MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: 2022 Acquisition and Sustainment (A&S) Goals and Priorities

The purpose of this memo is to provide the Secretary of Defense an update on the priorities and “big plays” for the Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)). OUSD(A&S) remains committed to enabling the delivery and sustainment of secure, resilient, and preeminent capabilities to the Warfighter and our international partners quickly and cost effectively. In support of your priorities A&S is focusing efforts and resources on six cross-cutting goals:

- **Drive Competitive Advantage.** To pace the threat and secure our military advantage in a new, rapidly evolving security environment, A&S will lead the Department in adopting a systems- and portfolio-based framework that aligns strategic decision-making for capabilities to the mission areas required for integrated deterrence. A holistic approach to enterprise acquisition and sustainment is necessary, one that leverages data as a strategic asset to maximize capability delivery and availability to the Warfighter.
  - **Big Play: Capability Portfolio Management.** The Department must concentrate its resources, ingenuity, and expertise on the critical linkages that enable the Warfighter to complete the kill chain. By implementing capability portfolio management through mission engineering, decision-makers can better apply directional speed, target investment and divestment, and inform performance measures against the current and projected threat environment. As the mechanism to implement this approach, Integrated Acquisition Portfolio Reviews (IAPRs) strengthen synchronization of warfighting concepts, requirements, technologies, and program execution across the Department. Integrating with the Joint Staff’s Capability Portfolio Management Reviews and other departmental efforts, we will better align elements of the requirements, funding, and acquisition and life cycle management processes to rapidly address shortfalls and bring emerging capabilities to the fielded force.
  - **Supporting Efforts.**
    - Fundamental business processes in requirements (Joint Capabilities Integration and Development System), resourcing (Planning, Programming, Budgeting, and Execution), and acquisition management (Defense Acquisition System) must evolve and better align to identify and fill critical capability gaps, as well as to transition emerging technology to capability at scale. A&S will drive integration across the Department to redefine programmatic success beyond the cost, schedule, and performance parameters and ensure the rapid fielding of the right technologies and product support at speed throughout the life cycle.
    - To create further efficiencies, and in conjunction with the Services and components, A&S will prioritize increased adoption of Modular Open Systems Approaches, digital...
engineering, and agile development practices. These commercial best practices will allow for more flexibility in production, maintenance, and long-term viability of systems, increasing their technological capability and decreasing the Department’s supply issues caused by obsolescence and adversarial sourcing.

- A&S will also strengthen the resiliency and responsiveness of the Organic Industrial Base, execute contracting at affordable prices, and adopt innovative solutions for enterprise-level logistics in contested environments. These actions will increase weapons system availability and mission capability while reducing operating and support costs.
- Across the entire A&S enterprise, data and analytics must be more extensively leveraged as a strategic asset. By inculcating data architecture, standards, governance, and a data-centric culture, the organization will improve the Department’s ability to make and execute strategic investment decisions. We will enable automated data collection for increased program and supply chain visibility, and refine business health metrics and their deployment in ADVANA, DoD’s common business data platform.

- **Fortify and Protect DoD Installations through Adaptation, Mitigation, and Resilience.** Mission readiness relies on installation resilience. Threats from determined attackers—either cyber or kinetic—and climate risk must be tackled to ensure DoD can operate under contested or changing conditions, preserve operational capability, and enhance the natural and man-made systems essential to the Department’s success. A&S will expand installation assessments, exercises, and data sets to enhance decision-making, establish investment priorities, and improve business processes. These efforts will strengthen climate informed decision-making, increase the resilience of natural and built infrastructure, and enhance adaptation and resilience through collaboration. A&S will also ensure the delivery of high quality, affordable DoD housing, to improve the quality of life for military personnel and their families.

  - **Big Play: Climate Change.** The Department will reinforce its efforts to meet the Nation's warfighting needs under increasingly extreme environmental conditions, and integrate climate requirements into operations, planning, and business and decision-making processes. Building upon the Department’s landmark Climate Adaptation Plan (CAP), A&S will develop an overarching Climate Implementation Plan that fully integrates the CAP, Sustainability Report and Implementation Plan, Defense Climate Risk Assessment, and other guidance as appropriate. These efforts will encompass improved weapon system design, climate literacy, continuous supply chain monitoring and data analytics, training and equipping a climate ready force, enhanced environmental justice, and establishing incentives to award innovation. In addition, these activities increase the Department’s resilience to a range of other kinetic and cyber threats to capabilities, and further enhance Joint power projection and sustainment.

