

Welcome everyone and thank you for joining us today for this Defense Innovation Board public meeting . My name is Doctor Marina Fou and I'm the executive director and uh the designated fi federal Officer for the Defense Innovation Board . Today's meeting is being live streamed and recorded to allow members of the public to attend the meeting virtually now or watch later meetings like this require a lot of work behind the scenes . So I'd like to thank the Defense media agency for providing their expert support today and everyone uh that was involved including the Defense Innovation Board staff team to make this happen . The board will now convene in its public session and I'd like to share with you a few procedural remarks . The board is discretionary independent advisory board operated under the Federal Advisory Committee Act and Government Sunshine Act . Today's meeting was announced in the federal register notice and posted on April 3rd 2024 . There have been no significant changes to the meeting's agenda as posted in the federal register notice . The public was invited to submit written comments for the board members to consider . We received a handful of comments in advance of today's meeting . And uh we will reference those at the end uh towards the end of the meeting as a reminder , these are comments for the board's consideration rather than a question and answer session or exercise . These comments are also posted on the di website [http S innovation.defense.gov](http://Sinnovation.defense.gov) . So with that , I'd like to welcome the board and turn it over to our Defense Innovation Board chair , Mr Mike Bloomberg . Mike over to you Mara . Thank you and good afternoon to everyone and to the members of the public watching online . Thank you for joining us . Uh We are joined by a few members of the board , Admiral Mike Mullen , former chairman of the Joint Chiefs of Staff president of MGM Consulting , and a Bloom philanthropies board member , Charles Phillips , managing partner and co founder of recognize and a member of the Board of Bloomberg , Inc Mac Thornberry , former Texas congressman , chairman of the House uh House Armed Service Committee back then . Um and uh a great American who's been phenomenally helpful here and his service is great appreciated Gilda Barabino . She is president of Olan College of Engineering and uh have always had some great insights for us and will Roper Ceo and founder of ISTA . Uh I speak for all the members when I say that we're honored to help you to help do our part through the Defense Innovation Board . Our job is to conduct independent research and interviews and then provide recommendations for change to the department , senior leaders , uh the United States you should know has the strongest , best prepared military in the world . And as events over the weekend underscored the urgent work to keep it that way , cannot stop and has to move even faster . And we think that the public meeting will continue conversations that we started last month and that that would be useful to you . So as we mentioned , then our focus is on the two current studies that of Secretary Austin and under secretary Xu directed us to take and our job is to do uh conduct an independent research and interviews and then provide recommendations for change to the department's senior leaders . First , we'll resume our , look at how the US can work in closer partnership with our global allies with the help of two special guests . But before we hear from them , I'll ask board member Charles Phillips to say a few words about where we stand . He's coordinating the study . So Charles , we'll start with you . The floor is yours . Thank you , Mike . Um This project is about leveraging our relationships with other countries to make us collectively stronger , want to expand our industrial base through partners . Uh We have limited scale on what we've built over the last uh couple of decades . But one way to uh address that is to help partners in different countries with similar systems become part of our defense industrial base . I think the quality of us weaponry is now clear , more people want to cooper with us uh given the events of the last year or so , but we also have partners who help break through technologies that we want to leverage . So instead of us just helping other countries , this is a mutual benefit . They , we discover technologies and a lot of our allies that we weren't aware of . And we want to figure out a way to kind of scale that and make it more systematic . There are barriers we need to overcome to do that . Um We have regulations that were put in place in a time where we didn't collaborate as much like the international traffic in arms regulations . I tar so there are things that have to be modified and changed so we can speed up collaborations . Uh But generally people do want to do that . Uh We also have something called the Buy American Act . So some of the equipment that we purchase uh require certain specific components to be made in America , even though they're deployed in far away places and we can't sustain them that way . So we need to take the stuff back to look at that as well . So as part of this process , we've been interviewing uh lots of different agencies , the Defense Security Corporation Agency just last week , Defense Threat Reduction agency , us , special operations come in and so on . Uh literally dozens and dozens of agencies because they all have different relationships with different countries . On specific projects . And so we're looking for best practices , what's common among them , what is work , which countries are the best allies , where is the innovation and how did it surface ? And so we'll be documenting all of that . We're also taking advantage of uh some conferences that are designed to bring out some of this information like the conference for National Armaments Directors that took place earlier this year , that was led by the US under Secretary of Defense for Acquisition and Sustainment . And we've also been talking through the NATO Support Procurement Agency . So with that , I'll , I'll stop there , but that's kind of the tone and the tenor of the research so far .

