A New Playbook: The Future of U.S. Competitiveness
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Speakers

- Chris Brose, President and Chief Strategy Officer, Anduril
- Chris George, President and GM, Intel Government Technologies, Intel
- Mike Schnabel, Vice President of International Operations and Policy, The Boeing Company
- **Moderator:** Nick Schifrin, PBS News Hour

Schifrin
So thank you on all our behalf. Really appreciate it. So the title of the panel is a new playbook, The Future of Us. Competitiveness, as Anya just explained, this is mostly about competitiveness inside the United States. I would think of it two ways, competition on the battlefield and competition to create a thriving defense industrial base. And if there's going to be a new playbook to confront those challenges, it seems to me that we have to address some big ideas that we're going to tackle over the next few minutes. How do we achieve the pace and the agility of innovation that we've seen, certainly on the battlefield in Ukraine, to a certain extent, out of Israel, but we have not historically seen out of the United States. How do we create the adequate mass that Ukraine has reminded us we will need in any conflict, and how do we overcome the challenges to the workforce in the defense industrial base? That's a workforce problem. It's also as covid revealed a real supply chain problem. And in that sense, what steps can we take and what steps and what collaboration do we need in across the world? And finally, as Chris has argued on this stage, you know, we believe that there needs to be a teaming, if you will, that you cannot have the future of warfare the only autonomous, or only undersea autonomous drones. It needs to be both that and things like subs and bombers. And that's going to get us to a big idea, which is, if there was which is, if there was a last supper in 1993 that created the consolidation of the primes, is there a first breakfast, if you will, a reset between government and industry? So let's start with pace and agility of innovation. And Mike Schnabel, let me start with you. CQ Brown, when he was still at the Air Force before became chairman, his line was, accelerate change or lose. Of course, it's conventional wisdom now that we're not moving fast enough, why not? Why aren't we moving fast enough? And from your perspective, from Boeing's perspective, why not?

Schnabel
Thanks. And I'll just say thanks. It's an order to be part of one. So really pleased to be here today. Yeah, great. Start easy softball, right to go and fix the entire acquisition system. I think part of it is really facing the need and facing the situation. There's a lot of discussion on some of discussion on some of the other panels about, are we on a war footing, and those type of things, if there's increasing sense that, you know, we need to be better and more prepared. And when

you look at the, you know, the we're in the same acquisition system, as Chris pointed out, since the 60s. But, you know, we put out some really great stuff in the 60s, 70s and 80s, a lot of it will still use it so, and I think the difference was that pressure of the Cold War, and so we're in a situation that seems very similar. Previous administration, and certainly in this administration, that are acknowledging the situation has changed. And we need to adjust for that, whether that's new acquisition processes, whether that's increased study in the industrial base, increased money directly for industrial base, things that was just in the one big, beautiful bill. Acknowledging those is really the first step, but we're still in those first couple steps, and we need to move quicker as Chris said yesterday.

Schifrin
Chris George, go into some of Intel working on, so talk about research and development we have the research and development that's needed, and how can policy shift so it's easier to acquire, to deploy leading edge technologies?

George
All right, there's a lot on that, on the R and D side. So I'll speak mostly from the perspective of, you know, tech in the realm of AI, semiconductors, quantum, which is what Intel participates in. You know, it's an interesting time where in some segments like AI, there's a ton of commercial demand, and industry is driving R D forward at a pace that is, frankly, hard for industry itself to keep up with, and even harder, I think, for governments to keep up with. As you look at, right, what do you regulate? How do you regulate? And kind of make sense of because the innovation is happening on a daily basis in some of the other areas, like semiconductor manufacturing, the capital intensity is extremely high, and we've seen that both our allies as well as our competitors geopolitically, are investing. So Japan has has a chips act, and they are spending quite a bit of money to get more competitive in the R and D space for semiconductors. Similarly, the EU is spending quite a bit, and absolutely, China is spending lots and lots of money to to get leading edge manufacturing technology for semiconductors. So I think it needs to be a mix of, how do you harness the commercial innovation engines that exist, and then figure out how to tune it to what the government the specific needs of the government, and so kind of a personal perspective, or Intel perspective on that. If you look at this program, Secure Enclave that we've we've announced that's leading edge process technology that's not built exclusively for government use. It's built on the back of, you know, commercial capability, because it's just too expensive to build a leading edge fabrication facility. I think that's gonna be true for a lot of R and D areas now, in these really huge investments required to figure out how to get better alignment with industry.

