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Meeting with Dr. Gansler 12/09/97

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20502

December 5, 1997

MEMORANDUM FOR KERRI-ANN JONES

THROUGH: BRUCE MACDONALD

FROM: STEVE RINALDI

SUBJECT: Meeting with Dr. Jacques Gansler

You will be meeting Dr. Jacques ("Jack") Gansler on Monday, December 8. The purpose of the meeting is to discuss the NSTC, the CNS, and current and proposed activities of the CNS. Dr. Gansler will be accompanied by Colonel Jack Hudson (military aide) and Dr. Wes Kitchens (Executive Secretary, CNS, and the Director for Weapons Technology, DDR&E).

Dr. Gansler's bio is attached as background information. In addition, I have included a synopsis of several of his key ideas on defense technology, extracted from his recent book Defense Conversion. The synopsis includes policies he believes should be reexamined, and elements of a U.S. technology strategy.

Pertinent issues for the meeting include:

1. Future projects for the CNS. Perhaps one of the most important potential project is OSTP's plan for a new CNS working group to develop the research portfolio for critical infrastructure assurance. Our proposal to the PCCIP interagency working group for this proposed CNS undertaking is attached.
2. Role of DARPA. In his book Defense Conversion, Dr. Gansler strongly endorses DARPA's role in funding long-term research that is geared toward breakthrough technologies. In his technology strategy, he emphasizes that, as with DARPA, the government's investment strategy must focus on high-risk breakthrough technologies. His views parallel concerns we have in NSIA that DARPA continue to fund long-term, breakthrough technologies rather than near-term research programs.
3. CNS Meeting Agenda. The draft agenda for the December 15 meeting of the CNS (attached) has two primary sections: a presentation by the International Technology Transfer IWG, and a discussion of possible new efforts. The Technology Transfer

IWG presentation will include a discussion of its current findings, a review of its action items from the July CNS meeting, and a proposal for its next set of activities. This next set of activities will refocus the working group on several of the tasks in its terms of reference. You should be aware that several members of the IWG have expressed their opinion that the IWG's activities should be concluded, despite the fact that several tasks from the terms of reference remain open. These opinions are likely their own as opposed to their principals' views. In either case, if the CNS principals believe that the IWG should continue its investigations, a strong charge by the principals to undertake the proposed activities would be useful.

Attachments

Dr. Jacques S. Gansler

Under Secretary of Defense for Acquisition and Technology

EXECUTIVE PROFILE

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Professional Achievements/Career Highlights:

The Honorable Jacques S. Gansler was confirmed as the Under Secretary of Defense for Acquisition and Technology on November 5, 1997. In this position, he is responsible for all matters relating to Department of Defense acquisition, research and development, logistics, acquisition reform, advanced technology, international programs, environmental security, nuclear, chemical, and biological programs, and the defense technology and industrial base.

Prior to his appointment by President Clinton, Dr. Gansler was Executive Vice President and Director for TASC, Incorporated, an applied information technology company, in Arlington, Virginia. Prior to 1977, he was Deputy Assistant Secretary of Defense (Materiel Acquisition); Assistant Director of Defense Research and Engineering (Electronics); Vice President, I.T.T.; Program Management, Singer Corporation; and Engineering Management, Raytheon Corporation.

Previously, Dr. Gansler served on numerous special committees and advisory boards to include Vice Chairman, Defense Science Board; Chairman, Board of Visitors, Defense Acquisition University; Director, Procurement Round Table; Chairman, Industry Advisory Board of Visitors, University of Virginia; Chairman, Board of Visitors, University of Maryland, School of Public Affairs; member of the FAA Blue Ribbon Panel on Acquisition Reform; and senior consultant to the "Packard Commission" on Defense Acquisition Reform.

Dr. Gansler is the author of "Defense Conversion: Transforming the Arsenal of Democracy"; "Affording Defense"; and "The Defense Industry". He is also a contributing author on 12 books on national security, research and development management, and public administration, as well as numerous journal papers, newspaper articles, and Congressional testimony.

From 1984 to 1997, Dr. Gansler was also a Visiting Scholar at the Kennedy School of Government, Harvard University. He is an Honorary Professor, Industrial College of the Armed Forces; and formerly was a Visiting Professor at the University of Virginia.

Dr. Gansler graduated from Yale University (BE); Northeastern University (MSIEE); New School for Social Research (MA/Political Economy); American University (Ph.D./Economics). Dr. Gansler resides in McLean, Virginia with his wife Leah. They have two daughters (Gillian and Christine) and a son (Douglas).

