

**WORKING TOWARDS A STRONGER  
MILITARY  
FUTURE: STREAMLING  
PROCUREMENT AND R&D TO  
COMBAT CHINESE AND RUSSIAN  
AGGRESSION**



**BY: CURRAN GILSTER AND QUIN STUDENT**

**CONTACT INFO:  
CGILSTER@ELON.EDU  
QSTUDENT@ELON.EDU**

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# OFFICIAL MEMO ON DOD PROCUREMENT AND R&D

**To: General Public**

**From: Curran Gilster, Quin Student**

## INTRODUCTION

In 1961, the country was experiencing a post-war economic boom powered by consumer spending. During this period, millions of Americans entered the job market for the first time and found high-paying jobs that could finance lives filled with upscale products and goods. Dwight Eisenhower was the president who oversaw this economic explosion, and expectedly, he enjoyed overwhelming support during his tenure. Eisenhower walked a tight line between both parties, allowing him to gain support from members on both sides of the political spectrum, and by the end of his presidency, Eisenhower had earned a 59% approval rating from the American public (The American Presidency Project). Given his impressive record as president, Americans expected Eisenhower's farewell address to consist of positive reflections on his presidency, but instead he offered a strong piece of caution to the country (Kopelson, 2018). Eisenhower warned the American public about the growing power of the military industrial complex which was formed in response to World War Two to provide weapons on a mass scale to the United States military. While Eisenhower believed a permanent military industrial complex would positively impact America's ability to defend itself, he also warned about this industry's excessive influence on politics. If defense contractors became too powerful, they could encourage the United States to enter into conflicts just so they could enrich themselves and their companies. Over 60 years later, despite President Eisenhower's claims, the military industrial complex has still amassed an extremely large fortune. Northrop Grumman, a defense contracting company with over 90,000 employees in the United States, brings in nearly \$36 billion a year by providing the Department of Defense (DoD) with sophisticated weapons systems (Forbes).

But despite Eisenhower's farewell warning and the engrossed pockets of modern military contractors, we still believe it is imperative that our country continues to support the military industrial complex.

This memo will outline the history of the DoD's procurement and R&D processes and why it is critical that the DoD streamlines the procurement and R&D processes.

## **THE EVOLUTION OF THE DOD'S PROCUREMENT PROCESS**

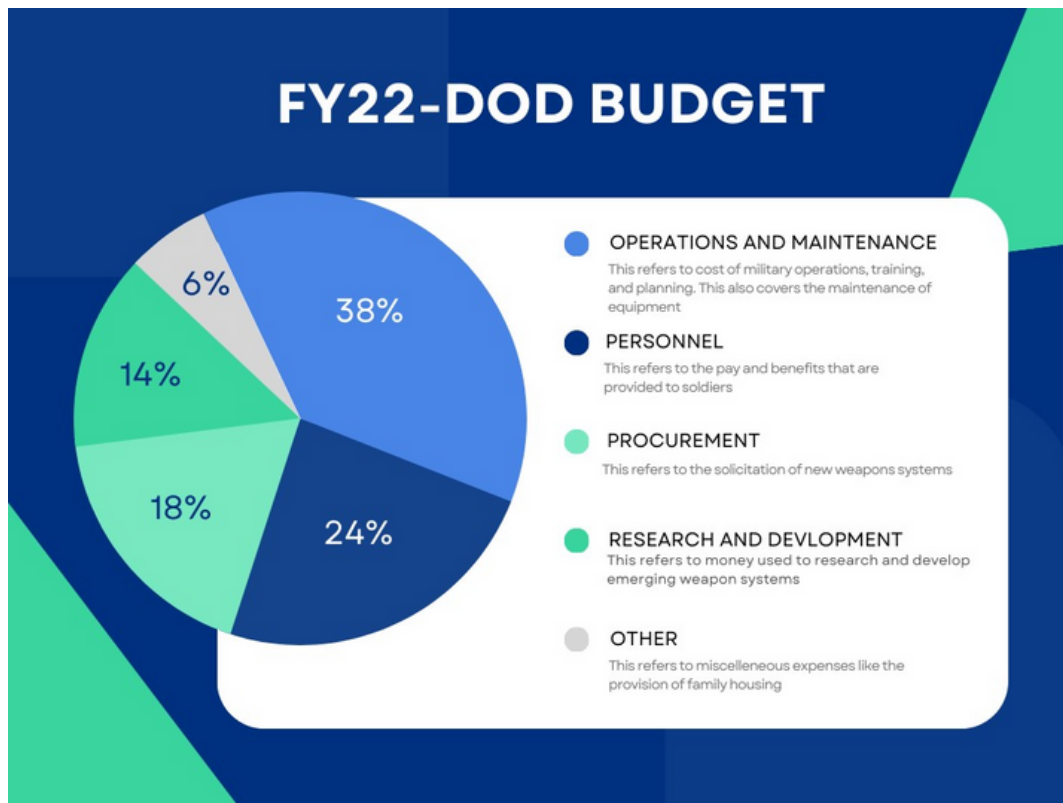
Following the United States' embarrassment in Vietnam, the DoD and Congress were keen to root out any procurement shortcomings that may have contributed to America's ineffectiveness in the conflict (Wong, 2022). This sentiment led to multiple internal as well as congressional investigations centered around the DoD's procurement process. The investigations brought about a number of reforms during this period focused on centralizing procurement authority in one nation-wide office and minimizing cumbersome government bureaucracy that limited the efficiency of the defense industry. These reforms were made with the belief that a streamlined procurement process would cut down on ballooning government spending and provide a uniform process for all U.S. military assets across the different branches of the military.

