



Panel 9: SUPREMACY OR PARITY? ALIGNING THE NDS FOR TECHNO-COMPETITION WITH THE PRC

Moderator:

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Panelists:

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Doug Beck, Director, Defense Innovation Unit

Gen. Christopher J. Mahoney, Assistant Commandant, U.S. Marine Corps

Sen. Mike Rounds, U.S. Senator, South Dakota

Horacio Rozanski, President and CEO, Booz Allen Hamilton, Inc.

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Jennifer Griffin:

Great. Well, thank you for joining us. I know we're at the end of the day and we've had a lot of discussions, but this is by, in my estimation, the best panel: "Supremacy or Parity? Aligning the National Defense Strategy for Techno-Competition With the PRC." I think we know where we want to be, and it's not parity. I want to welcome my panelists: Admiral John Aquilino, everyone knows the head of US INDOPACOM. Doug Beck, who is the director of the Pentagon's Defense Innovation Unit. He was just with Secretary Austin up in Silicon Valley. Senator Mike Rounds of the great State of South Dakota, Senate Armed Services, and Foreign Affairs of course. And Horacio Rozanski, President and CEO of Booz Allen. And way down there, General Chris Mahoney, who is the Acting Commandant of the US Marine Corps. Thank you all for being with me. One little fun fact before we start, we have two, not one, but two TOPGUNS on this stage here. That means one of you must be Goose. Senator Rounds. Okay. Our panel will discuss, of course, the contest with China in terms of technology. Everyone agrees that you never want to enter a fair fight. You don't want the US military entering a fair fight. Admiral Aquilino, I'll start with you and I'll go down the line. We'll just have a quick lightning round. You oversee 380,000 service members across 14 time zones, 36 countries. Your AOR is half of the world's population. What keeps you up at night?

Adm. John Aquilino:

Jennifer, first, thanks, and thanks to the Reagan team for allowing me to come back. This is always an amazing event. Well, everything keeps me up at night. I'm the guy that gets paid for the worst case of everything in the Indo-Pacific Theater. You said 380,000 members. Just so we're clear, I have the greatest team on the planet, and they work every day to deter the conflict with the PRC and maintain the peace, stability, and prosperity that exists in the Indo-Pacific. If you were to ask what am I worried about specifically at this moment, I think what you've seen recently is a variety of unsafe actions by the PRC against not only the United States, but against our allies and partners, whether they be dangerous activity against the Philippines, close or dangerous actions in the air against -- intercepting our Canadian partners or our Australian partners, to include US airplanes, about three weeks ago, we had a very close intercept that was really concerning to me. So the safety of our forces, those 380,000 people, that is my primary job. And when the PRC takes actions that are unsafe, unprofessional, and in close proximity to my forces, that keeps me worried,

Jeniffer Griffin:

Doug.

Doug Beck:

So what keeps me up at night, really, is two things. It's what keeps him up at night, and moving fast enough to do something about it. I kind of come at this with three lenses. I've been in the department for only six months, before that I was at Apple for 13 years, but I've been a Naval officer part-time for 26. And when I look at the world from across those lenses, I worry a lot about what Admiral Aquilino worries about, and the fact that we are doing a lot as a nation to get after that problem, whether it's in the Defense Department, or the kind of work that Secretary Raimundo is here earlier today is doing around chips, or the kinds of things that the private sector is doing, diversifying a lot of those, diversifying out of China, a lot of those things will have an impact somewhere in the 2030s. But we don't have until the 2030s to make a difference because we have to deter major conflict now.

We have to be prepared, as the Secretary said today, to win if forced to fight now. And in 11 or 14 of the areas that we track technologically that make a difference to that problem -- things like artificial intelligence, autonomy space now, et cetera -- these areas move faster in the commercial tech world than they do in our bespoke defense pieces by themselves, and they always will, because they're going to have to move quickly to meet the relentless demands of billions and billions of consumers and the enterprises that serve them. And so we have to take full advantage of that at the same time that we take full advantage of all the unique bespoke things that we do as a Department. The good news is we are getting that. We have a Secretary who gets it. You clearly heard that today. We have a Deputy Secretary who gets it. We have a Congress who gets it. We have a commercial tech sector increasingly who gets it, so many of whom are represented here today. And that offers us a tipping point. And so, what keeps me up at night a little bit or a lot is taking full advantage of that tipping point. And I wish I had 37 hours in every day to do so.

Jeniffer Griffin:

Senator Rounds.