BACKGROUND PAPER ON TECHNOLOGY LEADERSHIP

The following points are extracted from Dr. Jacques Gansler's recent book, Defense Conversion (1995).

Government Role in Technology

- The traditional U.S. approach to supporting strategic technology development and utilization through military and space programs has become less effective than it was in the past.
- There is a need for the U.S. to transfer some of its R&D focus from research to technology, and from the defense to the civilian sector.
- The DARPA approach of funding nontraditional areas and in starting up whole new industries has been far more positive than setting up government laboratories to research specific areas.
- Government R&D tax credits to industry would encourage long-term technology investments.
- The government's role in technology data gathering, such as advanced technology forecasting and international benchmarking, should be reviewed.
- A national technology policy must be integrated with a trade policy, but an R&D-oriented policy that stimulates competitiveness would be far more effective than a protectionist trade policy.
- The government can help accelerate new products into the marketplace through the development of standards.

Requirements for a U.S. Technology Strategy:

- Its benefits should accrue largely to the United States.
- It should avoid conflicts of interest, and the appearance thereof.
- It should expect, and be able to shut off, projects that fail or are no longer useful.
- It should be informed by (even led by) competent advice, particular from the private sector.
- It should take into account the global marketplace.
- It should include a rigorous independent evaluation of past policies.

Defense Needs:

- DOD requires technological superiority and high performance at an affordable cost.
- DOD should focus on breakthrough technologies and “nontraditional” approaches, such as embodied by DARPA.
- DOD has to focus on developing rapid new product realization cycles and plan for ongoing upgrades as newer technology becomes available.

- DOD should invest more in manufacturing technologies aimed at lowering costs and improving quality.
- DOD should focus as much R&D as possible into dual-use technologies.

Elements of a Technology Strategy:

- The nation must be selective in which areas it is going to focus.
- Technology policies must be market-driven.
- To achieve the military's needed cost and cycle time objectives, the technology strategy must achieve a far greater balance between product and process technologies than has been true in the past.
- As with DARPA, the government's investment strategy must focus on high-risk breakthrough technologies.
- The vast majority of the government-funded efforts should be dual-use.
- The government should continuously track and benchmark best practices throughout the world.
- The U.S. should have a diffusion-oriented R&D policy, extending all the way to small and mid-sized manufacturers (diffusing benchmark data as broadly and rapidly as possible).

DRAFT

Agenda for the Meeting of the NSTC COMMITTEE FOR NATIONAL SECURITY

**December 15, 1997
1330-1500 Hours
Pentagon, Room 3D1019**

I. INTRODUCTION

II. STATUS OF CURRENT EFFORTS

- **International Technology Transfer Interagency Working Group**

III. POSSIBLE NEW EFFORTS

- **Infrastructure Assurance Research and Development Issues Interagency Working Group**

IV. OTHER BUSINESS

V. CLOSING REMARKS

Annotated DRAFT Agenda

Agenda for the Meeting of the NSTC COMMITTEE FOR NATIONAL SECURITY

**December 15, 1997
1330-1500 Hours
Pentagon, Room 3D1019**

I. INTRODUCTION (5 minutes) *Opening comments.*

II. STATUS OF CURRENT EFFORTS

- **International Technology Transfer Interagency Working Group (30 minutes)**
Presentation by Mr. Steve Rinaldi of the Office of Science and Technology Policy, Chairman of the International Technology Transfer Interagency Working Group. This IWG will present a progress report concerning the tasks it was assigned at the CNS meeting on July 17, 1997. There will be read-ahead material.

III. POSSIBLE NEW EFFORTS

- **Infrastructure Assurance Research and Development Issues Interagency Working Group (20 minutes)**
Discussion, led by Dr. Kerri-Ann Jones, of a proposed new CNS Interagency Working Group. This Group will lead Federal efforts to develop and coordinate a comprehensive, focused R&D portfolio to address relevant infrastructure assurance requirements. There will be read-ahead material.

IV. OTHER BUSINESS

I am unaware of any other business.

V. CLOSING REMARKS (5 minutes)

BACKGROUND NOTES
The National Science and Technology Council (NSTC)
and the
Committee for National Security (CNS)

To the degree possible, existing government organizations should be used to determine the infrastructure assurance R&D policy, strategy, and program. OSTP believes that the National Science and Technology Council is the best candidate for this role and should be chartered to develop the infrastructure assurance R&D portfolio. The President established the NSTC in 1993 to coordinate the diverse parts of the Federal research and development enterprise and to foster synergy among the varied talents of the Federal S&T workforce. A critical function of the NSTC is the identification and issuance of R&D priorities and goals to serve as guidance for all Federal agencies to use in their budget development. The NSTC is chaired by the President, and its membership consists of the Vice President, Assistant to the President for Science and Technology, Cabinet Secretaries and Agency Heads with significant S&T responsibilities, and other White House officials. The Assistant to the President for Science and Technology is the President's agent for providing oversight of and direction to the NSTC. The NSTC maintains five standing committees that focus on various domains of science and technology.