Schifrin
Chris Brose, I began by framing one of the challenges as agility and pace that that the battlefield on Ukraine has reminded us of, from your perspective what is, what is the best way to go about that to make our system more agile?

Brose

Yeah, I appreciate it. I think we should first and foremost just acknowledge the reality, right? That we're talking about national defense. It is a monotony. It is only the government that buys weapons, please. I hope that's the case. So it is inherently on the government to determine how this market is going to function. Right? You've had the last suffer because the government basically said, after the Cold War, budgets are going down. There's not going to be enough money for all of you. We need an industrial consolidation. We got exactly what the government directed. I think Washington is a very process centricity. And whenever we ask the question, are we changing enough? Are we changing fast enough? Are we doing enough? We always go back to some process that we think is wrong, that's standing in our way. We have to fix the acquisition system. We have to reform the budget system. There's lots of things that Congress needs to do differently or not do I actually think, and I could be wrong, that we actually have all the authorities that we need to do this with one big, beautiful bill being passed. I think we have an enormous amount of money, and we have amazing human capital in and out of government. So I think what it really does come back to, which is, I think, kind of almost a scary realization for people to hear, is there's no big boogeyman standing in front of us. It is entirely a function of leadership, how we change, and the pace with which we do that. And I think this is doubly important in the defense context, where, look, I spent most of my career working in government bureaucracies. I'm not a hater of bureaucracies. We need bureaucracies to do things like I need the bureaucracy to pick my garbage up every Monday morning. I don't want it innovating in waste removal. I just want the trash to get picked up. So I think we look to kind of defense world. We need leadership to direct the bureaucracy to do new and different things. We can't expect new ideas and sort of disruptive approaches to necessarily always surface from the bottom up. And I think again, that's doubly true in a Defense Department context where you have all of these different communities that set requirements for weapons, that program money for weapons that acquire weapons that use weapons. None of them work for one another, right? They all work for someone whose first name is Secretary or chief. So it is doubly important on leadership to use the authorities they have the money, they have, to force the system to do new and different things. And you know, it's still very early in this new administration, but I think we're starting to see, you know, some pretty encouraging signs of that.

Schifrin
What signs are we seeing already?

Brose
I mentioned it yesterday, but I think what Secretary Driscoll is doing in the Army is something that everybody should be paying attention to, stuff that people have talked about for years. You know, he's getting done in the first half of this year. You know, consolidation of acquisition systems, you know, revisement, revising requirements, eliminating programs that probably never should have gotten started, and redirecting money into new capabilities, you know, forcing the process to serve soldiers rather than the other way around. You know, a lot of that's happening. And I don't just mean to, you know, to kind of lionize the army. I think there's other good things happening elsewhere, but that's a particular example that I think people should pay attention to.
Schnabel

Hey Nick, can I jump in there? Continuing on with the bill, right, there's tax breaks for R and D, which, which matters to all of us, right? The workforce improvements. It's not just about, you know, individual programs, either the specific money for the industrial base, right? To look at places where there are weaknesses. I'm obviously expecting the short term, it will be a war the stress points that were identified in both the Middle East and Ukraine, and how do we fix some of those? But I'm hopeful that it goes beyond that, right? It goes beyond just a because, frankly, a war in the Pacific is going to be quite a bit different than you know, what started, much like trench warfare in Ukraine, right? Those war car, different weapons, different agility. We need to be studying that. We need to be studying what industrial mobilization in this century looks like. So we're not running out of emissions. We're not we don't have shortage of drones, et cetera. And we're well prepared to extend whatever fight that's there for our country to step up to.

Schifrin
And to do that, of course, we need a defense industrial base and the workforce that can actually be there to create this stuff. And so Mike, let me stay with you for a second. But let me bring in ship building to me is the obvious example here. So I once spoke to a leading ship building executive who said it's almost impossible for me to keep people, keep workers, young workers, on or hire them, because they tell me they can make the same at an Amazon facility, and they don't feel the need to have the career that this particular ship builder was offering. So Mike Shaw, address that, how do you grow the workforce? And just explain how this one beautiful bill, as it's called, might help.