Sen. Mike Rounds:

Secretary -- Former Secretary of Defense Mattis, when asked that same question, said, "It's not me that's up at night. I keep other people up at night." And I think that's the attitude that we're going to have to have, which is we can either be on the defensive all the time or we can be on the offensive, meaning they don't want to be in an adversarial role with us. And that means having the best, the biggest, the strongest, the most complete. And along with that comes all five domains in which we currently fight: air, land, sea, space, and cyberspace. And in every single one of those, we have to be better than our adversaries, and we've got to be able to put it together in such a fashion that they fear having a dust up with us. So I think Secretary Mattis had it right. We want them to be up at night. The challenge that we have, and what would keep us up at night, is have we looked at all of the domains? Where is our weakness in any one of those domains? Have they done a better job than we have in any one of those domains and how are they going to take advantage of it and win? But right now, nah, I think Secretary Mattis had it right. We will keep them up at night, and we've got to keep it that way.

Jeniffer Griffin:

Horacio.

Horacio Rozanski:

First of all, thank you for having me on the best panel of the day. I guess the one good thing I can say for sleep deprivation is not much keeps me up at night. I generally fall asleep before I hit the pillow. But on a more serious note, and I think Doug said it, this issue of speed is the one that to me is paramount. Admiral Aquilino talks about being ready to fight tonight as the key to deterrence. And while we have accelerated, we're simply not fast enough yet. Industry needs to play a bigger role in accelerating to get us there. And that's what I'm focused on.

Jeniffer Griffin:

General Mahoney.

Gen. Christopher Mahoney:

Well, thanks. And to Admiral Aquilino, 80,000 Marines are part of his 300 -- and multiple -- team out there and we're proud to do that. The idea of speed has already been talked about is something that ought to keep us up at night. And let me just expound and change it to pace. If you believe you're winning a race, but the runner behind you is catching you, that would tell you that you need to increase the pace. If you think you're losing, then you need to change the pace to catch up. So in either case, we have to be remarkably self-critical about how fast we are moving in all domains as centered around, as said, in all areas of technology, which has already been alluded to, in order to be able to provide that deterrence capability that Admiral Aquilino was talking about. One other idea, and that's depth of magazine. You could define it as capacity, whether it's intellectual capacity, whether it's capacity of weapons. We have to have a depth of magazine that is able to go fight short, sharp, that is able to fight a bit more protracted, one that is able to take a hit, reconstitute, and come back at them. So we've got to

increase the pace, and we need a depth of magazine across all areas that allow us to fight.

Jeniffer Griffin:

One of the more interesting findings in the Reagan defense survey was not that half of Americans think that China is the greatest threat, up from 12% five years ago, but that most Americans think that the US military, the traditional military, is superior to China, and that the Air Force, whether you're talking about planes, ships, that we are still superior to China. That's nice, but is it true?

Adm. John Aquilino:

Well, it's absolutely true, but let me give a little different context. It sounds like that survey was measured against airplanes, ships. Let me talk about what we do in INDOPACOM, and that is to synchronize that Joint Force to deliver an exponential advantage beyond what the layman would see. So the ability to integrate and deliver effects from undersea, on the sea, above the sea, on the land, in space, and in cyberspace in a way that is synchronized, focused, and designed to deliver specific effects at specific places, anytime we want, to be able to win in combat, nobody else can do it.

Jeniffer Griffin:

Doug, how are you trying to help Admiral Aquilino in the Pacific? What is the role of DIU there?

Doug Beck:

So we are orienting, really, a huge proportion of what we're doing toward what Admiral Aquilino has to get after in the Pacific. And he recently stood up something called the Joint Mission Accelerator Directorate on his team, which is driving a number of major innovation efforts, including the Joint Fires Network, which is part of what he was just referring to. And we've sent our artificial intelligence lead to be the Deputy Director and CTO of that effort. We sent other members of the team out there so that we embed completely in order to help understand the problem at its source so that we can help ensure that we're bringing technology that is solving those problems. Not starting just with great technology and then seeing where it can fit, but starting with the most critical problems and then bringing tech that can help solve that.

Jeniffer Griffin:

Senator Rounds, there are also perceptions that the US is superior in terms of cyber and AI. Is that true?

Sen. Mike Rounds:

Yes, it is. We are. Our AI capabilities are as great as anybody in the world. Our cyber capabilities, both offensively and defensively, we're very capable. It does not mean that we are perfect. We've still got holes in our defensive capabilities, they still get in and China still steals secrets from us. The bottom line, they're good at what they do as well. We don't win every battle with them. We've got to be better on it. But the other side of this is there has to be a penalty for them stealing items from us and from people that are within our country. And that penalty comes in the form of offensive cyber capabilities. We're never going to get in a war again until there are cyber operations that will be a

preceding activity. Now, it may be seconds before that preceding activity, but cyber is always going to be a part of whatever we do. And we recognize that.