One of the five NSTC committees, the Committee for National Security (CNS), is the clear choice to develop the infrastructure assurance R&D policy, strategy and program. The CNS was chartered to facilitate coordination of federal efforts in R&D in areas of national security. The Committee identifies relevant priorities, programs, and plans across federal agencies. Committee activities facilitate coordination and integration of national security science and technology, increased operational collaboration among federal agencies, and the identification of national security science and technology priorities. As appropriate, gaps and overlaps are identified with a view toward improving investment selections and coordination.

The CNS is co-chaired by the OSTP Associate Director for National Security and International Affairs and the Undersecretary of Defense for Acquisition and Technology. The CNS is currently composed of representatives from twelve organizations; additional departments and agencies can be asked to participate as necessary. The current membership of the CNS includes:

- Office of Science and Technology Policy
- Department of Defense
- Department of Energy
- Department of Commerce
- Department of State
- Central Intelligence Agency
- Arms Control and Disarmament Agency
- National Aeronautics and Space Administration
- Office of the Vice President
- Office of Management and Budget
- National Security Council
- National Economic Council

NATIONAL R&D PROGRAM ORGANIZATION PROPOSED MISSION STATEMENT

Development of the infrastructure assurance research and development policy, strategy, and program will require a dedicated, interagency process. The Committee for National Security (CNS) of the National Science and Technology Council (NSTC) will establish an interagency working group (IWG) for infrastructure assurance R&D issues. Working through the CNS, this IWG will lead the Federal effort to develop and coordinate a comprehensive, focused R&D portfolio to address relevant infrastructure assurance requirements. The mission of the IWG will include:

1. Coordinating the appropriate organizational structures to identify relevant long-term R&D objectives. The working group will ensure that there are consistent, detailed, and comprehensive communications among the government, private sector, and academia in addressing existing and long-term R&D requirements and programs.
2. Drafting infrastructure assurance R&D policy. The NSTC shall review all R&D policy.
3. Developing and updating as necessary a long-term R&D strategy that addresses current and emerging infrastructure assurance requirements. The strategy should leverage related R&D investment strategies and programs of other agencies to the degree possible. The strategy should make projections of long-term budget requirements.
4. Developing and reporting a fully coordinated infrastructure assurance R&D program to the NSTC. This program will be updated annually. Key activities will include:
 - Comparing infrastructure assurance R&D requirements to current R&D programs and identifying gaps.
 - Coordinating the progress of ongoing infrastructure assurance R&D programs.
 - Identifying programs to meet requirements, including the augmentation of existing programs when deemed necessary.
 - Prioritizing and sequencing specific R&D programs to address critical requirements.
 - Determining funding needed to execute the overall R&D program.

PROPOSED MODIFICATIONS MISSION STATEMENTS – NATIONAL ORGANIZATIONS

With the following modifications and the proposed R&D structure, the CNS would develop and coordinate the R&D program, the IASO would play a tracking and integration role, and the lead agencies would execute individual research programs funded by their budgets.

The following proposed organizations have mission statements with specific references to R&D:

National Infrastructure Assurance Council. The current mission statement includes the function:

- Assisting in the evaluation of R&D program objectives.

No change required.

Infrastructure Assurance Support Office. The current mission statement includes the function:

- Coordinate an Infrastructure Assurance Research and Development Program with increased focus on technical solutions to issues associated with information assurance management; monitoring and intrusion detection; vulnerability assessment and systems analysis; risk management and decision support; protection and mitigation; and, incident response and recovery.

The IASO will have a role to play in the R&D program. However, rather than developing or coordinating the program, as the current statement implies, a more appropriate role for the IASO is to track and integrate the overall execution of the R&D program. The above function statement should be modified; one possibility is:

- Tracking the implementation of the infrastructure assurance research and development program AND PROVIDE DIRECT SUPPORT TO THE CNS INFRASTRUCTURE ASSURANCE IWG.

Lead Agencies. The current mission statement includes the function:

- Identifying sector research and development needs, and incorporating those concepts into the national infrastructure assurance research and development program.

Suggest modifying this statement to read:

- Identifying sector research and development needs, coordinating those needs through the Committee for National Security, and executing specific projects within the national research and development program.