Um Thank you , let us turn to our guest speakers in a few minutes . We'll hear from Chief Master Sergeant , Ron Larch . He is the senior enlisted leader of the intelligent Directorate at Space Systems Command in Los Angeles , which gives him one of the longest titles of anybody I have ever introduced . But um sergeant , thank you . Um Ron oversees the Space Forces acquisition intelligence programs and he is focused on instilling a culture of innovation . So we look forward to hearing from him . But first let us welcome a friend from the Netherlands who has extensive experience working in his country's defense ministry throughout his career . He has worked closely with international partners and allies and that includes his current role at the Dutch Embassy in Washington DC and as chair of the defense Mou Attache's Group , which is an association of 25 Foreign Ministries saunder . Thanks for being here and we're looking forward to hearing your perspective . Would you please say a few words ? Good afternoon . Uh Mr Bloomberg . Good afternoon audience . And it's uh it's a great honor to be invited to speak with the Defense uh innovation Board as chair of the defense uh M EU at Shape Group . Um And as I understand you would , you would like me now to uh to hold my , my brief , sir . Exactly . Um Well , I can assure you , sir and , and also the board and , and , and the audience that uh your future report optimizing innovation with allies and partners will be read with great interest by the 27 nations represented in our group . Uh As we believe , allies and partners do remain the most important strategic uh asset to the uh to the United States . Um But please allow me to first introduce the defense mou attache group briefly to your board and the , and the audience online . The , the D MA represents 27 of the 28 nations with a reciprocal defense procurement mou So our purpose is just to promote standardization , interchangeability and interoperability of defense equipment between the US in the qualifying country . So the um principal mechanism used in the RDP M EU is a mutual commitment between both nations not to discriminate against the supplier of the other country . Um Later research development and or production of defense equipment . And these two so-called 28 qualifying countries with an RDP M . You are exempt from the Buy American Act that was just mentioned by the previous speaker and the domestic content threshold to be considered domestic and products in the defense , federal acquisition rules uh supplements . So these RDP M us provide incentives to provide crucial components and material shortfalls that decrease near term risk and mitigate supply chain vulnerabilities and severely can have impact on both deterrent and war fighting . In other words , security is enhanced by leveraging our collective resources and capabilities through these RDP M US . In some countries like the Netherlands and Norway have an RDP MU since 1978 other nations joined later over the last 10 years , the three Baltic states signed the RDP me US , Japan signed their RDP ME US in 2021 . And the Republic of South Korea actually is negotiating RDP as we speak . And countries in the global South like Brazil and India are on the brink of starting conversations with the US on future agreements . So as you can see , sir and the board RDP M US are not a relic of the past or are extremely relevant in a time when production is uh deterrent . As is often quoted , the US and its allies have made great progress in innovation , collaboration with the recent examples of NATO Diana and the trilateral partnership of August as pathways for further integration and collaboration . But how can we innovate better to provide the warfighter , the capability needs for the fight of today and the fight of tomorrow ? In other words , what are the barriers to us and partner innovation and how can they be lowered ? And please allow me to share three issues with you . I would argue that the first barrier is us export control systems system . The system was developed in the seventies . At the time , the US was responsible for the vast majority of global research and development spending worldwide . However , ever since other countries including us , allies and partners have recognized the importance of R and D to the industrial innovation and competitiveness . The vast increases in the investments by other governments and industries since the seventies has eroded the US technological dominance . And at the same time , the commercial marketplace is le leading in innovation in many areas of relevance to our national security . So I would argue that the US export control and technological security and foreign closure processes undermine the ability to collaborate effectively with allies and partners at the speed and at the scale needed today , the barriers to technology sharing from the US export control mean that the United States runs the risk of losing access to allied and partner innovation and production capability . The recent national defense and industrial strategy does acknowledge the challenges posed by us export control regimes such as the international traffic in arms regulations and the export administration regulations . However , its acknowledgment is not enough to neutralize the impact on cooper operation with allies and partners . And therefore , I would argue that there needs to be more than just a call for action . The US should expedite the modification of the regulatory framework to make it easier to share technology and information with selected US allies and partners . For example , based on the great work that has already been done regarding August pillar two and the executive and legislative branch should prioritize specific areas of cooper operation . It seeks to prioritize with partners and the second barrier is by American and more specific , a lack of knowledge and awareness regarding the full exempt for the 28 qualifying countries with an RDP mu . The full exception of the by American Act has been recognized in the NDA A of last year , fiscal year 2024 and an important clarification has also been made in the defense federal acquisition rules supplement earlier this year . Nevertheless , there is a lack of knowledge about the reciprocal value of these RDP mo USA no risk compliance culture