Now, because you were good at cyber yesterday doesn't mean that you're as good today, and every single day we've got to be improving our capabilities. And that means when it comes to hardware and software, we can't be doing it the same old way. We've got to be able to upgrade our systems as fast, if not, and probably faster than our adversaries can do it. But the other piece of this is that we will never be able to meet their manpower demands. We have to use artificial intelligence. We are using it today, but there is no way that we can win, and that we can keep our country safe, if we do not have absolutely the best artificial intelligence capabilities at all times. If we lose that race, we lose. And unfortunately, this race has no end to it. This is one in which we will constantly have to improve our artificial intelligence capabilities. We've been doing it for years, we just haven't called it that, used to call it machine learning. And then the guys that were doing that figured out there was more money in it if they called it artificial intelligence. Now we call it artificial intelligence, but it is there. It is for real. We have to incorporate it. If we do not incorporate it appropriately, then we lose. We have to have it.

Jeniffer Griffin:

Horacio, Booz Allen has been in Ukraine since the very beginning, even before this current round of the conflict. At the start, once Russia invaded, there was a belief that they were going to have such cyber capabilities, they could overwhelm, turn off the lights, it would be game over within a week. What happened?

Horacio Rozanski:

I'll leave that to the war fighters to answer the question, but I want to piggyback on Senator Rounds' point. We're the largest provider of AI and cyber to the federal government. And we've been thinking about this topic for a very long time. And I think when you look at that survey, what the American people intuit is what Senator Round said, which is unlike conventional systems, these digital systems are going to be in almost near-peer competition forever. We may be ahead one day, and we need to stay ahead the next day, but every day is going to be a new fight. Every day is going to be a new battle. And I think the role that American industry can play, like it did in the forties, like it did during the Cold War, is to provide a symmetric advantage to our war fighters so that they can do what they did in Ukraine, what they are doing in the Pacific, what they need to do in the Middle East around Israel.

Jeniffer Griffin:

So you were just in Taiwan, what was your takeaway?

Horacio Rozanski:

So I spent a week in Taiwan to really try and understand and get a personal sense of what was happening. And I had, at the highest level, three big takeaways that fit into this conversation. The first one is on the spectrum of cooperation, competition, conflict and combat, it very much feels like conflict, past competition. Both at the kinetic and non-kinetic level, the PRC continues to really attack Taiwan and look to degrade them. The second thing is, especially because of Ukraine, because of Hong Kong, and now because of Israel, there's a greater sense of urgency, that you get a sense from the legislators and

from the people of Taiwan than there might have been a couple of years ago. But unfortunately, there's a difference between urgency and speed. The urgency is not yet translating into speed, and here again is a place where American industry could band together and help get to the level of speed necessary for deterrence.

Jeniffer Griffin:

Senator Rounds, just to pick up on something you said, obviously AI is going to be crucial for adding speed to the ability of innovation to win the next war. Why is Congress only allocating, and why is the government or why is the administration only asking for 1% of the defense budget to be spent on AI?

Sen. Mike Rounds:

I think there's two parts to it. The first part is, I'm not sure if you go to the Department of Defense, and you ask them -- and by the way, I did -- what would happen if you had multiple billions of dollars more? Where would you put it? And the first response I got back was, "we're not quite sure where we would put it right now." So number one, we have to have the planning laid out in advance. I think that's changing as -- when ChatGPT-3 came on board, suddenly the whole world woke up to the fact that this is not pie in the sky for a couple of years from now. This is real. And now I think the folks are starting to say, you know what? We really could incorporate that a lot faster if we really started pushing. We use AI today. So it's not like we're not utilizing it.

But here's the deal, and I'm going to turn this around a little bit: We can't afford to lose this race. In Ukraine, they're losing thousands of young men regularly. Russia is losing hundreds of thousands. We don't do business that way. And so, the bottom line for us is if you think of the cost of a single war, it magnifies by a hundred or a thousand times the cost to our country of just having an adequate defense budget. And so, if we can continue to send the message to the American people, AI is real and we have to invest in it. And by the way, every dollar we put into it right now will keep us out of a war. And if we do get into a war, we will save young lives.

Doug Beck:

Can I build on what Senator Rounds said?

Jeniffer Griffin:

Absolutely.

Doug Beck:

Actually, I want to build on two things that you said because I think they're really important. The first one is, could not agree more that every day that we lose because we don't have a way to get after the problem is a day that we don't get back. And by the way, I've got some great ideas of where to spend that money. So if you need any, guys, I'm right here. The second thing that you said that I think is really, really important was about offense versus defense. In some of these critical technology areas, whether we're thinking about cyber, or we think about artificial intelligence, we have to of course responsibly think about defense of some of those technologies and controlling of our intellectual property. But if there's one thing that I learned in 13 years at Apple, it's you

don't win in technology on defense. You have to win by winning, and you win by getting, continuing to advance the very, very best technology. Advancing it forward, adopting it, and adopting it with a scale that allows you to make a difference. You win by winning.