  - **Supporting Efforts.**
    - To mitigate risks to DoD missions, plans, and capabilities, A&S will implement tools to improve decision-making, adapt our business processes, and make specific investments in resilience. We will strengthen the Defense Climate Assessment Tool by updating authoritative projected climate information, expand its application to all major
installations, and transition to a secure environment to conduct Installation Climate Vulnerability assessments. A&S will oversee the use of Black Start Exercises by the Military Departments to better inform risks to critical missions and ensure that all installations complete Energy Plans to comprehensively identify and prioritize solutions to all-hazard risks.

- A&S will continue to prioritize key reform actions that will increase the safety, quality, and habitability of DoD’s privatized and government-owned and -controlled housing. Increasing accountability at all levels within the Department and the Military Housing Privatization Initiative’s companies is foundational to delivering a positive living experience for military members and their families in DoD housing. This includes developing guidance for the various inspection and housing standard requirements, as well as establishing policies and procedures for health hazard assessments and mitigation.

- Finally, A&S will focus the investments of the Energy Resilience and Conservation Investment Program, Environmental Resilience Program, Readiness Environmental Protection Integration, Sentinel Landscape Partnerships, and Office of Local Defense Community Cooperation programs to increase the resilience of natural and built infrastructure, and enhance adaptation and resilience through collaboration.

- Modernize and Sustain the Nuclear Deterrent and Protect Against Chemical and Biological Threats. To ensure that the U.S. nuclear deterrent remains safe, secure, reliable, and effective, A&S will continue guiding and directing the highly complex and interdependent set of nuclear modernization and sustainment programs. As growing chemical and biological threats emerge and converge, we will similarly reform approaches to surveillance, detection, preparedness, and response, as well as advance development of revolutionary defense capabilities.

  - **Big Play: Nuclear and Biodefense Planning.** Building on the outcomes of the Nuclear Posture Review (NPR), the Department, in cooperation with the Department of Energy, will develop and document a new strategy and plan for the U.S. nuclear weapons stockpile and its supporting infrastructure. This plan will maximize attainment of military requirements, create a flexible and balanced stockpile, and result in a nuclear weapons production infrastructure capable of responding to emerging threats in a timely manner. Successful completion of DoD’s Biodefense Posture Review will likewise be critical to achieving the vision for the national biodefense enterprise. Co-led by A&S and Policy, the first-of-its-kind effort will integrate and unify the Department’s biodefense efforts; optimize biodefense capabilities and capacity; modernize operations; and synchronize biodefense planning within DoD, across the interagency, and with allies and partners.

  - **Supporting Efforts.**
    - As nuclear deterrence remains the Department’s highest priority mission, A&S will continue providing acquisition oversight of nuclear delivery system modernization programs as the Defense Acquisition Executive and Milestone Decision Authority. Effective oversight will ensure the Services execute affordable, effective, and on-time modernization programs to field safe, secure, reliable, affordable, and effective nuclear deterrent system replacements. This includes the nuclear command, control, and
communication system, which A&S will also continue managing to fully realize the benefits of concurrent modernization with the delivery systems.

- Working with our interagency partners at the Department of Energy and with stakeholders across DoD, A&S will make certain our nuclear forces have the capabilities they need to continue to deter adversaries and assure allies. As a key effort, A&S will work across the nuclear enterprise to improve integration and manage enterprise-wide risks and opportunities through the Nuclear Weapons Council, IAPRs, and other venues to maintain awareness and decision-making on the modernization and sustainment efforts.

- In addition to completing the Department’s Biodefense Posture Review, A&S will reshape the investment portfolio and governance of our Chemical and Biological Defense Program. The new investment strategy will drive revolutionary capability development against biological threats, whether they are manmade, accidental or naturally occurring. This governance reform effort will restructure the organization and management of the research, development, and acquisition program for chemical and biological defense threats.