Schnabel
Well, first of all, say the defense industry, we got a little bit of extra benefit and talent just because, folks, there's a sense of service, I think, associated with two degrees. So I think we get a little bit of plus on talent there, but we're competing with tech industry and everyone else. It's gonna be tough, right? And so you talked about the bill, it's gonna help all Americans, but it doesn't necessarily make the defense industry more competitive against those other ones. Chris mentioned, just the money coming into it, the increased programs. What I'm hopeful for is if we have increased stability across those programs, that helps dramatically with the workforce, because some of the ups and downs, especially as the services assess their needs in a particular year, that doesn't necessarily play well for a long production system, which means your supplier is like, do I want to get in this game? If I'm not, it's not going to be here three years from now. So I think the predictability in the defense system in general. If that increases, I think that's dramatically to help that defense workforce, which is why? Why am I going to put up with the ups and downs?

Schifrin
Why? Because you can simply offer more money. I mean, isn't that one of the fundamental problems?

Schnabel
I would say yes, but it's more about knowing the job that I currently have is still there five years from now. I think that's a bigger issue. I'm living in it, maybe a town that I want to live in, but

living the life I want. But is there risk that this job is your three years now, based on a certain production system.

Brose
Yeah, can I add a point just on workforce, you know, I agree with everything that you said, and maybe just add a different kind of point of emphasis, you know, I think a lot of the workforce challenges are actually, you know, kind of downstream of problems that we have created for ourselves and how we have defined our military systems. Right over the past generation, we've made these systems ever more exquisite, ever more expensive, ever harder to produce. You know, where that ship building example that you mentioned, well, if your ability to scale ship building is gated on Training Master welders who take 10 years to become expert at their craft, like these become artisanal products, right? And you can't scale artisanal products, but so much so. You know, as an historical example, if you go back to World War Two, we were able to transform the wheel around automotive production facility to build B 24 memory serves, because the bomber at that time was not wildly different than the commercial cars and trucks that that line was building. Right? You could bring workforce in with minimal amounts of training, the Rosie, the Riveters, and they could contribute to the, you know, kind of rapid scale up of a military system, largely off of a commercial base and commercial labor, because the systems weren't wildly different. There's no way that we could build a B 21 Long Range Strike Bomber, you know, on a Tesla facility or a Ford facility, because it has become so wildly different and divergent from the commercial product. So my point in all of this, and I think you know how we're thinking about the workforce problem at Andrew is actually, how do I design military systems from the outset, where I can access the broadest potential pool of labor? Because the systems themselves are simple to build and simple to put together cruise missiles that take five or 10 tools to put together. I mean, it becomes more akin to like Home Depot level skills, as opposed to the kind of exquisite artisanal labor that we see required all across our traditional defense industrial base.

Schifrin
Chris George, expand this discussion argument to supply chain resilience. What do you see that the US can do itself, kind of what Chris Brose was just saying, and where does, where does this making the supply chain more resilient? Where does it need to expand overseas? How do we need to think about that beyond just bringing that into the US?

George
Well, I think there's a couple different directions you could go there, from a workforce perspective, if I look at, if I reframe a little bit, how do I get a resilient supply chain of talent? I was actually out at Argonne National Lab yesterday for ribbon cutting for big supercomputer. We were opening there, and had the opportunity to speak with Secretary Wright from the Department of Energy, and we talked about this some. How do we get the best possible talent? What makes America such a competitive place in the first place? I would argue we have a surplus of brain power. We have a lot of smart people here, and we attract a lot of really smart people here, and we do continue to attract a lot of really smart people. So one of the first ways of I would look at supply chain results, moving from a slightly different angle, is, how do I