Jeniffer Griffin:

And Doug, just to follow up, there was recently, I think 33,000 Silicon Valley technologists who signed a petition saying that, given the fears of AI and how it could be used for mal-intent, that it should be paused right now, maybe six months, pause while we figure out the guardrails. What would be the impact on Admiral Aquilino in the INDOPACOM? What would happen if there was that pause?

Doug Beck:

Yeah, I'm not a fan of a pause in this way. I do think that we need to be simultaneously thinking very hard about the implications of artificial intelligence machine learning, because we don't have true artificial intelligence yet, although we may very soon, as Alex who was on this morning talks about a lot, and we have to guard against the risks that creates. The people who we would worry about most leveraging that technology in a nefarious way, whether they are state actors or not, they're not going to pause.

Sen. Mike Rounds:

Amen.

Doug Beck:

So the way that you counter the risks of AI is, again, winning by winning. And I think a big part of what you're going to need in order to manage the risks that come with AI is AI.

Jeniffer Griffin:

Admiral Aquilino. Let's talk about the latest war games in terms of a Chinese invasion of Taiwan. What do they tell you? Who wins?

Adm. John Aquilino:

When we do -- and we do a lot of war games, but what I would start with is an understanding of what a war game is designed to do, right? There's no board on the corner wall that says win, lose, check. What it's designed to do is to learn. We do them based on different times, different capabilities, different scenarios, different assumptions. So I don't really look too much to the board. What I look for is, what have I learned? As it applies to a variety of different things, capabilities, posture, presence, all of the things we do each and every day to deter the force. So again, I pay less attention to that, but the synchronization of what we do in that game -- in those games, with the components, with the support from the services, with innovative capabilities that we pull from Doug, how we feed them in, the concept of operations, that's the focus. So we continue to do those. We continue to learn, and like always, we continue to get better.

Jeniffer Griffin:

So what's your greatest vulnerability right now?

Adm. John Aquilino:

Well, certainly that is nothing I would tell on this story further, this is not a classified session. Let me turn it around a little bit and talk about what our greatest advantages are, and then where technology can help us even get better. So, number one, I described before the ability to integrate the Joint Force in all domains. Well, speeding that up. This theme of speed, delivering capabilities that are needed to continue to present overmatched to the challengers is the focus. So Doug mentioned the Joint Mission Accelerator Directorate that we pulled in to INDOPACOM. That's designed to take one of the US' greatest advantages of all time, it's the innovation of the people here in Silicon Valley and across the globe, and take those capabilities and weave them into warfighting requirements.

And for the INDOPACOM, we talk about it in the form of decision superiority. We have it, we need to continue to have it, we need to get better at it. To the race that Senator Rounds and General Mahoney described, this is a true race, and people are trying to catch us, so maintaining that advantage. But for me, decision superiority looks like this: The ability to blind, see, and kill any adversary that decides to take us on. Those technologies that are there, the algorithms, the large model -- language model options, and AI, however you describe it, feeds directly into my blind, see, and kill requirements. So blind, I need the adversary to not know what's coming at them, blind, deafened, and dumb. See, I need instantaneous understanding of everything in the battle space at all times. And then kill, I need the weapons, the effectors, the network, and the access to be able to deliver those effects. And those are the things that deter.

Jeniffer Griffin:

General Mahoney, the Marine Corps has been undergoing a great transformation. It started under General Berger, you're continuing it. What capabilities do you not need anymore, and how are you transitioning? Tell us about the latest, I think it was the 12th Littoral.

Gen. Christopher Mahoney:

Yeah, the 12th Littoral Regiment. Marine Littoral Regiment. Yes. So that makes two. There's the 3rd Marine Littoral Regiment in Hawaii, and the 12th that was just inaugurated on the 14th of this month out at Okinawa. Getting away from titles and names, and going back to what Admiral Aquilino just talked about, Marine Corps uses a little bit different terms of art. Admiral Aquilino says, "see, blind, kill," we say, "reconnaissance, counter-reconnaissance, and lethality," which all add up to the same thing. What can I see, understand, and describe? How do I hide, how do I conceal, how do I deceive? And then what lethality do I have, in range, and timeliness, and precision, so that Admiral Aquilino, or whatever the command structure is, can make the decisions in time faster than our adversaries. And that would leave me to a fourth element, which is the command and control decision superiority, the first among equals. If you cannot do that, if you cannot knit all of the capabilities that Doug is talking about, all of the things that Booz Allen brings to the floor, then you are punching with your eyes closed. We have to be able to provide that data in a rationalized way, in a timely way, in a resilient way to the COCOM Commanders so that he or she can make those decisions.

Jeniffer Griffin:

So what technologies do you need?