. For example , within the acquisition community , too often dictates the classification , no foreign . This cuts out access to innovative and sometimes allied and partner capability for the US war fighter that is required given the current threat environment and also global competition . So by reducing no foreign restrictions , the US can foster better information sharing and joint developments in the NDIS So the national defense and industrial strategy references us allied and partnerships and delivers such a firm call to action and I quote leveraging existing bilateral multilateral relationships such as NATO Aus and the NT I , the national technological and industrial base . But the NDIS does not mention RDP MU . I would argue that the DUD should enhance the knowledge of RDP me us within the acquisition community at all levels through training . For example , based on the recent text in the darce ammendment and incorporate allied and partners within the RDP M EU in the beginning of development and production phases . And this will bring me to my last and final point . Partnerships as the US national technological and industrial base and August partnerships have created vehicles for cooper operation between the US and some of its closest historical allies . However , these partnerships only tap into a small group of countries excluding the advanced capabilities , platforms and expertise in other RDP countries in Europe and the Indo Pacific , bringing new partners into the US orbit V , an AUS pillar two plus framework or extending the N tip to other close allies with cutting edge expertise and capabilities would open up new acquisition pathways . It could facilitate the enhanced corporation developments , experimentation and the industrial corporation needed for the United States to outpace competitors in today's threat environments and expanding the existing frameworks such as the N tip , Aus Indiana or using them as a template uh to reform and evolve other bilateral multilateral frameworks will provide the us the necessary technological advancements . And in addition , it provides new perspectives , attitudes and concepts for technological innovation and industrial production in order to prevail on the uh future battlefields . And that will conclude my , my brief and I'm I'm happy to take , to take your questions . Are there any questions from the uh from the board ? Let me , let me ask you a question then um from the perspective of our allies , what are the biggest challenges to working with the defense department ? I think one of the uh the , the , the , the , the most difficult part I think is the , is the , is the lack of uh is my second point I think is that it is mainly within the acquisition community . I think it's the lack of , of knowledge about the uh the importance and the , the relevance uh and the reciprocal relevance , I think of the RFP MA U . So um having within the acquisition um by de by default , too often , I think uh no , no foreign classification . Uh and , and having enough , I think enough access uh to uh to , to uh to the market , I think that would , that would be one of the uh the most important uh issues even though we , I think as allies and partners work closely and , and very fruitfully , I think with the United States . Um but to be able to uh work on production is deterrence and as Doctor LaPlante says to work on , I think co development , co production and Kosher statements . I think that is a um a crucial , crucial point that I would , I would like to share with you , sir and , and the board and , and what can private sector companies do to help government and work together with them in very different cultures of private sector from the government sector ? And um they would approach problems , I would think from different perspectives , but they have to work together and how do they do that ? Um I think it would be very important to and a very early on stage , I think government to government understand what , what , what the requirements are and what the US needs . Um uh And , and the platform's needs in terms of , for example , their supply chain vulnerabilities and make sure that their governments get uh the industries in the markets outside of the US on board as soon as possible . Uh to make sure that we address those , I , I think address those , those those vulnerabilities . Um And I think , and I think among all and partners industries , I think there is a clear realization after the uh after the invasion of Ukraine uh by , by Russia that uh that , that things need to be done and , and things needs , needs , needs to be stepped up . Uh Thank you very much . If there's no other questions , I'm sorry , go ahead . Yeah , just I really appreciate , I really appreciate the presentation just quickly , I mean , one of the challenges in my experience working with uh allies and partners , NATO in particular is one of scale . Uh And uh do you have any insights in terms of how you view where we are now , particularly with respect to Russia's invasion of Ukraine and the , the demand on capabilities ? Certainly in inside NATO on how we might scale capabilities better . Usually we're the one the US is the one that ends up scaling . Uh and uh I find partners , allies and partners , particularly in the European theater , uh certainly can participate . But the scale issue seems to always come up if anything is sustained over time , any thoughts on that ? Uh Yes , sir . II , I think there is a AAA clear incentive from and the government and also from industry to uh to scale up and to provide um the Ukraine but also the , the war fight or I think in respective country with , with the capabilities that , that they need . Um And I think it's , it , it's requires a good discussion , government to government . But also I think with uh us primes to um to , to work on co production uh also overseas uh where we could uh also produce outside of the United States . And I don't think also only in Europe . Um but I think also in the in the Indo Indo Indo Pacific , I think that's , I think that's where , where we should be , where we should be looking at . Thank you . Do any anybody else ? One question from me , Mike . I , is there any of the 27 nations that are under the mo US that have a , a classification system that the US ought to look at ? Meaning uh , having systems be classified for release to partners by default as opposed to being classified as

