



October 24<sup>th</sup>, 2023

The Honorable Patty Murray  
Chair  
Committee on Appropriations  
U.S. Senate  
Washington, DC 20510

The Honorable Susan Collins  
Vice Chair  
Committee on Appropriations  
U.S. Senate  
Washington, DC 20510

The Honorable Kay Granger  
Chair  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Rosa DeLauro  
Ranking Member  
Committee on Appropriations U.S.  
House of Representatives  
Washington, DC 20515

---

Dear Chair Murray, Vice-Chair Collins, Chairwoman Granger, and Ranking Member DeLauro:

As you work to finalize the Fiscal Year 2024 (FY24) Defense Appropriations Act, we write to encourage you to maintain the House-passed provision which provides over \$1.0 billion for the Defense Innovation Unit (DIU) to establish a hedge portfolio, called the Non-Traditional Innovation Fielding Enterprise (NIFE). Furthermore, we applaud the provisions in the House-passed FY24 National Defense Authorization Act to elevate DIU's reporting structure, codify its authorities and responsibilities, and authorize the establishment of the NIFE. We believe these provisions will position the Department of Defense (DoD) to more effectively leverage non-traditional and commercial capabilities to support the warfighter.

A recent RAND report<sup>1</sup> assessed the commercial technology pipeline, which moves technology from an idea to a fielded capability, and found that DoD does not have a common strategy or policy guidance for technology innovation. Additionally, the study determined that DoD innovation offices do not have a "systematic means to identify commercial business partners," which leads to a barrier for industry to access opportunities and understand how commercial technology can support defense missions. As a result, acquisition officials across services struggle to adopt such technologies at speed and scale.

Since its inception in 2015, the DIU has worked to accelerate the adoption of commercial technology to strengthen the national security of the U.S. and its allies. In its FY2022 Year in Review report<sup>2</sup>, DIU noted that it more than doubled its transitioned technologies to 17 and awarded \$1.3 billion in contracts with an average of 142 business days to award a prototype Other Transaction (OT). Additional funding provided by the NIFE would enable DIU to accelerate fielding of innovative capabilities to the services and the combatant commands at speed of relevance.

---

<sup>1</sup> [https://www.rand.org/pubs/research\\_briefs/RBA1352-1.html](https://www.rand.org/pubs/research_briefs/RBA1352-1.html)

<sup>2</sup> <https://www.diu.mil/fy22-year-in-review>

This is especially important given the pacing military challenge by our near peer competitors, including the People’s Republic of China (PRC). To address the challenges posed by the PRC, the 2023 National Defense Science and Technology Strategy states, “The DoD must be more proactive with its engagements with the private sector to make the right investments to capitalize on emerging technologies, as well as to preempt adversary attempts to do the same by protecting critical and emerging technologies early in the development cycle.”<sup>3</sup>

Increased collaboration with non-traditional and commercial industry begins with greater connectivity within the Department. We believe the enactment of these provisions, coupled with the robust funding proposed by the House bill, will lead to greater coordination across the Department and serve as a powerful demand signal to non-traditional and commercial companies to work with DoD.

We stand ready to serve and to work together to increase America’s competitive advantage, and strongly urge Congressional leaders to support this national security imperative.

Sincerely,  
Silicon Valley Defense Group

On Behalf Of:

<p><b>8VC</b> Austin, Texas <a href="http://www.8vc.com">www.8vc.com</a></p>	<p><b>Airbus Ventures</b> Menlo Park, California <a href="http://www.airbusventures.vc">www.airbusventures.vc</a></p>
<p><b>Albedo</b> Broomfield, Colorado <a href="http://www.albedo.com">www.albedo.com</a></p>	<p><b>Aloft VC</b> San Francisco, California <a href="http://www.aloftvc.com">www.aloftvc.com</a></p>
<p><b>Anduril Industries</b> Costa Mesa, California <a href="http://www.anduril.com">www.anduril.com</a></p>	<p><b>Apex</b> Los Angeles, California <a href="http://apexspace.com">apexspace.com</a></p>
<p><b>Applied Intuition</b> Mountain View, California <a href="http://www.appliedintuition.com">www.appliedintuition.com</a></p>	<p><b>Astranis</b> San Francisco, California <a href="http://www.astranis.com">www.astranis.com</a></p>

*(Continued on Next Page)*

<sup>3</sup> <https://media.defense.gov/2023/May/09/2003218877/-1/-1/0/NDSTS-FINAL-WEB-VERSION.PDF>

<p><b>Bazze</b> Washington, District of Columbia <a href="http://www.bazze.io">www.bazze.io</a></p>	<p><b>Beacon AI</b> San Francisco, California <a href="http://www.beaconai.co">www.beaconai.co</a></p>
<p><b>Booz Allen Ventures</b> McLean, Virginia <a href="http://boozallen.com/expertise/innovation/ventures">boozallen.com/expertise/innovation/ventures</a></p>	<p><b>Caffeinated Capital</b> San Francisco, California <a href="https://caffeinatedcapital.com/">https://caffeinatedcapital.com/</a></p>
<p><b>Cambium, Inc.</b> San Francisco, California <a href="http://www.cambium-usa.com">www.cambium-usa.com</a></p>	<p><b>Castelion</b> El Segundo, California <a href="http://www.castelion.com">www.castelion.com</a></p>
<p><b>Craft</b> San Francisco, California <a href="http://www.craft.co">www.craft.co</a></p>	<p><b>Crosslink Capital</b> Menlo Park, California <a href="http://www.crosslinkcapital.com">www.crosslinkcapital.com</a></p>
<p><b>Dedrone</b> Sterling, Virginia <a href="http://www.dedrone.com">www.dedrone.com</a></p>	<p><b>DFJ Growth</b> Menlo Park, California <a href="http://www.dfjgrowth.com">www.dfjgrowth.com</a></p>
<p><b>Elroy Air</b> South San Francisco, California <a href="http://www.elroyair.com">www.elroyair.com</a></p>	<p><b>Epsilon3</b> Los Angeles, California <a href="http://www.epsilon3.io">www.epsilon3.io</a></p>
<p><b>Firehawk Aerospace</b> Dallas, Texas <a href="http://www.firehawkaerospace.com">www.firehawkaerospace.com</a></p>	<p><b>FlightWave Aerospace Systems</b> Santa Monica, California <a href="http://www.flightwave.aero">www.flightwave.aero</a></p>
<p><b>Founders Fund</b> San Francisco, California <a href="http://www.foundersfund.com">www.foundersfund.com</a></p>	<p><b>Forward Deployed VC</b> Campbell, California <a href="http://www.deployed.vc">www.deployed.vc</a></p>

