



DEPUTY SECRETARY OF DEFENSE  
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MAY 06 2016

MEMORANDUM FOR DIRECTOR, COST ASSESSMENT AND PROGRAM  
EVALUATION  
DIRECTOR, JOINT FORCE DEVELOPMENT, J7  
DIRECTOR, FORCE STRUCTURE, RESOURCES AND  
ASSESSMENT, J8

SUBJECT: Warfighting Lab Incentive Fund and Governance Structure

The global national security environment is becoming more competitive and confrontational. As a result, the Department must push for new ways to offset both potential adversary advantages and our own disadvantages and vulnerabilities. This will require us to develop innovative capabilities and new operational and organizational constructs to address emerging warfighting challenges. To help spur this effort, the Department will establish a Warfighting Lab Incentive Fund to support the development and refinement of new Service and Joint concepts of operation (CONOPS). This fund is patterned after the Wargaming Incentive Fund, which was established to encourage Department-wide wargaming focused on problems central to our national military strategy and defense program.

The Warfighting Lab Incentive Fund will be used to support field experiments and demonstrations that take concepts from paper to real world execution. One example is HUNTER WARRIOR, a series of Marine Corps Warfighting Lab field experiments in the late-1990s that developed insights into the tactical effectiveness of small distributed units operating across a widely dispersed battlespace. The field experiments explored innovative CONOPS based on small units using a new digital command & control architecture. This architecture provided the units with direct access to organic intelligence, surveillance and reconnaissance assets and the ability to mass supporting fires promptly and accurately. These experiments pioneered the first use of algorithmic learning agents in a military operations center. The Warfighting Lab Incentive Fund will spur and support similar warfighting experiments, demonstrations and operational user inputs to evaluate, analyze and provide insight into more effective ways of using current capabilities, and to identify new ways to incorporate technologies into future operations and organizations.

To execute the fund effectively, the Department requires a cross-enterprise governance structure designed to provide general support to CONOPS development while conserving scarce resources. The governance structure must help to spur continuous innovation in warfighting concepts while safeguarding against duplicative and wasteful spending. To accomplish both these important tasks:

- 1) The Joint Staff will solicit semi-annual proposals for experimental support from the Service warfighting labs, Combatant Commands (COCOMs), Joint Staff, Office of the Secretary of Defense, Defense Agencies, Federally Funded Research and Development Centers, University Affiliated Research and Development Centers and the Defense Industrial Base;

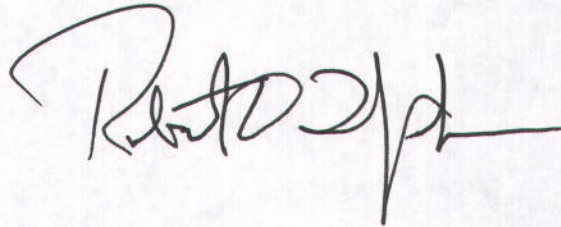


- 2) Using evaluation criteria approved by the Deputy Secretary of Defense (DSD) and the Vice Chairman of the Joint Chiefs of Staff (VCJCS), the Joint Staff and the Director of Cost Analysis and Program Evaluation (CAPE) will evaluate and approve proposals for funding support of selected experiments and demonstrations (see below);
- 3) Joint Staff will oversee execution of funded initiatives;
- 4) Joint Staff will provide an execution report to DSD and VCJCS highlighting insights and results of innovations; and
- 5) Joint Staff will ensure supporting capabilities are pursued in program development.

The Department must prioritize these proposals for support to best promote innovative outcomes. The Joint Staff and OSD-CAPE to evaluate submissions based on the following criteria:

- 1) Potential for disruptive innovation;
- 2) Potential contribution to off-set key US vulnerabilities;
- 3) Potential for cost imposition/enhancements to US national interests across conflict continuum;
- 4) Potential cost/benefit for the Department;
- 5) Amount of funding requested;
- 6) Time required to execute and generate results;
- 7) Potential for advancing US national interests (e.g., improving ally integration); and
- 8) Past performance of requesting organization.

With the establishment of a new Warfighting Lab Incentive Fund and governance structure, the Department will take another step towards taking better advantage of existing capabilities, exploiting emerging new technologies to offset competitor advantages and capabilities, and adopting new operational and organizational constructs to ensure decisive military advantage into the future.

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