continue to make the US the most attractive place to be, or are the absolute smartest people in the world? So they come here, they establish family, they go to grad school, they establish families. They can become completely integrated in the community, and they're sharing all their amazing ideas and making great products and technology. That's a piece. It maybe to the more conventional view of supply chain. There's an idea that we pushed heavily towards localization over a number of decades, and we've been pulling back towards more regionalization. And some of those, some of those things are easier to do than others. So for instance, getting rare earth minerals, that's pretty challenging, and we know that China has a very strong position, not just from procuring the minerals, but also in terms of refining them. And so investment has been made to figure out, okay, how to work with our allies, and how do we take advantage of our own resources in order to to get stronger there and then, I think there are other places like we saw with covid, where there was just unexpected breakdowns in supply chain. Again, from a chip perspective, I would not have predicted that a global pandemic would suddenly make it hard to buy an f1 50 that was, you know, surprising, because it's like, why did it happen? Well, they couldn't get, you know, a legacy chip from a foundry that is in another part of the world where they're not gonna build more capacity. And so I think that we need to do a deeper dive, particularly defense industrial base and national security sectors, of understanding what are all those dependencies that are some unexpected, not just so that we're ready for, you know, accidental occurrences, but also for more, more targeted disruption.

Schifrin
Mike, you want to jump in here. And I know one of the points that you're looking at is, how do we get the US government to advocate for US companies overseas as well?

Schnabel
Yeah before, maybe, I go to that, something that's sort of in between. What both these gentlemen said is commercial technologies making things easier. One thing I'd also say is, even in explicit systems, you can take advantage of that. Going to invest heavily in full size German assembly, right, doing digital engineering, making it easier for the supplier to supply and give. Suppliers that can jump in, and that can be on the most exquisite system, but on certain parts, or can be relatively easy to integrate. So I think it's not just throw money at it, hope suppliers work. When we buy more, it'll just work itself out, or just a planning problem. It's also make it easier to increase your supply base by making more folks available to jump in for you on getting advocacy, Mr. Stretching from most of those, mostly domestic conversations to international Yeah, partners and allies are a huge part of how the US government fights wars and, most importantly, deters. We talked a lot about that, I think, the other night, about we don't do anything alone. Part of that is being able to work well and be prepared to fight with our friends and allies. Lot of times, common equipment helps with that, and the US government has been great in advocating there's a whole system to the Commerce Department where you get out get advocacy, where, generally, you're, you know, they will root for you, if you will, as you're competing against foreign affairs. And in fact, in many situations, can be against adversaries, where perhaps a particular defense by might lean them one way or the other. That's sort of basic Cold War Tactics, right? But that's that's happening today. And then in other cases, it's may just be against a an ally, but it's something that goes into the industrial base. So I'm very

encouraged this administration has been extremely helpful through been extremely helpful through very active most of this year in trying to accelerate those discussions so we are able to integrate and deter with our friends and allies.

Schifrin
Chris Brose, I wonder if that's how you see it has Andrew received US government advocacy overseas, and how you confront that challenge?

Brose
I think hard about it. Possibly I'll come up with an instance by the end of the day where we've had good US government advocacy for some of the things we're doing. Does that mean the answer is no, is no. It means the answer is, give me till the end of the day, and I'll probably come up with an example. But look, I mean, we're a new company, right? I mean, government advocates for programs of record, which are things that the US government has determined through its own processes it's going to buy for itself, and then it's going to go advocate to ally X or Y. Hey, you should really buy this too. So in order to get that kind of advocacy, you often have to go through the US process. To win those programs of record. And I would say we're getting there. I think the argument I make is a little bit different, right? Which is, I think our perception, I don't necessarily think people here would disagree with this, but we can discuss it, is that the international environment has also changed, right? I do not see our allies and partners wanting, in sort of the traditional way, to just be buyers of American technology. They want to be builders. They want to be contributors. And that's something that you have to kind of beat them where they're at. So for us, a lot of the work and success that we found is actually going directly with that foreign ally and saying, Look, we will set up, in the case of Australia, we've set up an entire company to design, develop and now start to move into mass production an extra large autonomous undersea vehicle. It's basically a robotic submarine the size of a school bus that can go 1000s of miles carry lots of cash and prizes to do fun defense things. But that is a program that we did organically with the Australian Navy that was not something that the US government advocated for. Frankly, the reason we're doing it with Australia is we didn't see a pathway to doing it with the United States. So, you know, I think that is, maybe it's complicated, but, yeah, we're getting there. You know, I think it's more just to say this is an opportunity, right? Our allies have an opportunity to do things that the US government, for whatever its reasons, can't do, won't do, aren't able to do right now, and they can create a sense of disruption as well. That gives the us opportunities to go, frankly, buy more of what those allies are contributing to us, rather than it always necessarily going the other way around. So I actually think this is a welcome environmental change. I think it's a reality that we have to deal with. I also think there's amazing opportunity for US companies, if we play it the right way.