Gen. Christopher Mahoney:

The technologies that we need as far as -- we need exquisite sensing, so that we can discern what is out there, identify what is out there, hold it at risk. Then we need to be able to make sure that we, in turn, are not being targeted. So we need systems in a counter-reconnaissance way where we can deceive the enemy as to our location, or our intent, or our activity. But lethality speaks for itself. We need something that can reach out, in time, whether it's organic or whether it's from the Joint Force. But we need, once again, the technologies to take that data, put it into a format that is rationalized against all other data inputs, and present it in such a way that it can be used to come back out, whether it's through lethal means, whether it's through active or passive means to have the effect that you want to have.

Jeniffer Griffin:

And what are the war games telling you in terms of a Chinese invasion of Taiwan? What are you learning from them?

Gen. Christopher Mahoney:

Well, what we're learning is, and this isn't specific to war games with Taiwan, if you are big, if you are slow, if you emit across the electromagnetic spectrum, across the visual spectrum, across the IR spectrum, you will be targeted, and you will be hit. Size matters. Speed matters. Your ability to move, maneuver and importantly, sustain in a distributed manner gives you an advantage. That's what we're learning in the Marine Corps. We're trying to present that in the INDOPACOM theater in the form of MLRs.

Jeniffer Griffin:

Horacio, what has Booz Allen learned in Ukraine that's applicable to Taiwan?

Horacio Rozanski:

I think a lot of the main lessons are twofold. One is the true power of open-source intelligence. It is an incredible new set of tools that are coming to bear in a different way. And then, as General Mahoney was saying, the need for integration, integration, integration, integration. There's almost an infinite number of sensors out there, how do you put them all together in a way that the war fighter has them at the ready, at the edge, on a timely basis to operate inside the adversary's decision cycle?

Jeniffer Griffin:

And this might be a controversial question, but do you think Israel relied too much on technology? And that's what caught them off guard with Hamas being able to surprise them on October 7th?

Horacio Rozanski:

I genuinely don't think we know yet. There's been some recent reporting that in fact they had indications and warnings going back for a year that they may have overlooked. I don't know how that plays all into it. So I think time will, and history will really tell, and I don't think that any of these things are one-offs. AI isn't going to solve every problem.

We're not going to solve anything in one warfighting domain, whether it is a kinetic domain or a non-kinetic domain. It's really about integrating across all of these things. Senator Rounds talks about going beyond the kill chain to kill matrix, and I think that's the kind of thinking we need to bring to bear. And again, it's also not going to be one company. A lot of what we're focused on is transforming ourselves so we can bring other companies to work with us, whether they're small companies that we capture or we invest in through our corporate venture fund, whether they're hyperscalers that we partner with on major programs, it's really going to take an all-of-nation effort to overcome these challenges.

Doug Beck:

Can I build on that Ukraine question that you asked, because I think this is a really important one for all of us to think about right now. And when I think about the lessons from Ukraine, from a DIU perspective, we've really, I'd say, learned sort of three big yeses and a not yet. Big yes number one, and we've already talked about some of these pieces, is just the incredible relevance that a whole variety of new technologies is bringing to the battlefield. Whether you're talking about commercial space on the collections -- from the collection standpoint, or the analysis that goes with that from an artificial intelligence standpoint, or crowdsourcing of targeting information, including from not just troops but civilians, or all the things that unmanned systems of all kinds are doing with first-person view, through to all kinds of different use cases that nobody was thinking about before. This isn't science fiction anymore. It's real, and it's having significant impact on the battlefield. You still need 155, but there's not a question anymore about the relevance of those capabilities.

So that's a big yes. A second big yes is the power that -- sometimes that commercial technology can bring to bear. Sometimes for us with a partner faster than something we may have ourselves, because there are a lot of complexities about taking a program we've already got and bringing it to a friend, but sometimes we can say, "Hey, there's this company over here you might want to talk to because they got something that's pretty cool." And that can help things happen very quickly. That's been enormously relevant in Ukraine and it's relevant for INDOPACOM as well.

The third big yes is about talent. So we've had people out there working with, for example, the SAG-U, which is our capability with our partners to help support the Ukrainians. A lot of this isn't just about bringing tech, it's about bringing the problem solving from people who understand the technology to think about how do we work together with the warfighter to make something happen live in the moment. So there's some big yeses. The big not yet, and this is something I really think we need to focus on, and we are focused on as a department right now, is scale. So all of that stuff I've talked about isn't yet happening at the scale that we need it to happen in order to have the strategic effect either to deter Russia or to have the impacts we need for Admiral Aquilino in the Indo-Pacific, some of that great technology that we're talking about. So we need that scale for us to deliver the strategic effects, and the companies need that scale in order to make the ROI work for them, because some of these companies that are delivering that great technology have actually had to lay people off while they're doing it. They need the scale to be able to make the ROI work, and to make the investments to be

able to have the capacity for us to have the scale. So we need to deliver the demand signal for scale.

Jeniffer Griffin:

And they also need a budget so that then they can plan. Senator Rounds, do you think the American people would support more aid to Ukraine if they understood what the US military and industry is learning from the battlefield in Ukraine?