- A&S is also prioritizing the destruction of the entire U.S. chemical weapons stockpile by the treaty commitment deadline of September 30, 2023. Efforts this year at Pueblo, Colorado and Blue Grass, Kentucky will result in 99% destruction of the chemical agent in the declared U.S. chemical weapons stockpile.

- **Shape a 21st Century Defense Industrial Base.** A resilient defense industrial base (DIB)—which includes both commercial and organic manufacturing and sustainment—is a critical element of U.S. power, and preserves and extends our competitive advantage. A&S will lead the Department’s approach to strengthening the DIB, bringing an enterprise-wide view of the threats and vulnerabilities and a comprehensive approach to mitigate them. To renew this enduring source of U.S. strength and shape the DIB to meet 21st century challenges, we will build resilient supply through both domestic capabilities and international cooperation.

  - **Big Play: Supply Chain Resilience.** Supply chain challenges have become more acute in recent years and A&S has identified critical sectors and capabilities for investment to ensure sustained industrial capabilities. As part of the Administration’s “America’s Supply Chain” Executive Order and through focused effort and interagency and international cooperation, the Department will address specific key areas needed to increase resilience, reduce supply chain risk, and promote competition.

  - **Supporting Efforts.**
    - A secure, capable, and resilient supply chain is foundational to the Department’s warfighting capability. For that reason, A&S will continue to mitigate operational risk by buttressing existing and emerging capabilities, with a focus on assured access to critical technologies, supplies, and services.
    - The Department sources a significant amount of components and sub-components, including raw and finished materials, from China, a country that eschews rules-based economic competition and proactively undermines national security with anti-competitive strategies. To reverse the erosion of domestic industrial strength, A&S will lead the Department’s efforts to build resilient supply through domestic capabilities and
international cooperation. Doing so will ensure uninterrupted supply in critical sectors, invest in the American industrial workforce, and deepen defense industrial cooperation with allies and partners.

- At home, we will enable U.S. industrial technology transformation in order to promote digitization of the supply chain, embed emerging technologies into acquisition and sustainment, and develop an industrial modernization framework for the “future fight.” Abroad, we will safeguard global market integrity and ensure a diverse, competitive market. Doing so will protect industrial blue space and emerging technologies from adversarial exploitation, promote diversity and healthy competition within the global defense industry, and remove adversarial influence from critical supply chains.

- Our collective efforts will focus on five critical sectors, along with prioritizing five cross-cutting strategic enablers, to resolve these challenges. These sectors are kinetic capabilities, to include core operational and logistics capabilities; energy storage and batteries, especially focused on high capacity lithium-ion batteries; microelectronics, which are vital components used in nearly all defense systems; strategic and critical materials needed for modernization; and castings and forgings, which are necessary to provide specific structural components and machine tools vital to manufacturing defense systems. Strategic enablers include developing the workforce, maintaining a focus on cyber posture, and having a strong focus on manufacturing, interoperability, and enabling small business to ensure a robust and diverse industrial base.

- Resolving these challenges requires a combination of acquisition, procurement, and sustainment activities; ensuring a strong and resilient industrial base requires cooperation with DoD components, combatant command, the interagency, industry, and allies and partners.

Enhance Global Partnership. Allies and partners, both at home and abroad, underwrite the A&S portfolio and we will seek to strengthen partnerships in support of shared security interests. Integrated deterrence necessitates enhancing interoperability through armaments, acquisition, logistics, and industrial base cooperation. In deepening existing defense partnerships while creating opportunities to advance emerging partnerships, A&S will work with allies and partners to safeguard global market integrity, enhance supply security, and plan for exportability of U.S. made systems.

- Big Play: Australia – United Kingdom – United States (AUKUS) Cooperation Agreement. AUKUS presents opportunities to increase trilateral cooperation between Australia, the United Kingdom, and the United States in priority advanced capability areas that support our mutual national defense imperatives such as artificial intelligence, quantum technologies, and undersea capabilities. A&S will lead DoD efforts to expedite capability development and delivery, promote multilateral interoperability, and maximize shared resources. A&S will also assist the U.S. government's efforts to support Australia's acquisition of a nuclear powered submarine at the earliest achievable date.