Beginning in the 1980's, U.S. arms spending began approaching unprecedented levels. As an influx of financial capital moved into the military industrial complex, Congress instituted further legislation like the 1984 Federal Acquisition Regulation (FAR) (Wong, 2022). This act required the DoD to streamline administrative costs. Congress enacted further regulations of the procurement process in the Goldwater-Nichols Department of Defense Reorganization Act of 1986. While Goldwater-Nichols was mainly focused on reorganizing the DoD, it also reduced the amount of regulations faced by them and lowered the amount of oversight authority held by Congress over the procurement process (Wong, 2022). These legislative changes enabled the DoD to significantly simplify the procurement of military weaponry.

These reforms were continued in 1990 when Secretary of Defense Donald Atwood consolidated all of the DoD's contract administration under the jurisdiction of the Defense Contract Management Command (DCMC)(Wong, 2022, CRS, 2014). Throughout the rest of 1990's, DCMC continued to consolidate its control over the DoD's procurement process. As of 2023, DCMC is still the DoD's main interface with the international arms industry, issuing contracts as well as conducting its own in-house research and development.

## THESIS AND WHY STRONG DEFENSE CONTRACTORS ARE NEEDED

We agree with the previous legislative and executive decisions that deregulated the procurement process and emphasized the R&D of new and emerging technologies. Even though the military industrial complex has amassed large amounts of money and political influence, the geopolitical realities of the modern world necessitate strong and powerful defense contractors, and by continuing to deregulate the procurement and R&D processes, the United States can maintain the competitive advantage over China and Russia.



Currently, American military technology is superior to Chinese and Russian technologies. For example, Chinese and Russian 5th generation fighter jets and hypersonic missiles are not as effective as American technologies, and this is due to defense contractors like Lockheed Martin, Raytheon, and Northrop Grumman who have worked on enhancing America's military readiness for over 70 years (Culp, 2022). These companies have invaluable technical experience and knowledge, and we should continue to make it easier for them to produce new military weaponry.

It is also important to bolster the military industrial complex because of changing warfare tactics. Modern warfare is evolving away from boots-on-the-ground conflicts with traditional weaponry to sophisticated battles with technologies that minimize the risks posed to soldiers (Stohl, 2019). While a conflict where soldiers are not put into harm's way has yet to occur, global superpowers have shifted money away from traditional military infrastructure and weaponry and into the research and development of emerging technologies with the potential to wage war while minimizing the risks posed to soldiers (Woods, 2020). In today's international order, where conventional warfare between peer level states has become less and less likely, the development of highly technical systems to protect modern society has become the chief goal of countries. For example, in 2021, Great Britain greatly reduced the amount of money allocated to the production of firearms and tanks while increasing the amount allocated to the R&D of technologies that can protect against cyber attacks (Gardner, 2021).

The United States has taken similar steps to invest in technologies that can enhance national security and protect against sophisticated weapons systems. Recently, the Department of Defense announced a new AI system that will be used to monitor the nation's capital.

DoD touts that the new system delivers a tenfold increase in performance capability compared to the system currently used (Vergun, 2023). This AI is not only able to track normal aircraft movements but also unmanned aerial vehicles and cruise missiles that may enter DC airspace. The company who manufactured this system was awarded a \$100 million contract to produce more systems for DOD that will be installed at military installations across the country. While 100 million dollars is a hefty price tag for individual consumers, when compared with other R&D projects conducted by the U.S. military, it's a great return on investment (CRS, 2014).

The prior example reveals why strong defense contractors are crucial to bolstering national security: they are able to innovate new technologies without being constrained by other factors. If the Department of Defense pumped large amounts of money into R&D for a project that eventually failed, Congress would be extremely upset at them for wasting taxpayers' money on a weapons system that would not bolster national security.

But private defense contractors are able to innovate on projects without fear of being held accountable by an external body. To maintain a competitive advantage over China and Russia, the United States needs to incentivize the military industrial complex to manufacture sophisticated weapons systems which can then be procured by the DoD.

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