Sen. Mike Rounds:

Yes. I think there's a larger issue that has to be overcome first, and that is that, regardless of when you talk about a program in which you're going to defend, whether it be Israel or whether it be Ukraine, there will be a large percentage of the American public will say, but what about defending our own southern border? 77% of the American public say that that's a critical issue. It's one of the reasons why we're having the discussion in Congress right now about how do we go about making sure that our southern border is built back up again so that we don't have 240,000 people a month coming over the border. That will have to be discussed. So number one, it is defending the southern border. Second piece on it is, yes, they also -- we need to do a better job of explaining that in defending Ukraine, we are defending our own interests as well. I want to go back to one item just in terms of the capabilities that are out there right now and the way that the next wars may be fought, and these are experts, so I'm really getting out of my field here, but I'm going to just try it as a suggestion.

Doug Beck:

You're an expert, sir.

Sen. Mike Rounds:

No. The Nagorno-Karabakh War, the Second Nagorno-Karabakh War was fought about three years ago between Azerbaijan and Armenia. In a matter of 60 days, Azerbaijan, which clearly is not a first world in terms of capability, they were able to take back the Nagorno-Karabakh region between the two countries. On a smaller scale, but they destroyed over a thousand pieces of equipment that were Armenian in nature. And they used drones. They used what is a limited form of artificial intelligence in loitering drones that literally talked to each other on a battlefield, laid out kill zones. And in that kill zone, they would identify the anti-aircraft equipment that was there. They identified the tanks that were there, they identified command centers that were there, and the drones loitering up identified which type of ammo would take out which type of target, and they talked to each other.

There was no human in the loop. They took out over that 60-day period of time, 1,000 pieces of machinery or targets. Armenia couldn't respond to that. The same thing has now been advanced in Ukraine. And in Ukraine, they're doing the same thing on a larger scale, but you have the same thing happening. War is changing, and artificial intelligence is a part of it on the battlefield today. Granted in a limited form, but if we're not learning from this and recognizing that when it comes to China, this is going to be on a larger scale with thousands of more miles that have to be dealt with, but we have to be prepared to take on a similar type of risk and to have those types of capabilities if we're going to win this battle.

Jeniffer Griffin:

And Admiral Aquilino, what lesson do you think China is taking from the war in Ukraine? What are you seeing?

Adm. John Aquilino:

Well, there are numerous, but before, whenever -- I get this question a lot, before I try to get into Xi Jinping's head, I always come back with what is it that we learned, right? This persistent sense of learning for me was number one. So when the invasion occurred, number one, it validated our incredible intelligence apparatus. So for General Paul Nakasone and his team and the rest of the Department of Defense intelligence apparatus, that was really impressive. We need that. We need that exquisite intelligence persistently. I think President Xi Jinping was a bit unhappy with his intelligence apparatus.

Second, what did we learn? We learned the munitions issue that was described is applicable in the United States and the stockpiles and in my theater, the types of weapons that I need. We need to take that on very quickly, and we've identified that as a set of requirements. The third thing that I learned that I think President Xi Jinping probably learned also is we have to go faster to deliver the posture, the capabilities we need, the linkage and continued growth with allies and partners because we're stronger when we're together, and then we have to design and execute our operations such that our security challenger sees the most lethal integrated combat force ever, and that when he wakes up in the morning, he knows he's going to lose.

Jeniffer Griffin:

Horacio, when you were in Taiwan, you were surprised by some changes that they'd made in terms of military service. What did you find?

Horacio Rozanski:

So it goes back to the question of urgency, and the question that I kept asking is, are people going to respond to this? I mean, it's one thing for policymakers, for military leaders who see this day to day, and the clearest data point was almost no pushback that the change in the law received when they change the conscription timing from four months to a year. Again, growing up in Argentina, in a place that had conscription when I was 18, I can tell you that no 18-year-old wants to be forced into military service, especially if you don't know what you're going to be doing and it's not your calling. And so, the fact that the nation got behind it, I think, is a really good sign that people are taking note. Having said that, they have an upcoming election, they have a number of things that they're contending with, and they have a status quo that may not be ideal by any stretch of the imagination, but in some corners is what they expect may be the best deal they can get right now.

Jeniffer Griffin:

Doug, tell us about Replicator. Where do things stand, and why is it going to be a game changer?

Doug Beck:

Yeah, so I'm actually glad you asked that question. There's a lot of confusion out there about replicator, so I think it's useful maybe just to clear some of that up. Replicator is fundamentally about delivering two things. First, it's about delivering real impact and doing it fast on a critical need, leveraging autonomous systems, attritable autonomous systems, doing so at scale in order to help solve problems Admiral Aquilino has identified, that's one. And second, it's about doing that in a way that it helps us break down systemic barriers across the Department that helps us to do that, fast, like that, again and again and again, which is why I like to think of it as being kind of replicable.

