

Defense Innovation Board Winter Board Meeting Minutes
Pentagon, Washington, DC
January 31 – February 1, 2023

The Defense Innovation Board (DIB) is a federal advisory committee in the Department of Defense (DoD) operating pursuant to the Federal Advisory Committee Act of 1972, the Government in the Sunshine Act of 1976, and other related federal regulations.

The DIB held its second fiscal year 2023 (FY23) quarterly board meeting, which was partially closed, on January 31 – February 1, 2023, in the Pentagon.

DIB Members (voting) (7):

Michael Bloomberg, Chair
 Dr. Gilda Barabino
 Reid Hoffman
 Admiral (Ret) Michael Mullen
 Hon. Dr. William Roper Jr.
 Ryan Swann
 Charles Phillips

DIB Members Not Present (2)

Hon. Susan Gordon
 Hon. William "Mac" Thornberry

DIB Staff Support (non-voting) (11):

Colleen Laughlin, Executive Director & Designated Federal Officer
 Committee Staff: Craig Hughes, Melodie Ha, Alexiaa Jordan, Michael McWilliams, Elliot Silverberg, Zack Crahen, Lev Turkevych, Bess Dopkeen, Colonel Wayne Sanders, Jongsun Kim.

Closed Board Meeting:

At 3:00pm ET on January 31, 2023, Ms. Colleen Laughlin called the closed sessions of the day to order. Director of Science and Technology Dr. John Beiler and National Intelligence Officer for Emerging and Disruptive Technologies Brian Holmes, both from the Office of the Director of National Intelligence, provided a brief to the board on the classified aspects of the science and technology threat landscape. At 5:35pm ET, Ms. Colleen Laughlin adjourned the closed session.

Administrative Session:

At 7:45am ET on February 1, 2023, Ms. Colleen Laughlin called an Administrative Session to order for briefings from Ms. Karen Dalheim with the Standards of Conduct Office and Ms. Elaine Crowley with the Pentagon Facilities Protection Agency, Federal Advisory Committee Act. At 8:30am, the Administration Session adjourned.

Closed Board Meeting:

At 8:30am ET, on February 1, 2023, Ms. Colleen Laughlin called the closed sessions of the day to order. Summary of closed meeting sessions are as follows: Board members opened their first closed session with a brief from the Office of Strategic Capital (OSC) Director, Dr. Jason Rathje, about the landscape of

the investment capital sector, and exchanged views on the role of private investors and public government driven investments. Members then heard from Under Secretary of Defense for Acquisition and Sustainment Hon. Dr. William A. LaPlante, Under Secretary of Defense for Research and Engineering Hon. Heidi Shyu, and Under Secretary of Defense Comptroller Hon. Mike McCord on the missions, objectives, and coordination across the defense innovation ecosystem. Members asked about the unique requirements and constraints for DoD as it relates to innovation and the alignment of incentives and metrics across the Department. At 10:35am ET, Ms. Colleen Laughlin adjourned the closed session.

Open Board Meeting:

At 10:45am ET, Ms. Colleen Laughlin commenced the open session of the board meeting, welcomed the DIB members, and introduced the DIB Chair, Mr. Michael R. Bloomberg. Mr. Bloomberg provided chair opening remarks, expressing honor for the opportunity to bring new ideas to the Department of Defense to protect the country, keep service members safe, and support allies. Mr. Bloomberg then introduced the newest board member Charles Phillips, who shared his previous experience as a former Marine and honor to serve again. The DFO then turned the meeting to Board member Ryan Swann who provided an update on the National Defense Science and Technology Strategy Review study, highlighting initial briefs task force members received, and value of strategy development, implementation, and long-term impact in driving Department priorities and desired outcomes. Dr. Gilda Barabino expressed an interest in how the strategy might consider issues around culture, and Admiral (Ret.) Mike Mullen stressed the importance of a strategy to be measured through implementation and its ability to deliver game-changing advantages for the warfighter. The DIB Chair thanked task force members for their update and then asked for an update on the DIB's second study. The DFO asked Strategic Investment Capital study chair Hon. Dr. Will Roper to provide an update on his study. Study chair noted that the task force will utilize a generative artificial intelligence tool in its research and writing, and that the task force approach to the study was to solicit feedback from the private sector to determine trends and hear directly from stakeholders across the innovation ecosystem. The DIB Chair thanked both task forces for their hard work and emphasized the opportunity for private sector entities to participate in the Strategic Investment Capital study. The DIB Chair then turned the meeting over to the DFO to introduce the briefers. The first brief was from Dr. Jason Rathje, who provided an overview of the Office of Strategic Capital (OSC), highlighting its function would be to give DoD another tool to spur focus and investments in emerging and critical technologies that support national security. Dr. Rathje noted the Secretary established the OSC to align private capital to national security priorities and scale investment in critical technology, and the OSC will investigate two strategies of syndication (partnering with private capital investors) and leverage (changing the economy on investments in deep technology areas to lower the cost of capital). Dr. Rathje provided historic examples of how syndication and leverage strategies worked in the case of Taiwan Semiconductor Manufacturing Company, and the case of the Small Business Investment Company and Cray supercomputers. Reid Hoffman reaffirmed the concept of OSC and members expressed optimism that this approach and focus on the investor community would strengthen the Department's relationship within and across the U.S. innovation ecosystem. The DIB Chair then asked for the DFO to introduce the second brief - Lieutenant General S. Clinton Hinote. Dr. Hinote shared his observations on challenges to innovation within DoD that he has encountered over the course of his career, highlighting the challenges of adoption, cultural and structural barriers, and different views of urgency and advocacy to change or move faster. He also noted additional challenges of focusing on process over outcomes, incongruent timelines, and misalignment of incentives. Dr. Hinote emphasized the need to map incentives in order to change them, finding new ways to drive down risk similar to the private sector, rewarding innovators in DoD, and ultimately getting innovation into the hands of the warfighter. DIB members thanked Dr. Hinote for his candor and remarks, and the

DIB Chair noted that innovation is also hard in the private sector and that we needed to continue to increase learning between the public and private sectors. The DIB Chair then asked the DFO to read through Public Comments. Following this, the DIB Chair provided closing remarks and Ms. Laughlin adjourned the DIB's February 1, 2023, open public meeting at 12:00pm ET.

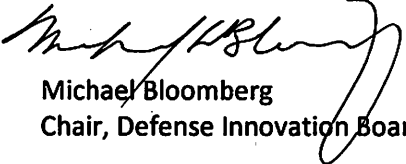
Closed Board Meeting:

At 12:15pm ET, Ms. Laughlin called the closed afternoon sessions to order. This started with a classified brief from Deputy Chief of Staff, Strategy, Integration, and Requirements, Headquarters, United States Air Force Lt. Gen. S. Clinton Hinote, who discussed the competitive landscape from the U.S. Air Force perspective. Next, the DIB members received a brief from Defense Innovation Unit Acting Director Michael Madsen on engagement with the private sector and how to scale discrete solutions across the Department in response to specific challenges, and how the DIU mission evolved over time. This brief was followed by a Service Innovation Organization brief with NavalX Director Captain Casey Plew, AFWERX Prime Division Chief Lieutenant Colonel Thomas Meagher, and Army Applications Labs Executive Director Colonel Robert J. Wisham who discussed how their respective organizations handle novel technologies and programs. The DIB members then received an overview brief from the National Military Command Center on its role, operations, and work culture. At 4:15pm ET, Ms. Laughlin adjourned the closed session.

Administrative Session:

At 4:30pm ET, Ms. Laughlin initiated the Administrative Session for board members to discuss timeline and study tasks and activities. During this session, the Deputy Secretary of Defense Hon. Dr. Kathleen Hicks came in briefly to thank board members for their service. At 5:00pm, Ms. Laughlin closed out the administration session and members departed the Pentagon.

I hereby certify, to the best of my knowledge, the foregoing minutes are accurate and complete.


Michael Bloomberg
Chair, Defense Innovation Board