, as no foreign and then going through a release process secondarily that , that I would , that I would have to go back to the specific countries . I , I couldn't speak , unfortunately , I couldn't , I couldn't speak for the , for the specific countries . Um But for example , the , the the three , the two countries that are working together with the United States in the , in the AUS framework , they are part of this , they are part of this , this group and they also have an R PM EU but then I think there is something that I would have to go back to the individual countries to give you there . Give you a right answer on that one . I appreciate that we've talked about the , the classifying things similarly to the intelligence community where you have things that are releasable to partners by default as a model to follow . But if any of the nations have uh have cracked the code on this for acquisition , it'd be good to , to talk with them . I will , I will take that as an action , sir . OK . Uh Anybody else , if not uh son did you want to introduce Ron or you want me to ? I'll go ahead . Go ahead , you go ahead . Uh Ron Lech is the , as we said before , chief master sergeant . Uh He is the senior enlisted leader of the intelligence directorate at the Space Systems Command in Los Angeles and we're gonna hear from him now . Ron floor is yours ? Good afternoon , Sarah Bore . Thanks for the opportunity to speak today . Uh Over the next few minutes , I'm just gonna briefly discuss a couple challenges , one information sharing and two the need for government standards . Uh And as I briefly go over these items , I think that load will sort of pull the thread on a couple of the questions that I just heard here in the past few minutes . So , uh the first challenge I'm gonna discuss today's information sharing just as an example . Recently in December of last year , Space Systems Command International Affairs Office hosted the Commander of German Space Command General Trout . Uh We as the intelligence director were tasked to provide a briefing at the secret releasable to Germany level . Uh And what I can tell you now is that researching secret releasable to Germany is essentially unproductive , uh finding intelligence reporting , especially that space domain related and is releasable to Germany is few and far between uh so much so that over 90% of the briefing that we provided was actually gathered from publicly available information . And this is a similar limitation that we as a command are facing when engaging with any of the 28 nations who've reached out to space systems command as they view the US as their partner of choice . Uh And this challenge exists beyond just the intelligence community products . Um Even though there are efforts to make them more releasable as sort of referenced earlier internally within dod the security classification guides for space programs almost automatically enter the classified no foreign level as the more detailed specifics of those programs uh become um discussed or at least mentioned in those documents . Um overclassification is a significant challenge on its own . Um And on the industry side , and we've reached out and talked to our partners , what we've heard from them is that the smaller non IP OS out there also have a increasingly more difficult time to get clear to these programs in the larger primes because of the pre established relationship and uh existing large programs of record . Um while they got less capital to access , you know , these smaller companies do believe they can innovate faster due to the absence of the uh shareholder dilemma . That's evident with some of the larger primes , they can move out quicker on some of the decision making that they need to do . And this issue is unfortunately uh further compounded when they try to engage uh with any of our allies . Ideally , they would like to know who they should be engaging with and more importantly , uh who they should not be engaging with to navigate these challenges . We should consider an action of formulating or advocating for a space allies and partner engagement strategy that also details in intelligence community efforts to support information sharing uh strategy . Like this could preemptively address the classification issues and create demand signal to the intelligence community . The IC uh for products that are releasable to essentially space allies of choice . Uh such strategy would not only benefit industry but it also could enhance ongoing joint efforts such as the International uh J Rock or the joint requirements Oversight Council . Moving on to the second issue . Uh Sort of the Big Rock is the need for government standards . Um This is a challenge that's routinely communicated to us . Um This is rooted in the fact that we have the industrial base that's ready and willing to innovate in areas such as spacecraft refueling . Uh But the lack of standards from the government is creating a void that can potentially be exposed by our competitors , leaving the US to essentially play catch up . One of the companies I recently had talked with , uh we were discussing how they had developed a concept for reviewing satellite , but the lack of government standard free from intellectual property was a significant barrier for them . Uh Their concern was if they commit the possibility exists , the government will later create a different standard . And if they wait a separate commercial standard could emerge that was later then backed by the government uh thereby walking it in as intellectual property , removing balanced and fair competition . Our allies are affected by this challenge as well . A common theme they've communicated when they've engaged with space systems command is that the lack of us standards stymies their ability to build their own national systems that are meant to be allied by design . And thus , they have no clear road ahead for interoperability and also as referenced earlier in terms of uh sort of the specific impact that this can have on our allies . One of the things that's been noted is that they are opting to go for more specific systems that are focused on just their area of operations as opposed to going all in on sort of helping develop these proliferated low earth orbit networks and systems . Uh certainly the lack of government standards , views of a contributor to the

valley of death in the US . But this is also something that's been communicated and as an issue with our allies as well . Um And so as for actions for this , especially on niche areas such as I mentioned earlier for spacecraft fueling , uh where the government could essentially be the only customer , the government really needs to consider developing fully intellectual property , free standards and release them as soon as possible . Um Having these in place will be able to help us innovate domestically . And in turn , it's gonna enhance our ability to do so as well . Uh So to summarize uh big rocks that I wanted to address today were just the information sharing piece and the need for government standards . Uh This is essentially what stood out as the top challenges as we've talked and engaged with , not just our partners and industry , with our allies uh out here in L A . So , advocacy in dealing with these is undoubtedly going to put us on track to remain the premier space power for the foreseeable future . Um And pending any questions . Thanks for your time . And again , I'm happy to address any questions from you or the board , Ron . Thank you . Any questions from anybody run the issue that you brought . Oh , you had a skill there about the government standards , like from your point of view , what is the appetite for that or the outlook of positive or negative for really getting to the point where we realize having better government standards ? Yeah . So one that is uh very , very near and dear to our heart is just the fact that without government standards , you know , I've been to several conferences across the US where we hear our leadership for , you know , CEOs , you name it from the different industry partners out there . And the common theme that they communicate is they are ready to get after the most difficult challenges that we have , especially in the space domain . But the problem is , and I sort of alluded to this earlier , with the shareholder dilemma , it is very difficult for them to commit to something that could be that uh costly , especially if a different standard arises uh down the road . Uh And then essentially it becomes out of their own I AD or just their own funding that they basically have to cut their losses because a completely different standard shows up . And so they're hesitant to move forward and actually achieving some true innovation and some critical areas that we need this innovation in . Um And the allies are seeing this and they're just sort of um it's , you know , it's a domino effect and they're just seeing this discussion happen , they're seeing sort of this logjam and they're very , very hesitant um to sort of weigh in because in their minds , they want to see the US figure this out domestically first before we start letting the international partners know sort of how to abide by it . Thanks . Thank you . One of the issues you mentioned before was uh the private sector and the public sector working together where they have different standards and particularly on security and you have a , a different dimension as well across 35 odd allies around the world . And so there's no easy answers to any of this stuff . If you want to be perfectly secure , you don't tell anybody anything and that's not a good solution . So , uh but thank you for your service , uh Ron and thank you uh Sander . Uh We'll go to the next uh uh topic of the second study uh will is the study focuses on different timelines and incentives of innovators both inside and outside the defense department . Uh We think with a better understanding of these incentives , our goal is to help the Pentagon speed up its adoption of promising new technologies . And rear admiral Mike Mullen is coordinating this study , so I'll turn it over to him now . Admiral , like uh you might be uh muted . Can you hear us ? Yeah . Yeah , I was muted . Sorry . That's ok . Um This study , this is in an incentive study uh is really foundational to what we believe , driving faster tech adoption and aligning with the secretary's priorities of modernizing the department um to , to uh assess the discrepancies between existed existing incentive structures uh of the Department of Defense and those that are prevalent in industry . So we're looking internally and externally at , at incentives and , and the , the baseline assumption here is that many incentives are , are misaligned . Um We're also trying to extract and refine key elements and practices from industry that could enhance dod s incentive framework . Um We're also looking at a , a way to formulate a comprehensive plan as a result of this study to effectively communicate and implement a realigned incentive structure . And finally , to look at quantifiable metrics , come up with quantifiable metrics to monitor and evaluate the success of aligning incentives among the various stakeholders and there are lots of them . We're currently where we are currently in this study is synthesizing information from academia industry , the Department of Defense to develop a comprehensive viewpoint and distill relevant actionable recommendations . The study has facilitated a four study group engagements . We've actually looked uh reviewed 43 different reports conducted over 15 key stakeholder engagements with more than 30 stakeholders from various sectors including the dod venture capitalists , small businesses , academia and the acquisition community . Among others . Participants in this study include program , executive officers , requirement , officers and members of innovation hubs and cells encompassing both uniformed personnel and civilian employees all at various levels . The next steps , uh We expect to uh that and , and when do we expect to publish the results ? The next steps are really for the remainder of this month , we will persist in our engagements and gather further information . And from mid May to early June really intensify the analysis associated with what we have collected . And then starting in June will be basically writing the report which will be published uh on July 17th . So again , we're just looking at what the incentives are across the department and in industry where they're aligned , where they're misaligned , uh everything that's associated with that and making recommendations to the secretary . Hopefully he can implement to , to move tech adoption through the

system much more quickly with that , Mike . I'll turn it back over to you . Uh Mike . Thank you . Um any questions for the admiral ? If not , let me introduce two more experts . They are the former commander of the US . Cyber Command , retired army General Paul Nakasone , who will speak in a moment . But first let us bring in Colonel Kristen sailing for the past seven years . She has been using data and analytics to help the army improve its decision making in human resources . So Colonel , thank you for joining us and please go ahead . All right . Thank you very much , sir . And thank you um to these team members of the Defense Innovation Board for an opportunity to talk about incentivizing innovation and new technology adoption across the Department of Defense . The angle I'm gonna take uh not surprisingly given my background is people looking at our talent management and the type of talent development we need to be able to do in order to get people who are capable of utilizing implementing and adopting the new technologies that we're talking about and integrating them into our army into our defense business processes , not just focus on army . Um So looking at our different initiatives , the primary challenge we have within our talent incentive structure is the alignment or the misalignment with contemporary career expectations and the evolving skill sets required in modern defense . This isn't uniform across the services . I will acknowledge that there are some areas we're better at this than others , but we do have some pervasive problems despite the authorities that we were given in the 2019 NDA A , our approach