



Dear Chairman Smith, Chairwoman McCollum, Ranking Member Rogers, and Ranking Member Calvert,

The Silicon Valley Defense Group (SVDG) is a nonprofit organization composed of defense and national security companies, investors, entrepreneurs, and veterans bringing cutting-edge technology to the United States Department of Defense (DoD) and the U.S. Intelligence Community. We write to express our strong support for the congressionally proposed **Warfighter Innovation Fund (WIF). The WIF is a vital tool for ensuring our forces have the agility and resources necessary to access the advanced technologies our nation needs to maintain our security in an era of great power competition. The WIF represents a critical, immediate step to current efforts in Congress and DoD to revitalize national security acquisition policy.**

China and Russia are peer and near-peer competitors that are becoming increasingly sophisticated in their development and use of emerging technology, economic manipulation, and aggressive diplomatic engagement. As business leaders, we perceive this to be a growing threat to our country's security and economic interests. As the threat grows, so too does the imperative to expedite and clarify the pathway from prototype to scaled capability for new military systems. The WIF is an excellent means to do so, it will improve the quality of our fielded defense technology, prevent innovative companies from falling into the "valley of death" between small pilot and Program of Record, and signal to private investors and entrepreneurs that the United States government rewards national security innovation.

Through our combined decades of experience with high growth tech companies and national security acquisitions, we have witnessed first-hand the difficulties in providing emerging technology to the armed services, even with clear demand from end users. DoD's budgeting and programming process takes almost 3 years. Once DoD determines they want to buy an advanced technology demonstrated to meet a validated requirement, it still takes multiple years for the budget process to catch up and provide funding. As a result, entrepreneurs are left in a state of limbo colloquially termed the "valley of death." This all but guarantees our military remains years behind the commercial state-of-the-art. This presents significant barriers to entry for companies and investors wishing to work with the government, as very few innovative technology companies possess the resources to wait for years for a contract.

To their great credit, Congress and DoD have made progress in addressing these challenges in part by establishing several defense-focused innovation entities, such as the Defense Innovation Unit (DIU), Army Futures Command, AFWERX, and NavalX. Organizations like

these provide rapid pathways for new entrants to win pilot contracts and gain understanding of operational problems and technology gaps. These programs represent a critical first step, but only a first step. These entities were not designed and are not equipped with the funding or resources to scale promising pilots into Programs of Record.

The WIF is the crucial next step in bridging the valley of death, providing promising companies a path to scale their capabilities and a reason to prioritize DoD as a customer. By providing interim funding between pilot program and the conclusion of DoD's budgeting and programming process, Congress will be helping to align the goals and incentives of the Department of Defense with the best and brightest in industry. Congress's investment in the WIF will have a significant positive effect on the quantity of private capital flowing into the nontraditional defense sector, and the engineering talent that will be drawn toward national security. Most important, however, is the tactical edge that these emerging technologies will provide our warfighters. Unlike the Cold War where as "slow-and-steady wins the race" mentality was adequate to defeat the Soviet Union, today's great power competition can be won only by achieving *dramatically* greater speed and flexibility.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sam Gray', with a stylized, cursive script.

Sam Gray
Executive Director, SVDG

On Behalf of:

James Cross, Founder & Executive Board, SVDG

Chris Donaghey, Founder & Executive Board SVDG

Chris O'Donnell, Founder & Executive Board SVDG

Bill Greenwalt, Founder

Joshua Marcuse, Partner, SVDG & Former Executive Director, Defense Innovation Board

Cameron McCoord, Partner, SVDG

John Reeves, Partner, SVDG