- Supporting Efforts.
  - The United States has benefitted from decades-long armaments cooperation relationships with key allies and partners like the United Kingdom, Canada, Australia, Japan, and members of NATO. A&S will deepen these existing defense partnerships,
including through AUKUS, and create opportunities to advance cooperation with new and emerging partners. We will complete an assessment of the US-India Defense Technology and Trade Initiative to order to identify process improvements that will result in new projects, as well as enter into negotiations with the European Defense Agency to establish an Administrative Arrangement and better enable cooperation between the United States and the European Union.

- To strengthen U.S. and allied supply chains, we will elevate industrial cooperation as a focus area in our recurring dialogues. A&S will enter into negotiations with Japan, Denmark, France, and Singapore on bilateral Security of Supply Arrangements to increase industrial base cooperation with those and other allied nations. The agreements will allow the Department to leverage reciprocal capabilities for mitigating industrial base shortfalls.
- We will also develop and issue updated guidance for exportability planning in DoD defense systems in order to offer U.S. weapon systems and enhanced warfighting capability to allies and partners more quickly. The new instruction will chart a new phase of the Department’s effort to identify, develop, and integrate technology protection features into U.S. defense systems earlier in the acquisition life cycle to enhance interoperability, reduce production and sustainment costs, and increase the competitiveness of U.S. industry in the global market space.

- **Cultivate our Human Capital.** People are our most critical asset and the key to driving our competitive advantage. Our workforce faces challenges unknown to their predecessors and needs new approaches to training, talent development, and recruitment to succeed. A&S will strengthen our workforce by building modern learning resources, and ensuring our recruitment and retention strategies provide for diversity and inclusion.

  - **Big Play: Beyond Back to Basics.** The “Back-to-Basics” initiative is critical to modernizing training for the acquisition workforce, but is only the first step. The newly streamlined training requirements must now be supplemented with elective learning that gives the workforce the specific skills they need to meet the demands of our dynamic environment. This will require a dramatic shift from the current certification mindset and practice. A&S will lead the Department-wide effort to make elective learning fundamental to our learning products, processes, habits, and culture.

  - **Supporting Efforts.**
    - To help our workforce succeed, A&S is making the most significant update to acquisition training since the 1991 Defense Acquisition Workforce Improvement Act. The first step in this modernization, often referred to as “Back-to-Basics,” will become operational February 1, 2022. This update will streamline the acquisition career fields into core functional areas and substantially reduce required training hours to make room for more tailored, elective learning. The new program will empower senior leaders, program managers, supervisors, and individuals to design training that meets their needs, ultimately saving millions of hours in training time.
    - We must also build awareness, processes, and learning materials to enable workforce members to build upon their core learning as their careers and the changing environment demand. Through the Defense Acquisition University, we are engaging
with every major acquisition organization to build a Department-wide understanding of how to make lifelong learning work effectively. By creating and curating new credentials, we will further meet specific workforce and leadership requirements.

- A&S also continues building a diverse workforce through specific initiatives to increase awareness about the value of diversity as well as tools for its enhancement. New ventures, such as our Defense Civilian Training Corps program, will better incentivize students enrolled in a defense acquisition curriculum and who commit to DoD civilian service after graduation. In addition to the scholarship aspect, the program will enhance diversity by partnering with Historically Black Colleges and Universities as well as Hispanic-Serving Institutions.

- Breaking down barriers between public and private sector service and enabling new introductions to careers in defense are equally important to growing our talent for the future. A&S will expand our Public Private Talent Exchange program, which rotates private sector employees into the DoD environment while DoD employees rotate out to gain private sector perspective, and similarly grow our Defense College Acquisition internship program to create opportunities for college students to experience serving in the Department.

**Conclusion.** The ultimate outcome of these combined efforts will be improved capabilities for the Warfighter, both short and long term. These capabilities form the foundation of integrated deterrence and the establishment and sustainment of systemic advantages. We look forward to working across the Department and interagency, as well as with allies and partners around the globe, to drive our competitive advantage.

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Performing the Duties of Under Secretary of Defense for Acquisition and Sustainment