Maybe stepping back a notch from it, one of the things that gets a little bit less press but it's super important, that the Deputy Secretary of Defense and the Vice Chairman have set up is this new Deputy's Innovation Steering Group, which elevates innovation to the way the Vice Chairman talks about it is innovation alongside the JROC process for requirements, the DMAG process for budgets, which the two of them co-chair, also now they co-chair this for innovation, that DISG, which we from DIU set the agenda for, and then chair the Defense Innovation Working Group, which is its subordinate or working group. That's the governance structure for Replicator. And that is all about delivering concrete operational effects against real strategic priorities, and doing so in a way that breaks down systemic barriers. So that's what Replicator is all about. As we get through this, we will meet the timeline of 18 to 24 months of putting multiple thousands of systems in place in order to meet the needs.

And we will do that in a way that it delivers changes to the way that we work in order to get there. And that's the last part that I really want to stress. This is a whole of Department effort. DIU is in the position of bringing that team together, but this is the services at the table, the combatant commanders at the table, partners across OSD and the Joint Staff at the table working together to solve that problem with systems we already have going that we need to accelerate and get into the field, and some that we'll be bringing in to help fill gaps that are new that we don't already have in place.

Jeniffer Griffin:

General Mahoney, you've spent 26 years out in the Pacific. What has changed in your time of service there, and what surprises you most in terms of the changes there?

Gen. Christopher Mahoney:

Well, I think that the changes have occurred across the board -- I started as a young first lieutenant flying A-6s, I think Admiral Aquilino was flying Tomcats at the time -- certainly from a military standpoint. At that time, the noses of our airplanes were pointed directly at Pyongyang. That's all we cared about. As time went on, the military situation changed appreciably to shift more toward the south in a remarkable way. We learn when we joined the service as a young officer to do force correlation. How many do we have? How many do they have? What can theirs do? What can ours do? And we didn't even think about China at the time. As I said, the potential conflict on the Korean peninsula was the biggest concern that we had. Over time, and a very short period of time I might add, that has changed dramatically from a force correlation standpoint and from a military activity standpoint, from the Malacca Straits all the way around to the southwest islands in Japan, the presence, the persistence, the coercive activity of the PLA under the sea, on the sea, and above the sea has been remarkable. Not only that, but

coordinated action, which started out as a few surface combatants, maybe a UAV, are now obviously coordinated. So you've seen a force correlation change, you've seen an activity change, and you've seen it become much more integrated. That's my opinion.

Adm. John Aquilino:

Can I jump on that? I've got an opinion, other than we're both old, because he dated us by the airplanes we flew. The largest military buildup in history since World War II at the greatest speed, both in the conventional lane and the strategic nuclear lane, across all domains: maritime, air, land, space, cyberspace. That's what's changed. Now, what's also changed is the risk at which the leadership in the PRC is willing to use it. So for a decade, the approach was strategically hide and bide, and the current leadership is ready to show strength and aggressive actions that should be concerning to all. They are concerning to me. The best example I would lay down is what's happening right now with our Philippine counterparts in the vicinity of Second Thomas Shoal. They are trying to resupply their forces on their ship, Sierra Madre. They are being blocked, they're being water cannoned, they're being lased, and they're being rammed. Now, why is that so concerning? The PRC has now articulated that Second Thomas Shoal is sovereign territory of China. That has been -- excuse me, that has been disavowed by the legal court tribunal ruling in 2016 that Chinese have no claim to that space. Yet they are enforcing an illegal claim as a part of the East and South China Sea. That's concerning.

Jeniffer Griffin:

Is it time for a Manhattan Project when it comes to AI and these technologies that you need to achieve superiority, not parity with China?

Adm. John Aquilino:

I think the theme of acceleration, Doug's team is doing an incredible job of being able to pull in all that innovation in the United States and being able to focus it at speed. So I don't think of it in the form of a Manhattan Project. I think of it in the form of focusing the right capabilities in the right place at the right time for the right outcome at speed. Because AI in specificity has applications across all areas, whether it be decision superiority, sensing fusion, kinetic weapons delivery in the form of swarms or other actions. So I don't think it's one, I think it would limit ourselves, but I think -- well, I'll put it this way: The theme that we use at INDOPACOM is we have to think, act, and operate differently every day. This world is much different than as long as three years ago. And if we can think, act, and operate differently to deliver those outcomes, we certainly have the people, the organization, and the structure to do it. We're self-limiting.

Jeniffer Griffin:

Doug, is DIU the new Manhattan Project?

