Introductory Remarks

Panelists:

Ms. Rachel Hoff, Policy Director, Ronald Reagan Institute

Hon. Jim Talent, Former US Senator, Missouri

Rachel Hoff:

Well, thank you all very much for joining us at the Reagan Institute today for our National Security Innovation Base Summit. My name’s Rachel Hoff. I’m the Policy Director here at the Reagan Institute. This event is, in some sense, the culmination of nearly 10 years of work from the very beginning of the Reagan National Defense Forum. Our stage at the Reagan Library in California has featured conversations anchored around innovation and emerging technologies as they relate to the national security space. One of the very first RNDF panels was entitled “Rethinking the Industrial Base: How Can the Pentagon Capitalize on and Incentivize Innovation?” That was, of course, long before the term national security innovation base existed. But in my view, it was credit to the vision of our Reagan Institute director Roger Zakheim, who started RNDF, along with my colleague Bob Cochran, and had the foresight to focus on these important issues that remain central to the debate today from our earliest days.

In more recent years, the Reagan National Defense Forum stage always features prominent conversations around technology and innovation, and the RNDF audience has evolved along with it to reflect the growing diversity of the ecosystem we focus on today. It was then about five years ago that Roger drummed up another idea – to convene a task force to delve in more depth to explore this topic and develop a set of findings and recommendations. I was honored to manage that task force along with a great team of people, many of whom have joined us today, to lead the publication of that report in 2019. And those reports are available just outside the room and for our online audience – on our website. While some of the recommendations from that report have found their way into law and achieved impact and been adopted, many remain as relevant today as they did three years ago when we published that report.
And that's exactly why we're convening this Summit. Today's event serves as the launch of the Institute's next major policy product, a report card, also available outside if you didn't grab one on the way in and on our website at reaganfoundation.org/nsib. Following on the work of the 2019 Task Force, we identified a critical gap in this conversation. There was really no tool or no way to mechanism or no mechanism to measure this ecosystem itself, to track the impact of policy reforms, interventions, resources that have been abundant in recent years, and to identify priority areas for future resources and reforms. So this first of its kind report card is designed to do just that. We'll hope it will serve for you all also as an innovative policy tool to measure the effectiveness, productivity, and resilience of our nation's innovation ecosystem as well. And also to provide some recommendations for improvement.

You'll hear more on the Report Card later this morning. But in as much as this summit is the culmination of a lot of work at the Reagan Institute, it's also in many ways representing a beginning. This will be the first of what will become an annual national security innovation base summit here at the Institute. And our participants and speakers today reflect the breadth and the diversity of this dynamic ecosystem to include administration officials from across the inter-agency, members of Congress, representatives from our most dynamic industry and innovative, and technology companies, as well as the investment community, academia and America's allies and partners. Today, we'll champion successes, we'll highlight barriers and we'll discuss necessary reforms. So in closing, let me thank you again for joining us for today's inaugural National Security Innovation Base Summit. We hope it will become an important convening that will draw many of you and others back in the future. And to kick off our event this morning, I'm honored to introduce Senator Jim Talent. Senator Talent co-chaired that 2019 Task Force of ours, along with former Deputy Secretary of Defense, Bob Work. Senator Talent's known as an innovative and forward thinking policy thinker. And so from his time as elected official to one as a thought leader, we're grateful for his leadership and his status as a policy innovator. So please join me in welcoming Senator Talent to the stage.

Hon. Jim Talent:

... leaders here. I think we have that in common, do we not? And I'm just gonna take a few minutes and give you a little more detail about how we got from there. The report card which Bob Work and I are pretty proud of, not the Report Card, the Task Force Report, which is right here, and you can pick up outside. It's deliberately small and thin because we wanted people not to be frightened away from attempting to read it. And I think it's very accessible. But I wanna explain how we got from there to this Report Card. So, when the Institute, the Center for Peace through Strength, asked Former Deputy Secretary Work and me to manage this task force, we had a great group of people assembled from across all segments of the innovation base and we thought, you know, the first thing we really have to do is to attempt to refine the definition that was in the then National Defense Strategy of what the National Security Innovation Base actually is. Cuz you can't recommend changes to the NSIB to make it more effective and verse, unless you first get an idea of what it is that you're talking about. And so that our whole first session, and some of the people here were on that task force you'll remember, was devoted to that task, just defining what it is that we were trying to improve. It turned out, I think, and I think Secretary Work would say this as well, to be the most difficult session that we had. Also, I think, probably the most rewarding because we all struggled to get
our arms around the definition and in doing that came to understand it better. The definition needed to be broad enough to cover all of various elements in the NSIB but concrete enough to be useful for the purposes of making recommendation or fit for purpose as our British friends like to say. And so we finally decided the best way to describe the NSIB was, as you often hear it described – and this was not original with us – an ecosystem of systems with key agents across the US government, the defense primes, the tech sector, higher academy, venture capital, and the commercial industrial base. And that it included similar systems in countries that were reliable allies and partners of the United States. Everybody really involved are all the different systems involved in turning ideas into innovations and discoveries into technologies and products that could advance the interest of American national security.