Schifrin
The great thing about Aspen, the great thing about these panels are we have companies like, like Boeing, like Andruil and Intel actually was kind of in the middle, in fact. I mean, obviously it's, you know, it's established legacy, but actually started much more similar to Andruil than, certainly, than Boeing. And this is where I want to go to the first breakfast idea. So just a reminder, historically, July 21, 1993, Les Aspen and Bill Perry have a big dinner. And it's known

as the Last Supper, because over the next few years, the consolidation of defense industrial base goes from perhaps as many as 50 to five or so. And today there is talk of a first supper, sorry, first breakfast, which means to me, just like a reset of the relationship between government and industry. So Michael, let me start with you. Is that a good way to think about collaboration moving forward and some of the challenges that we're confronting today? And if it is a good way, has it happened? And why not?

Schnabel
I love that analogy. So especially since if anybody's been in the defense industrial base realm, Last Supper somehow works its way in at some point. So I love having a new term that the slide in there. I think it's starting to happen, right? I think, I think there's a real opportunity, you know, whether it's Boeing or Andrew, right, like we want to win, like we want a country to win. We want our allies to win. We want companies to do well. And I think there's a realization, you know, I'm allowed to talk to him, right? Like we understand that cooperating, we each have strengths, whether it's a prime supplier or two primes teaming together. Those opportunities are continuing to rise, because, frankly, the government is setting that stage to be able to do that. So I think we're, you know, if we're not first up, or maybe we're having the most beforehand, right? Like we're first breakfast, sorry, I'm already lost the the I think we're, I think it's starting to happen, but we have to continue to accelerate.

Brose
Very briefly, underscore that point, right? The Last Supper was about subtraction. And I don't know whether it's first breakfast or, you know, we're at brunch or probably not even there yet, but it has to be about addition. Right? This isn't about, you know, taking money out of, you know, his pocket to give to ours, or vice versa. We just need more, right? I think that is the lesson that all of these years of paying attention to Ukraine and the Middle East and war games, we don't have enough weapons, we don't have enough capacity. We're not building enough. I think there's now agreement on that, which is very exciting. So you know, it's going to be companies that have a long legacy of producing and delivering that are gonna have to be part of that. It's new companies that, you know are still working our way into that position that are gonna have to be part of that. Those companies are going to team together as Andrew and Boeing team together on an opportunity. We're building rocket motors to supply to them for small damage, bombs to provide to Sweden. Like this is fantastic. This is how it should work. I think the main point that I emphasize is that just as the government effectively created the incentives for the Last Supper. It has to create the incentives for something new and different. And I mean that at scale, right? I mean in the like mobilization, in World War Two level mentality, which we have to have in this regard, which is how you start to create that new productive capacity, how you bring new entrants in, how you enable, you know, the traditional defense companies, to continue to change and do great things for the country, all that to work together. That has to be led by the government with incentives that make that possible.

Schifrin
Chris George, do you see the government doing that? Creating this environment that in which we, if the conventional wisdom is, the baseline for this conversation is we're not moving fast

enough, we're not agile enough, and we need something that gives us the ability to do that. Do you see evidence that that's happening?

