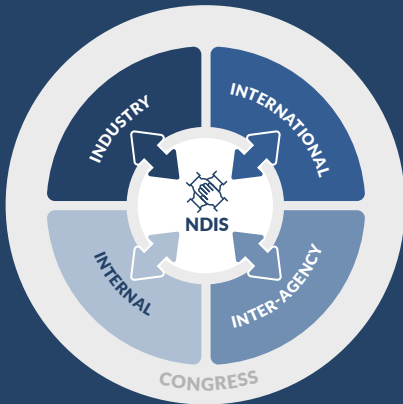
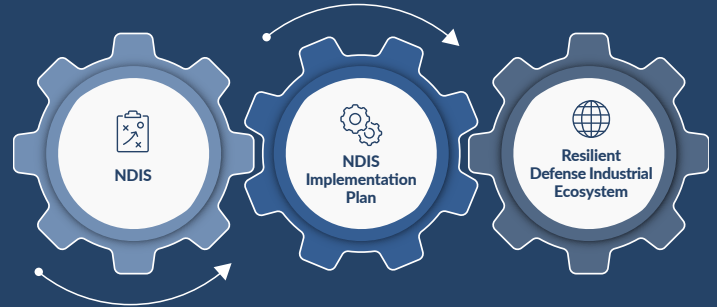




NDIS Implementation Fact Sheet

About NDIS-IP

The unclassified NDIS Implementation (NDIS-IP) details the actions the Department of Defense (DoD) is taking to execute the National Defense Industrial Strategy (NDIS) and includes six key DoD leader-driven initiatives and a risk mitigation framework.



Implementation Partners

Successful implementation of the NDIS will require coordinated action across the DoD and its numerous implementation partners.

Key Implementation Partners:

- 1 INDUSTRY
- 2 INTERNATIONAL
- 3 INTER-AGENCY
- 4 INTERNAL

Six Key Implementation Initiatives

Initiative 1: Indo-Pacific Deterrence

Fair market mechanisms and U.S. investments in the Indo-Pacific bolster defense industries, enhance deterrence, and strengthen partnerships to promote regional security and a free and open Indo-Pacific.

Initiative 2: Production and Supply Chains

Effective supply chain management ensures rapid and secure production of defense technologies by addressing vulnerabilities, enhancing visibility, and promoting resilient sourcing strategies.

Initiative 3: Allied and Partner Industrial Collaboration

Industrial collaboration with key allies and partners strengthens the U.S. defense industrial base, enhancing economic deterrence and readiness through the advancement of dynamic production and capabilities.

Initiative 4: Capabilities and Infrastructure Modernization

Modernizing capabilities, infrastructure, and supply chains in the defense industrial base ensures adaptability, scalability, and readiness, improving economic deterrence and military strength through collaboration with allies and partners.

Initiative 5: New Capabilities Using Flexible Pathways

Promoting rapid fielding of new capabilities through flexible acquisition pathways - shifting from program-centric to portfolio-centric approaches, and leveraging Middle Tier of Acquisition (MTA) and Other Transaction Authorities (OTA) to streamline processes, accelerate innovations, and support small businesses.

Initiative 6: Intellectual Property and Data Analysis

Integrating intellectual property planning into acquisition strategies protects investments, fosters competition, and ensures effective use of IP resources throughout the program life cycle.

Addressing Risks – Risk Mitigation Framework

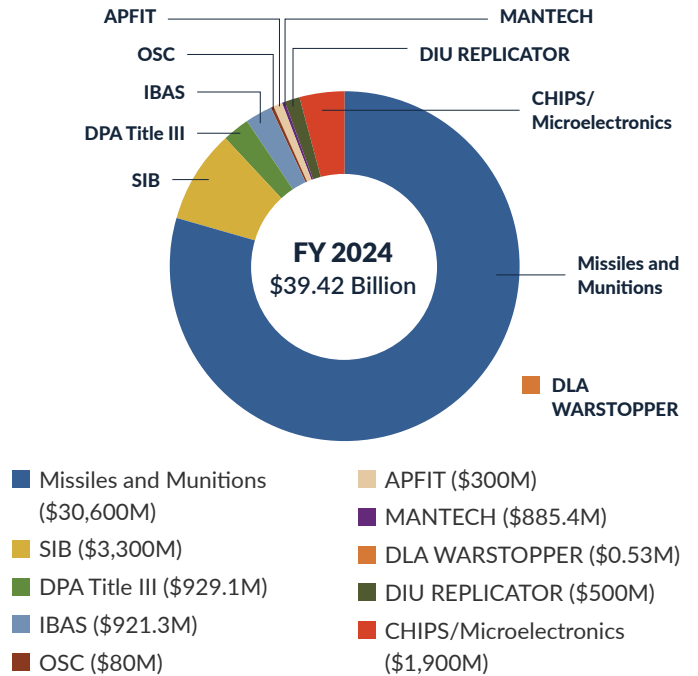
The NDIS highlights major shortfalls in the defense industrial base and outlines specific actions to address them. In response, the NDIS-IP’s risk mitigation framework identifies the “Risks of Inaction” tied to each initiative, urging NDIS stakeholders to consider the consequences of not taking action and to shift our mindset on how we collectively address industrial issues.

- Implementation Initiative 1**
 - Inability to compete globally, decreasing DIB exports and market share
 - Inability to meet the pacing challenge due to supply and material shortfalls
 - Fragile supply lines
- Implementation Initiative 2**
 - Inability to onshore critical manufacturing
 - Limited spare capacity leaving supply chain unable to surge and respond to shocks
- Implementation Initiative 3**
 - Over-customization results in high costs and lengthy development times
 - Economic conditions result in increased cost and economic vulnerabilities
- Implementation Initiative 4**
 - Reduced worker productivity decreasing productivity throughout supply chain
 - Sustainment and logistics challenges causing inability to sustain necessary platforms and materials
- Implementation Initiative 5**
 - Lack of skilled workforce resulting in limited innovation
 - Increased technological risk causing disruptions in critical technology production
 - Mismatch between acquisition strategy and outcome to be achieved
- Implementation Initiative 6**
 - Intellectual property (IP) theft and adversarial capital IP control
 - Degraded technological edge, innovation, and quality resulting in loss of technological advantages
 - Loss of trust and reputation reducing security commitments

Investing in Our Future – Funding Highlights

To drive the NDIS-IP forward, significant investments are being channeled into critical areas to fortify the infrastructure needed for a modernized defense industrial base. These investments are not just strengthening our foundation—they are creating powerful opportunities for innovation and collaboration across groundbreaking initiatives in the defense industrial base sector.

FY 2024 DOD Funding Overview: NDIS-IP Supporting Programs and Investments (in millions)



FY 2025 PB Funding Request: NDIS-IP Supporting Programs and Investments (in millions)