to talent management is still heavily reliant on rank and tenure based rewards . And we have a single entry point system . We're looking at different ways of bringing in alternate types of talents , moving more permeability across our components , bringing across our uh reservists and our guard members who have expertise in these areas and direct commissioning . But those have largely just been piloted in limited capacity . But we're not anywhere close to mimicking the fast paced skills driven job market that we have out in the commercial sector . We are creating tools to make for more flexibility within our services , for assignments and developmental opportunities . But largely , this is seen as a detractor for our primary incentive , which is promotion and advancement . We are promoting people who go out and get diverse skills who have other nontraditional opportunities in spite of these opportunities rather than because of them . And this results in difficulty attracting and retaining top talent in these areas , particularly when we're looking at critical technology areas such as cybersecurity , data science , artificial intelligence . And as we're talking about here in innovation , we don't , we don't adequately recognize or cultivate nontraditional career paths and skills which are becoming more and more essential as warfare and , and defense technologies evolve . We're seeing this every day , we need to be able to leverage and reward unique contributions of our technologists , particularly looking again at our civilian experts and our reservists whose expertise can be absolutely pivotal in these times . We come up against the traditional approach , uh rank and tenure . We don't necessarily know how to integrate folks coming in from outside of our system . And instead , we tend to look and lean towards seniority , the folks who have been there longer , who understand the business processes without figuring out a way to merge these two to address these challenges . Um We're looking at a number of different things that we would need to support to implement . Um The first is looking at additional skills based pay systems . We've been talking in army compensation for a long time about figuring out more ways to uncouple grade and skill and moving to a model that better emphasizes skills and contributions . We don't have the freedom to align pay with market standards for specific skill sets , but we have to be able to prioritize aligning incentives to those we can in these very high demand areas . We're also examining the impact of non monetary incentives such as uh choosing different methods of development , other additional skills training with industry post of choice , other types of things that we can offer without looking at the premium for um for dollars which constrain us heavily in looking at um flexible career pathways as an entity , we need to be able to create multiple career tracks that allow for lateral movement between disciplines and recognize and reward , cross functional skills and expertise . This lets us not just , you know , reward the capability of our individuals , but lets us increase readiness by not having to stick uh strictly along cohort and career boundaries . And let us attract and incentivize talent with increased variety and diversity of experience , finding better fit for new emerging requirements . As they , as they show up , we want to enhance our professional development opportunities , investing in continuous learning and upscaling programs , especially in emerging technologies and credentialing . We're running into the same problem that um the private sector is running into the demand signal for some of these keys , technologists is greater than anybody can keep up with . So we have to find creative ways of cultivating these type of talents and skill sets within our own formations . We want to introduce project based and performance based bonuses for roles that contribute to critical projects , particularly in innovation and technology development , introducing these type of bonuses that reflect impact and success of these initiatives , which is something we haven't previously done . The last piece we want to be able to continually modernize people and the way we think about our people . We have dabbled around this , at least it's on the army side and I've seen it in the other services with the army talent management task force , the army people , first task force , army recruiting , task force and recruiting enterprise transformation initiative . And I could go on . We have a lot of these temporary entities that we have brought in to modernize people without fully instantiating the same type of capability ,

modernization that we use in the material space . What I'm proposing , at least on the army side . And I'm hoping that we get adopted uh across the services is that we establish centers of excellence for people and talent that look at modernizing the capability of our individuals . The same way that we modernize our systems . We're definitely gonna need this coming up . We've seen the proliferation of generative A I and other capabilities and the emergence of skills like prompt engineering . So we started thinking about what we need to have in order to assess , develop and even just identify the attributes that make someone a good partner with a machine partner . How do we optimize our capabilities and our attributes for human machine , teaming of various uh types . Looking just , you know , looking at generative A I all the way to autonomous vehicles . So looking at this by offering competitive skills based compensation , flexible career pathways , moving away from seniority and cohort based management de emphasizing the traditional career path and figuring out ways to emphasize those different career paths that we very much need people to take . In order to develop their skills , we're more likely to be attractive as a hiring entity to people with this type of intellectual curiosity and creativity and with the cutting edge skills that we need , we're also enabling ourselves as an as an entity to get greater readiness because we can move more flexibly between career paths and address putting talent into critical capabilities as those requirements emerge . We want to be able to move outside a one size fits all definition of best talent and identify the right talent as that emerged . So with that , I'll wrap that up . I wanna thank you very much for your time to talk about this and I greatly support or I greatly appreciate the board's support to defense talent management and innovation . Anybody have any questions for the colonel ? Yeah , if not , thank you , Colonel . And uh now we have the US . Yes . Is it OK . In question for the colonel , if that's OK . Colonel , how are , how are you thinking about roles for the Guard and the Reserve for accessing the high skill talent that you need and any thoughts about creating uh the ability to have people in temporary positions so that you're not competing with the private sector but but can cooperated with it or maybe even the civilian equivalent of the Garden Reserve . Any thoughts on that in your , in your talent plan , we , we've done a number of different experiments in that space . Um Looking all the way to some of the work that's been done on the Gig Eagle kind of freelance type market for reservists to come in and do job based work versus time based work . We also have the 75th Innovation Command in the Army which is made up primarily of technologists where we are looking at them not to pursue their traditional army roles that they have in the Reserve , but to use their day job skills . Um I leverage heavily the Silicon Valley Detachment of the Innovation Command . Most of the folks who make up that uh particular organization are fairly junior officers and NC OS , but in their day jobs , they're doing um A I integration into customer experience for auto desk for Airbnb , for a number or different commercial entities . And they can bring that expertise over into the army with also the , the business practice expertise that we need . So what I think we need to do as far as this goes , this is obviously my opinion and not necessarily the opinion writ large is really think about how we want to leverage army service . We have people with these tremendous skills and we try to integrate them into , you know , what we think they should be doing using just two data points grade and branch rather than looking at the whole person skill set and figuring out ways to use um temporary job assignments , use temporary hires , use kind of gig and freelance type economy um practices to bring them in to work on critical projects where we need their entire skill set . Hey , Mike , I've got one , I've got one I one uh Thanks for the presentation . Uh and uh and I'm also delighted and this is not a question but uh an observation , I'm just delighted to not hear the phrase human capital anymore , which I always thought was pretty inhuman and focusing on talent management because that's really what it is . Uh Although I still do hear it on occasion , um uh I , I uh I wanna pick on one specific area you talk about project bonuses if you uh uh do you have any read on how well that's received in , in the army , in particular in the hr world is , how do you , how do you shape bonuses for ? You know , I'm very familiar with bonuses . How do you shape bonuses for something like this which has never been on anybody's plate . Uh Is there any receptivity uh with respect to that uh at uh at army hr or somewhere else ? So there , there's a lot of receptiveness to the idea . But when we start talking about it in practice , you , you realize that the our forces have interesting set notions of what fair is and they have a lot of distrust for a new definition of what fair is . Um , a lot of what we do is based on . Well , if we do this for one group of people , we have to do it for all people under certain definition . And until we can really define those standards in a way that can be clearly communicated and people understand and trust them as fair , we're gonna have difficulty . So we're , we're talking about this a lot . But when we start getting into the implementation side of things . There's a lot of cultural pushback . Thank you . Uh Anything else ? If not , then let me introduce our other speaker , General Paul Nacao Nakasone . Um and uh General Lalo is yours , Mayor Admiral Mullen ? Um Doctor Roper . It's good to see all of you again . I would just share with you that uh life after military service is good and I'm certainly enjoying myself and I appreciate the opportunity today to , to say just a few words . Uh I think Christine really had a good job in terms of uh as Kristen was talking about the , the , you know , the bolts of , you know , trying to get compensation . Let me uh attack it from a different perspective in a , in a light . And this is from my uh both my roles as the commander of us Cyber Command and the director of the National Security Agency . First of all , uh the supply lacks in terms of what we need . We need a much

bigger supply in terms of the talent that needs to work so many of our projects . The other piece that I would say with the supply is the fact that the supply is out there . In fact , it's really interesting to see on my role as the director of the National Security Agency . Uh We were able to bring in every summer , well , over 500 different scholars from different organizations and different schools to be part of a director summer program , as I think about what the department needs . However , it's really a set and a skill set that is much different than what we've recruited before . And so , one of the things that uh has led me to really consider is how do we attract the gen Z of the world . And one of the ways that they are looking to contribute is to contribute to high profile programs . Uh It's interesting uh that one of the things that most people told me is that they wanted to be part of the directors summer program . And so as I thought about it , why don't we have a Secretary Summer program or Chief Naval Operations Summer Program or chief of staff of the Army Summer Program ? The big piece of this is not only generating the supply but also being able to fill the demand that's out there . Let me give you a statistic of the 500 people that normally took place in the director Summer program at the National Security Agency . We hired 70% of them , 70% that's 350 new hires every single year . And what the exit surveys told us was the fact that they were interested in learning about our mission . They were interested in learning about where we work . They were interested in learning about being part of something that was larger than themselves and part of that was also being able to expose them to what our agency did as I think about what our department needs to do across hypersonics and big data and cloud computing and networked uh analysis . Why don't we have some type of program such as this department wide that will allow us to have a greater supply and then be able to fill our demand . One of the challenges I had as commander us , Cyber command is as one of 11 different combatant commands . We had to have the infrastructure upon which we would actually go out and recruit these people . We would have to have the infrastructure upon which to apply . We'd have to have the infrastructure in which we interviewed all these people as opposed to a central pool . Perhaps , you know , maybe even a chairman summer program