George
I think that people are saying that they want to do that. So a lot of the languages is right. So maybe my world is pretty different than the Andruil and the Boeing worlds, in that Intel is not a defense company, but we had one of our intelligence agency partners come up to us and say, Intel, you're not a DIB, but you're not not a DIB. So you kind of got to figure it out, which is true, right? We're not a defense company. The same time, we are working more and more in that space. And because of the role that semiconductor connectors play, because of how conflict is changing in the world and rural technology plays in general, there is a need for companies like Intel to become more involved, have a better understanding of what the government needs. All that said, the way that a company like Intel, I argue, a lot of technology companies, operate, is you figure out how to make one thing and sell it a bazillion times, right? For Intel, that's great. If I can make one chip and it worked for everything, everywhere, all the time, that's what I would do, and I would sell it all over the place, and it'd be super, super profitable. The government's on the other end of that spectrum. They're like, I want, like, 10 chips, and you're really expensive, because it turns out making a chip and designing chip is really pricey, really niche. So the government says, Well, I want to have, I want to set policies in place in order to get new folks coming into the industry. I want to make it easier. I want to change procurement requirements. And we're like, great, we're ready to do that. And then typically, things end up stalling out the highest level. But then as you get working through contracting officers and specific procurement rules, it just kind of stalls out. And you really have to find some pretty creative, creative teams on the government side than there are many out there to help push through this. So I'm starting to see from our perspective, we are getting some traction, but more moments of the build.

Schifrin
Yeah, absolutely. So I'm running out of time here. Going to open it up for questions, just very briefly. Chris Brose, if you could just quickly acknowledge part of this conversation as I started about competitiveness is winning the war, and if we're going to talk about how the Pacific is different. Do you think that we're ready to fight in Pacific? Where you think we know the answer to what you're going to say there, but to the conversations that we've been having about the challenges, is there something specific about the Pacific fight that we need to understand in order to stand that's what we need to focus on when it comes to being more competitive?

Brose
Yeah, and let me be crystal clear on this, are we ready to fight today? Absolutely, I believe we are. Are we ready to fight if that war lasts a month or six months or two years, then I think it becomes more debatable, right? Because I think for 30 years or so, really, ever since that last supper, we've been building our military under a set of assumptions that I don't think hold true anymore. Our wars are gonna be short. We're not gonna shoot a lot of weapons. We're not gonna lose a lot of things. So if that turns out not to be true in the Pacific, I don't think we're gonna be able to regenerate a lot of the things that we're expending or losing. So I think the real impetus for the kind of change we need is complementing this amazing legacy military that we

have and the exquisite capabilities that it's going to bring to the fight on day one with additional capabilities that are more sustainable, et cetera, those are going to have to look very different than the kinds of things that I think people are paying attention to in Israel or Ukraine, where the realities of that Battlefield are just very different, right? It's shorter range, it's more tactical. It's not just a question of, like, we're going to take FPV drones from Ukraine and just like, drag and drop them into the Indo Pacific Command for Admiral Paparo. The geographies are expansive. The threat is far more sophisticated and challenging. The environment that we're gonna have to operate in is far more stressing and taxing. The industrial capacity that China brings to that fight is, frankly, an order of magnitude more than what the United States has, which is also the problem. So how we sustain that becomes relevant. So are we ready immediately? Absolutely. But I think the challenge for all of us is realizing that, historically, America's wars have lasted a long time, and unfortunately, the wars that we're now paying attention to across the Middle East and Ukraine, I think, are a harbinger of the fact that wars of the future are not going to be over in a week.

Schifrin
Bridge Colby would argue we need to have more prioritization, that if in the Cold War, we had a concept of operations where we could say, ah, the Soviet Union is going to go through the folding gap. So therefore, this is what we need to do in response to that. We need a more tight notion of concept of operations that that essentially is a prioritization.

Brose
Bridge has been a personal friend for 20 years. And, I said nice things about his book, and what I've written in my own is absolutely, we need prioritization, like as we've been saying for years, China needs to be the pacing challenge that focuses our defense planning. However, that does not mean that we can just afford to walk away from all of our other global commitments and sort of let the Middle East sort itself out. We've run that social science experiment before. It's ended real badly, walking away from Europe right now, I don't think is a good idea, but my point is not that we're going to do those types of missions with the traditional systems that we've always used. I think the very exciting opportunity is those now become opportunities for innovation. Those missions remain important. Counterterrorism remains important. Homeland Security remains important. How are we going to do it differently with new technology, so that we don't bankrupt the country, so that we don't kind of outstrip our ability to produce the things that we're still struggling to produce? It's an opportunity to innovate and change, not to say we're just going to walk away from very important missions that I think are going to have a negative, unfortunate repercussion the United States.

