



December 12, 2025

The Honorable Peter Hegseth
Secretary of War
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Secretary Hegseth:

On behalf of members of the U.S. Chamber of Commerce (“Chamber”) across the defense industrial base, we are writing to express support for the Department of War’s bold acquisition reform agenda and the shift to a Warfighting Acquisition System that prioritizes speed, scale, and mission outcomes. The decisive steps outlined in your recent memoranda taken together will help close critical capability gaps, rebuild American industrial capacity, and ensure our forces—and those of our allies—remain technologically dominant.

Our member companies believe these reforms – when implemented – will translate into higher production capacity, faster transition from prototypes to programs, stronger supply chains, and more reliable demand signals that harness the full might of America’s capital markets. This will enhance our warfighting capabilities and make the United States more safe. To that end, we highlight four policy areas we believe will help rebuild our industrial base and urge the Department to implement them expeditiously:

1. Champion competition, modularity, and multi-source practices in procurements to grow capacity and speed.

- **Why it matters:** Space and aerospace are characterized by rapid technology cycles, layered constellations, interoperable payloads, and software-defined upgrades. Relying on a small pool of suppliers introduces unnecessary risk while broadening the industrial base using commercial pathways and MOSA would unlock competition, reduce lifecycle costs, and speed upgrades.



- **What to implement:**
 - Enforce “two-to-production” for critical content and use scalable production strategies to enable surge capacity (including third-party and regional manufacturing for space/aerospace components).
 - Make Commercial Solutions Openings, Other Transactions, and the Software Acquisition Pathway the default where feasible.
- 2. Stabilize demand signals and align private capital to expand defense and aerospace production at speed.**
 - **Why it matters:** The capital intensity of space launch, spacecraft, propulsion, sensors, avionics, and advanced materials demands predictable demand and investable timelines. Stable, multi-year procurement and clear incentives de-risk expansion and unlock private investment.
 - **What to implement:**
 - Increase use of multi-year procurement, economic order quantities (EOQ), Working Capital Funds and longer-duration contracts; tie incentives to on-time delivery and production ramp milestones.
 - Allow monthly progress billing leading up to milestones for research and innovation contracts including SBIR/STTR and STRATFI/TACFI.
- 3. Institutionalize portfolio management with empowered Portfolio Acquisition Executives (PAEs) and measurable outcomes.**
 - **Why it matters:** Concentrating authority and accountability in PAEs, supported by Capability Portfolio Management, will break down silos and accelerate integrated, interoperable capabilities—vital in space and aerospace where kill chains cross platforms, domains, and services.
 - **What to implement:**



- Publish portfolio scorecards that track time from need identification to IOC/FOC, competition rates, Modular Open System Approach (MOSA) adoption, commercial uptake, and transition velocity from prototyping to production.
- Delegate decision authority and reduce documentation to the statutory minimum, shifting to “by-exception” oversight.

4. Reform requirements, resourcing, and FMS to accelerate fielding and enable allied burden-sharing

- **Why it matters:** Creating the JROC-focused Key Operational Problem list and aligning the Requirements and Resourcing Alignment Board (RRAB), Mission Engineering and Integration Activity (MEIA), and Joint Acceleration Reserve (JAR) can sharply reduce “valley of death” delays. In parallel, FMS/DCS reforms and early exportability will expand allied capacity and increase U.S. production runs.
- **What to implement:**
 - Design for exportability at program inception; accelerate realignment of DSCA/DTSA under A&S to synchronize tech security, acquisition, and production planning; modernize FMS/DCS IT for end-to-end transparency of timelines, case status, and industrial capacity.

The Chamber’s commitment - we will encourage our member companies to:

- Provide practical inputs on MOSA interface standards, certification regimes, and supply-chain risk mapping.
- Co-develop financing structures with the Economic Defense Unit.
- Share metrics and lessons learned to improve portfolio scorecards.

We will also support congressional efforts to:

- Enact portfolio-level PPBE flexibility with enhanced transparency.
- Authorize multi-year procurement and EOQ tools.
- Codify targeted FMS/DCS reforms that accelerate allied capability fielding.



These reforms are timely and necessary. If implemented with urgency and discipline, they will restore American industrial capacity, accelerate fielding of space and aerospace capabilities at scale, and deepen allied burden-sharing. The Chamber stands ready to partner with the Department and Congress to drive results from this reform blueprint.

Respectfully,

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