or chairman's internship , being able to uh you know , apply both the um you know , the infrastructure that exists at the department and the stature uh of the nation's top military leader to those that might come and work our hardest problems . Uh This is our moment in terms of being able to look at this differently . And I think that one of the things that I saw is that Congress was very , very anxious to give us the money that we needed . In fact , they gave us a number of different hiring and , and bonus monies that we needed at Cyber Command . What we didn't have again was the supply and the ability to fill our demand . Let me break there . For your questions or comments , uh any questions from anybody ? Hey , hey , Paul Black Mullet . Is this , is this uh college kids , high school kids . They mainly in the summer program . And how long was it ? So , the summer program lasted 10 weeks . It was designed for uh college students . Uh And with the idea of , you know , we take them in an application by October , we would clear them to a TS clearance by the time the spring time rolled around and then they'd start with us the following summer . Now , a couple of thoughts about that one is normally when you're 19 or 20 years old , it's much easier to clear someone . Well , maybe not some , but for the most part , it was easier for us to clear them . But once they had their clearance , uh you know , there was an incentive for them obviously to think not only about working for us or the intelligence community , but also dod writ large , but it allowed us to , to really attract a , a really promising group of folks . Yeah , it's just terrific , terrific . Anybody , anybody else . Good to see you again . And this is maybe working for , for you was part of the reason you got such good retention when you moved from interning to being hired as you certainly were a breath of fresh air and the positions you served in . I I when you stepped away from that program and looked at your broader uh attempt to hire the talent that you need through usa jobs and other outlets . Did you find those wholly inadequate ? And did you see any ability , any , any ways to make those more relevant ? So that you don't have to work around the hiring system ? You can work through it over ? Yeah . So , well , first of all , it's great to see you again and great to see you not in the tank . Uh , what I would share with you is the fact that um we got away from USA jobs because it was just not very conducive for us to be able to , to do this rapidly . Secondly , was the , the fact that we had to rook our hiring program . So , um you know , when you're going out to Carnegie Mellon , sending someone that's come from Carnegie Mellon within the past five years , it's working at your , with your command , your agency . Uh That's normally not something that is second nature to us in the department . Uh And it should be and , and so we have to do those type of activities . Here's the other thing . Um And I would , I would offer that one of my great challenges is that people don't want to stay for three decades , whether or not it's in the department or whether or not it's an intelligence community . And so we should make it as easy as possible after they've been away for 35 years to come back . Uh And we are the greatest , you know , we are the greatest enemies of that because our , our processes are so bureaucratic , particularly on the security side . Uh uh Gilda . Yeah , I , I don't have a question but a really quick comment and endorsement for that approach of having a high prof high profile program with the ab uh a the ability to work on a very serious problem as a way of attracting and retaining um my experience uh in engineering and engineering uh education and research in particular is that , that is a winning strategy . So I just want to echo and uh endorse that strategy . You know , if I might



just to follow up a comment on that , you know , one of the things that I thought about is , you know , as we're trying to look at big data , why , why don't we have a big data focus for the department ? Right ? And we say , hey , they're gonna work the cutting edge uh issues for the department on big data that is going to allow us a leap ahead in terms of what we have to do to secure our nation and , and , and go , you know , go across the nation and say , hey , we need the top 20 the top 20 scholars that want to come and work at the department for a period of 10 weeks or 12 weeks or whatever it is , give them a very , very high profile sponsor uh and be able to , to look at that differently in terms of this is what we need you to do . Absolutely . The right way to go . The clearance of working has always been a big issue . That's wonderful that the program that you ran started working the clearances and aside from getting people in and getting them cleared , there's also the tyranny of once someone leaves to your point , they don't want to be there for 30 years , the clock starts ticking on their clearance and if they don't do something for a clear defense contractor within two years and their clearance expires . So I think , I think the the hurdle of clearances is part of the , the thing that makes it too big of a hurdle to get talent unless they come through a special program that's high profile , that works those details for them . Uh I was just thinking of my clearance expired . I worked for the same company for 43 years with the exception of 12 years in City Hall , but I still have my clearance . Marian . Marian checked us to make sure I'm sure it's fine . Um Thank you General and thank you all to our guests for taking the time today . Um uh Marina before we close . Are there any public comments that have come in or any other updates ? Thank you . Thank you , Mike . Yeah , so we received as always , we are uh listening . The Defense Innovation Board is listening and we welcome comments uh throughout the year on our website [innovation.defense.gov](http://innovation.defense.gov) , we did receive a couple of comments about general uh national security redness on for protection and uh software engineering . We've shared those uh with the , with the board and with that no additional updates . Uh Mr Chair , I'll turn it over back to you . Uh Well , if that's the case , um we have our work cut out for us before our next public meeting . Uh That meeting will be on Wednesday , July 17th . I put it on your calendar , Wednesday , July 17th and we're looking forward to it and everybody who participated . Thank you so much for your time and all the work that you do and the board members who couldn't be with us today who have done Yeoman's work and see you all then and all the best . Thank you , everyone . And this board meeting is now adjourned . Thank you .