Schifrin
Absolutely. Okay, great. Let's open it up to questions. Let's start in the back over there. Thank you, and please direct your question and keep it brief. Please. Thank you.

Reinhard Bütikofer

My name is Reinhard Bütikofer. Listening to what the gentleman was saying on stage, I learned that there's a huge need to ramp up in order to service the needs of the American military. Then, from a European point of view, I ask, as we are trying to expand our military expenditure, how much can we rely on your capabilities to service our markets too? Or should we rather opt for the French way?

Schifrin
Mike?

Schnabel
Yeah, I'll say, let's not opt with the French way. It's going to be a team. We were talking a little bit earlier about how international cooperation is on arms. Nothing's transactional anymore. There's not I want a fighter. I want a helicopter. Okay, we built it, and there it is. Everything now is cooperation. There's an expectation that there's a there's a win, win, besides just what the capability inheritance system is, and that means we've got to work together. So whether that is sometimes redundant capabilities, because we're worried about future industrial capacity, if a war kicks up, we need to have those discussions with each other. It might be we're building maybe an exquisite European system on a, say, a US aircraft or vice versa. We're gonna have to continue to work together, because we're gonna have the same adversarial situations. It's gotta be a cooperative environment.

Schifrin
Great. Got a bunch of hands right in the middle. So let's try and go through so let's go from your left. So that was right here, right in front of you. Yeah, right there. Perfect. Great.

Bintu Musa-Harry
Hi, I'm Bintu Musa-Harry. I'm a Foreign Service Officer at the State Department and a Rising Leader 2025. When it comes to increasing, 25 and beyond. I'm curious to hear what role you all see soft power and diplomacy playing, if any, to benefit American companies and increase our overall competitive advantage?

Schifrin
Chris George, you want to take that? Or Chris Brose?

George
I can start but my guess is Chris Brose will be more eloquent. So I think it's, incredibly important. And I'll look at things more from the tech perspective. And so even when it comes to, you know, discussions around, you know, things like having discussions on, things like export controls, building relationships internationally, being able to have the level investment required to build technology. So a specific example, I think that the US and Japan should do a lot more together, and like high performance computing, Japan has amazing super conduct, excuse me, super computing expertise. And expertise. And to the earlier question, I'm still chewing on that. To your question, because it's something that I've thought a lot about as well, and I think there's that question about diplomacy that ties in there. It's, can our allies count us to be good partners?

And what I've heard recently is No, and that's concerning me as an American, and concerning me being an Intel a largely American company. So having said that, I think that actually industry has a role to play, and we have been trying to play it of figuring out, how do we get the right products and technologies to be more widespread so you don't have regionalization of technology as well, and policy is incredibly important. Part that we don't want to have happen is that you've got all right, I've got the China. I'm speaking to technology China tech stack, a Europe tech stack, a US tech stack, a rest of world tech stack. That is not how things will move quickly, and if you don't have a strong policy undercurrent that's helping to drive that, then you're in that real challenge.

Schifrin
Mhmm, really interesting points. All right, series of questions. Just go across the road. Thanks.

Birgitta Tazelaar
Thank you very much. I'm Birgitta Tazelaar, the ambassador of the Netherlands. As you know, there was a NATO Summit was just held in The Hague, and there was also a NATO Industry Day. I don't know whether you were present, but action plan that came out of it. And I'm curious to hear, what do you think was good about it. It ranges from action plans, to join procurement, to join test sites, innovation, et cetera. What do you like about it, and what did you miss in it?

Schifrin
Chris Brose, even, even, if not that text, but yeah, the overall ideas?

Brose
I am not gonna respond to sort of every element of the points and plans, right? Because I think we've seen a lot of plans that have come out of NATO, some of which are implemented, many of which are not. I would say the exact same thing about us, plans and strategies, right? It's all nice to have it written down. The real question is, is there a follow through? I guess the broader point that I would make, what I do see changing, and what I'm encouraged about, is a realization that seems to be emerging in Europe, that we are going to do more, right? We are going to spend more, we are going to invest more, we are going to build more, we're going to buy more. We can argue like, why is that happening? Is it sustainable? Et cetera, et cetera, but it feels more real than previous times that I've sort of heard those words. I think if that is actually acted upon, and Europe really does follow through, and it'll be different in different national markets and environments, of course, but you know, if that response is is actually forthcoming over the years, if there's increased spending, increased buying, and Europe really levels up in terms of its commitment or recommitment to hard power, I think that will be worth its weight in gold. It'll be an enormous contribution to, you know, kind of US transatlantic, you know, alliance and capability.