Doug Beck:

I wouldn't call us the new Manhattan Project. I think this is a whole of Department effort. I would say we have to take DIU somewhere different from where we've been building on everything that we've done. At the very beginning of DIU, then X, when Secretary Carter first stood us up, he was prescient in seeing the problem that we're all talking about today, which is why he did this. And back then, when I would come to this event, I and some of my friends, I see a few of them here today, we felt like tech insurgents at

this event. And now, look at the list that's up on the sponsors today, who's here. We are way past that. That was 1.0, 2.0 was about proving that you could take real military problems and you could solve them with commercial tech. And I see Mike Brown or Raj Shah both out there, their amazing leadership really help build the capability to do that.

Well now we have to take that capability and apply it with the focus, speed, and scale necessary to achieve the strategic effect that Admiral Aquilino is talking about. That's what DIU 3.0 is all about. That's why the Secretary elevated us to report direct to him, and that's what we've got to get after. And can I add one point on the topic of risk? I've spent most of my career as a private sector executive, but I did have the privilege of serving for a little over a year with a Joint Special Operations Task Force in Iraq and Afghanistan. I see some former teammates out there today in the audience. And I came home from that experience understanding at a very visceral level that most of what I'd spent my entire career thinking of as risk wasn't. That was uncertainty. And I used to build risk models in that career and lead around them.

Risk is risk to mission, risk to force and risk to our nation strategically, and what we have to do and what programs, like Replicator that we're talking about, which by the way are going to hit snags and have problems. We have to take risk of the kind that is reputational risk, financial risk, process risk, maybe for some people, even career risk. We have to take that kind of risk now so that we don't transfer it into real risk for the soldiers, sailors, airmen, marines, guardians who will have to fight the war if we don't do that now.

Jeniffer Griffin:

Admiral Aquilino, we have one question that's come in asking you what you think of Replicator.

Adm. John Aquilino:

So first I thank the Secretary and the Deputy Secretary for the initiative. Again, a lot of it was based on some of the requirements and thoughts and concepts that were socialized from INDOPACOM, plus, again, the Deputy's initiative and Vision. Huge supporter. So again, we talked about Doug has a deputy in one of my directorates in my headquarters. It's designed to help speed this up. The Joint Mission Accelerator Directorate was titled appropriately, so very supportive. It certainly is focused on Indo-Pacific needs and I'm tremendously thankful to the team.

Jeniffer Griffin:

General Mahoney, we have another question. How has the fog of war changed?

Gen. Christopher Mahoney:

Geez, I'm not sure how to come back at that except that it will always be present. You'll have an uncertainty volume of what your capabilities are. You will have an uncertainty volume about what your adversary's capabilities are, and what, importantly, your adversary's thinking. And that uncertainty volume will shrink and expand over time. And if I go back to a point that was made earlier, Admiral Aquilino's idea of decision superiority and the ways to get at that are the way to shrink that uncertainty volume,

that fog down to an absolute minimum, back down to a point where it becomes decisive. Where what you do, speed, and lethality, and effect, there's nothing that your adversary can do to overcome that.

Jeniffer Griffin:

Horacio, a few last thoughts?

Horacio Rozanski:

I think I was pondering on your notion of the Manhattan Project, and I think that maybe the better analogy is when you read books like *Freedom's Forge* or *Arsenal of Democracy*, and you go back to that time, there was a whole mobilization of American industry to get behind these concepts, to be able to scale these technologies very quickly. And there's a lot of failure along the way. And the system that we have now, I think, first of all, does not aggregate enough scale from across American industry, especially American technology industry, and it's very risk-averse with regards to failure. And the trade-off between failure and speed is clear. If we want to go faster, we're going to have to allow some things to fail along the way. And to fail fast, it's actually a benefit, not a problem. So I think if we can shift our focus again towards speed, towards bringing all of American industry as an asymmetric advantage, and towards a little bit of budget certainty so that people can plan and invest against that, I think we can continue to stay ahead.

Jeniffer Griffin:

Senator Rounds, I'll give you the last word since you hold the purse strings. Is the NDS, the National Defense Strategy, ambitious enough to beat China, to stay superior and not just shoot for parity?

Sen. Mike Rounds:

I believe it's a step in the right direction. I think our job is to make sure that the young men and women who put themselves in harm's way are never entering into a fair fight, first of all. Second of all, that we continue to invest in the next technologies so that the current technologies actually work. B-21 absolutely, NGAD absolutely, space-based capabilities that not only can deliver information but can also be protected, cyber capabilities that will continue to protect, and cyber offensive operations that make our enemies fearful of messing with us. There's one more thing, and that is we are still the place in the world that people fight to get into. Albert Einstein came to this country. Can you imagine a Manhattan Project without an Albert Einstein? There are others out there that we should be welcoming into our country that will help to make our country stronger. We need that talent. This is the place where development should occur, and that development only occurs if we have the resources to do it, but also the talent to make it happen. And that comes from all over the world. Let's invite them in.

Jeniffer Griffin:

Well, that's a great note to end on. I want to thank my panelists and thank our audience for their questions. Thank you.

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