acquisition Directorate and Key Nominations

On February 1, 2018, the Department of Defense (DoD) formally disestablished the office of Undersecretary of Defense for Acquisition, Technology & Logistics (USD-ATL) and will begin a four-month effort to reorganize its acquisition directorate, as required under recent reform legislation. This reorganization is intended to help the U.S. maintain its technological advantage over future adversaries by, among other things, separating the DoD's management and sustainment of weapon systems from research and engineering activities.

Also, in furtherance of this effort, a few days ago the Senate Armed Services Committee (SASC) reported-out President Trump's nominees to serve as Assistant Secretary of the Air Force for Acquisitions Will Roper and Undersecretary of Defense for Research & Engineering Michael Griffin. As the former head of the Strategic Capability Office, Mr. Roper and, as former NASA Administrator and head of In-Q-tel, Mr. Griffin will both be major players in the DoD continuing efforts to improve its ability to access and leverage emerging, commercially-developed dual-use technologies. They would fill-out a team already comprised of Undersecretary of Defense for Acquisition and Sustainment Ellen Lord (supported by former SASC professional staff member and CNAS technologist Ben Fitzgerald, now serving as Director, Office of Strategic Planning & Design) and Assistant Secretary of the Navy for Research, Development and Acquisition Jim "Hondo" Geurts.

Mr. Roper's and Mr. Griffin's testimonies before the Senate Armed Services Committee during their recent confirmation hearings were strong on the need to leverage the commercial marketplace—and, in particular, non-traditional commercial suppliers to the Pentagon—as sources of innovative technologies that can be applied militarily to address operational gaps. Also, depending on how Deputy Secretary of Defense Patrick Shanahan decides who should own the military space portfolio, either could serve as Secretary Jim Mattis' principal defense space advisor (PDSA). With both nominees on the Senate's executive calendar and no apparent holds by any Members, confirmation should occur soon.

This would just about wrap-up the team that will be implementing the congressionally-mandated reforms described above.

Against this backdrop, the Vice Chairman of the Joint Chiefs of Staff Air Force Gen. Paul Selva reportedly observed recently that, inasmuch as the U.S. has not invested as heavily as Russia and China in hypersonic weapons and has fallen behind on the ultra-maneuverable future munitions, "We have lost our technical advantage in hypersonics." <https://www.politicopro.com/defense/whiteboard/2018/01/selva-we-have-lost-our-technical-advantage-in-hypersonics-503866>

Jack Deschauer, who heads-up the Defense Public Policy practice group at Squire Patton Boggs, noted, "A similar outcome in the area of artificial intelligence applications could have severe national security implications. After having frustrated many commercial, non-traditional suppliers over many years into not wanting to do business with the DoD, the DoD's procurement *and absorption* of key technologies like AI, autonomous mobility, information security and encryption technology, and nanotechnology, which are being developed largely in the commercial sector, has to be not only improved *but accelerated*."

Also, in an op-ed recently published by *The Hill*, Squire Patton Boggs Of Counsel Pablo E. Carrillo, former Chief of Staff to the Chairman of the Senate Armed Services Committee, observed, citing the support for high technology startups among the venture capital (VC) community, "In order for the DoD to fully benefit from [emerging dual-use] technologies [being developed by pure-play commercial startups], it will need to manage a new defense technology ecosystem that is being largely supported by external private investment. For the DoD, this will be as challenging as it is new." <http://thehill.com/opinion/national-security/370916-closing-the-gap-between-the-pentagon-and-innovators>

He continued, "In order to be effective in this respect, the DoD will need to develop a comprehensive technology strategy that will enable the DoD to align resources with priorities; restructure the acquisition directorate and implement other reform measures in a manner that comports to Congress' intent; make sure, particularly within the military departments, that the right executives are placed in the right positions and are appropriately resourced and empowered to execute their new roles and responsibilities using streamlined acquisition modalities designed to provide needed capability on time and on budget; interact with the commercial marketplace in a manner that engenders risk-taking—by commercial startups themselves and by their VC investors; and develop performance metrics that can help the DoD measure performance to plan and encourage military departments to look to the commercial-technology sector as a possible source of material solutions, wherever appropriate."