Schifrin
And then to the points earlier, do you see any impact on domestic politics, reliability of the United States from the European perspective, these European doubts about US reliability.

Brose
You know, look, I've been in this game for a while, not long, as some people, it comes and goes, right? There are times where there's doubts about America's credibility and commitment, and then there's concerns America is trying to do too much, etc, like with all seasons, right? I think the more important point is we in industry, I think just have to meet our partners where they're at. You know, one partner is going to want to buy things directly from Andruil, and we're happy to sell them. Another partner is not going to want to do that, but is going to want to welcome a teaming arrangement that we have with one of their national champions or national companies, and we'll work that way. I don't think there's a one size fits all answer. I think that will change as a function of time, but as of right now, I think there remain phenomenal opportunities for US companies Andruil included to be successful in Europe. We're seeing that now, they may just look different than we thought they would, you know, six or 12 months ago, or six or 12 months in the future.

Schifrin
Alright, so we got, I think, one more. Okay, two more. So try and get those three or three. All right, we'll certainly try and get these two. Introduce yourself.

Audience member 3
My name is **[unintelligible]**. One of you said we need more. But when you look, when you do a quick AI or Google search, whatever you want to do, the military budget for the US is about three times as much as the next closest competitor, which no surprises China. So if you need more, given the multiple here, what are we missing? Are we spending too much money on the wrong stuff? Or what is it when you say you need more?

Schifrin
Mike, you want to take that and then we're trying to get one last Rising Leader.

Schnabel
I think it's fair to say we need more of some things, not everything, right? So it's making those smart decisions when, you know, a period of time where the US military was fighting, you know, counterinsurgencies, there. Counterinsurgency, there's a lot of focus on a particular part of weapons. Well, guess what? Other weapons, other systems, were used as bill payers, right? Rd, thinking about the next war, all those things were still happening, but you're slicing a little bit off the edge every time. And frankly, that's built up in some of the weapons you would need in the high end fight, right? So when we say more, it's more of a shift in what we're focusing on, in addition to trying to get to those next levels of technology.

Schifrin
And one question and one last question, another Rising Leader. Thanks.

Reed Kessler
Hi. Reed Kessler from the House Armed Services Committee and Rising Leader, back to your original statement, Chris, about sort of how we're reforming and changing bureaucracy and the

downstream effects it'll have on the public private defense ecosystem, something that especially Secretary Driscoll has talked about is right to repair, and that's something that just came out of our markup a couple days ago as an amendment. I'm curious, kind of, your thoughts as we talk about what that actually means for the private public partnership and handing over IP for right to repair, how private industry feels about that. Thanks.

Brose
You should probably jump in here, because I feel like, you know, for us, it's a little bit of a different angle, right? I think the ability for the government to repair capabilities that it's buying, it almost assumed that an inventory right for decades, and they're going to need to conduct those repairs. I think a lot of the focus for us is on building systems that are almost effectively like consumable items, right? You're gonna have them for a few years. You're going to then buy the next best version, their autonomous systems, or low cost weapons you're going to expend. I think that we are fully supportive of the government being able to field service those, maintain those the Air Force's collaborative combat aircraft program that we were selected on. A lot of the emphasis of that program was the logistical elements of it. Can it be maintained in the field in very kind of Spartan conditions? Is it easy to access technicians understand how to do the basic work that they're going to have to do in environments where, like Amber, factories and employees are not always going to be available. So in that respect, very supportive of this idea. In spirit, I think it's maybe a little bit of a different emphasis for us as a company, though. Michael just quickly as a phrase, right? That makes total sense. I think as that mindset continues to go forward, you need to start programs with that money. And I think when that happens, it adjusts who's investing where, and in a competitive environment company is going to make smart decisions but as a concept.

Schifrin
Absolutely. Chris Brose, Mike Schnabel, Chris George. Thank you very much.