Thinking of the NSIB that way, it was easier to see the major challenges that were facing the government in trying to improve it and make it more productive for national security. So, Secretary Work and I like to think of them as the biggest ones of those – as the three difficulties. So, the first was how to set priorities – how to set a clear, consistent, and comprehensive demand signal to the rest of the ecosystem that they could count on in responding to requests for help from the government. And this is difficult because, first of all, when you are innovating, you are trying to create products and discoveries that you will need in the future and the future is difficult to predict, particularly in the area of foreign policy. But it's also difficult because there are so many different agencies that participate in national security and they often prioritize different things. And the only real centralizing node in the executive branch is the office of the president, which has limited bandwidth. And so the idea was how do you get the agencies to establish common priorities? And that's not even talking about the decentralized committee structure of the Congress. And Congressman Thornberry is gonna be on the first panel and he can discuss how frustrating those can be. One of our recommendations was related to the priorities. If you go and look, it was the creation of a National Security Innovation Committee within the executive branch, which would have members from all the different agencies that were dealing with national security in an effort, among other things, to come up with common priorities. The second difficulty was how to coordinate the non-government government parts of the NSIB ecosystem without straight-checking them. How to get the segments to work together towards common priorities without coercing them so that they resist or they simply decline to participate.

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How do you get the benefits of synergy without sacrificing the dynamism and independent initiative? That is the chief strength of our system relative to our adversaries. And so this was the area where actually most of our recommendations were made. We wanted to try and help the government align incentives. You're going to hear a lot about aligning incentives today so that the various segments of the ecosystem would be drawn to work together towards common goals, would want to do that. And then the third difficulty is probably the most challenging. It's how to measure progress or lack of progress in dealing with the first two difficulties. In other words, once you know what the innovations are that you want to prioritize and you enact, you begin enacting policies designed to align incentives. How do you know whether the ecosystem is moving in the direction that you want?

The difficulties? Sure, you have to measure outputs, but you also have to measure inputs because each segment in the ecosystem is itself like a chain, and the chains are connected together. So, all the links in a chain can be strong except one, and the chain will break just as if none of the links are strong. So, measuring output will tell you if...
you're getting what you want, but it won't tell you what you need to fix if you're not getting what you want. So, you have to dive into the inner parts of the system. You have to come up with criteria for evaluating them. You have to come up with indicators that indicate whether the criteria are being advanced. And you have to be able to come up with assessment questions, the proper assessment questions, in order to determine whether the indicators are where you want them to be. And it's that third difficulty, probably the biggest one, that we decided to challenge, the Center for Peace Through Strength decided to take on and address. Hence the Report Card that you're gonna get today.

All I'll say, and you're going to hear more about this, is that in order to do the Report Card, we assembled a team of advisors from every segment of the NSIB, many of whom had served on the original Task Force. We began, in real earnest, last summer building the framework for the Report Card. We met with the advisory board on a number of occasions, in particular, to decide on the indicators we would use to guide our assessment questions and our criteria for evaluation. I participated in those and I can assure you that the members of the advisory board did not hesitate to offer constructive criticism as we were developing the Report Card. And then we worked through the rest of last year, came up with a draft report card at the beginning of this year, ran that by the advisory system, the advisory team again, and the result is what you're gonna hear about today.

So, all it's really left for me to do before I yield to, I think, Rachel and Eric for a better overview than I've given you, is the thank-you's. I want to thank, on behalf of the Center, Dale Swartz and the team at McKinsey and Company. They served as our knowledge partners and built the fact base for the Report Card. They showed inexhaustible patients in dealing with those of us on the advisory committee. I do thank the advisory board for their criticisms, their suggestions, and their patience in dealing with the center as we work through this project. Eric Snelgrove deserves a lot of credit and you're going to see him in a minute. He's our prime subject matter expert supporting our assessments. I also want to thank the members of the original Task Force for your participation and many of you have continued to work with us as we try and advance in this area.

I want to offer special thanks to the members of Congress who took the time to serve on that Task Force. It's unusual to get sitting members to do that. I can't say I ever did it and it was very kind to them. It included Congressman Mike Gallagher and Andy Kim and Stephanie Murphy. I have to thank Bob Work. You all know that his commitment to national security innovation, both in and out of office, is largely responsible for making it the priority it is within the United States government. And finally, I want to thank Rachel Hoff, without whose relentless intelligence and tireless work, this project would still be a gleam in Rogers Zakheim’s eyes. So, I will yield at this point to Rachel and Eric.

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