*(Continued on Next Page)*

<p><b>Gecko Robotics</b> Pittsburgh, Pennsylvania <a href="http://www.geckorobotics.com">www.geckorobotics.com</a></p>	<p><b>General Catalyst</b> San Francisco, California <a href="http://www.generalcatalyst.com">www.generalcatalyst.com</a></p>
<p><b>Hadrian</b> Los Angeles, California <a href="http://www.hadrian.co">www.hadrian.co</a></p>	<p><b>Hermeus</b> Atlanta, Georgia <a href="http://www.hermeus.com">www.hermeus.com</a></p>
<p><b>Latent AI, Inc.</b> Menlo Park, California <a href="http://www.latentai.com">www.latentai.com</a></p>	<p><b>Lavrock Ventures</b> Arlington, Virginia <a href="http://www.lavrockvc.com">www.lavrockvc.com</a></p>
<p><b>Lightspeed Venture Partners</b> Menlo Park, California <a href="http://www.lsvp.com">www.lsvp.com</a></p>	<p><b>Lux Capital</b> Menlo Park, California <a href="http://www.luxcapital.com">www.luxcapital.com</a></p>
<p><b>Mach Industries</b> Austin, Texas <a href="http://www.machindustries.com">www.machindustries.com</a></p>	<p><b>Marque Ventures</b> San Francisco, California <a href="http://www.marque.vc">www.marque.vc</a></p>
<p><b>Maybell Quantum</b> Denver, Colorado <a href="http://www.maybellquantum.com">www.maybellquantum.com</a></p>	<p><b>Merlin Labs</b> Boston, Massachusetts <a href="http://www.merlinlabs.com">www.merlinlabs.com</a></p>
<p><b>Morpheus Space</b> El Segundo, California <a href="http://www.morpheus.space">www.morpheus.space</a></p>	<p><b>Nominal</b> Austin, Texas <a href="http://www.nominal.io">www.nominal.io</a></p>
<p><b>Oglethorpe Capital</b> Burlingame, California <a href="http://www.oglethorpe-capital.com">www.oglethorpe-capital.com</a></p>	<p><b>Palantir Technologies Inc.</b> Denver, Colorado <a href="http://www.palantir.com">www.palantir.com</a></p>

(Continued on Next Page)

<p><b>Point72 Ventures</b> Stamford, Connecticut <a href="http://www.point72.com">www.point72.com</a></p>	<p><b>Primer</b> San Francisco, California <a href="http://primer.ai">primer.ai</a></p>
<p><b>Primordial Labs</b> New Haven Connecticut <a href="http://www.primordial-labs.com">www.primordial-labs.com</a></p>	<p><b>Privateer Space</b> Kihei, Hawaii <a href="http://www.privateer.com">www.privateer.com</a></p>
<p><b>PsiQuantum</b> Palo Alto, California <a href="http://www.psiquantum.com">www.psiquantum.com</a></p>	<p><b>Ravn</b> Longmeadow, Massachusetts <a href="http://www.ravn.com">www.ravn.com</a></p>
<p><b>Rebellion Defense</b> Washington, District of Columbia <a href="http://www.rebelliondefense.com">www.rebelliondefense.com</a></p>	<p><b>REGENT</b> North Kingstown, Rhode Island <a href="http://www.regentcraft.com">www.regentcraft.com</a></p>
<p><b>RRAI</b> Clarksburg, Maryland <a href="http://www.rr.ai">www.rr.ai</a></p>	<p><b>Saronic Technologies</b> Austin, Texas <a href="http://www.saronic.com">www.saronic.com</a></p>
<p><b>Second Front Systems</b> Wilmington, Delaware <a href="http://www.secondfront.com">www.secondfront.com</a></p>	<p><b>Shield Capital</b> San Francisco, California <a href="http://www.shieldcap.com">www.shieldcap.com</a></p>
<p><b>Silent Ventures</b> Denver, Colorado <a href="https://silentvc.com/">https://silentvc.com/</a></p>	<p><b>Slingshot Aerospace</b> El Segundo, California <a href="http://www.slingshotaerospace.com">www.slingshotaerospace.com</a></p>
<p><b>Solestial</b> Tempe, Arizona <a href="http://www.solestial.com">www.solestial.com</a></p>	<p><b>Snowpoint Ventures</b> Palm Beach, Florida <a href="http://www.snowpoint.vc">www.snowpoint.vc</a></p>

(Continued on Next Page)

<p><b>Umbra Space</b>  Santa Barbara, California  <a href="http://www.umbralab.com">www.umbralab.com</a></p>	<p><b>Ursa Major Technologies</b>  Berthoud, Colorado  <a href="http://www.ursamajortechnologies.com">www.ursamajortechnologies.com</a></p>
<p><b>Vannevar Labs</b>  Palo Alto, California  <a href="http://www.vannevarlabs.com">www.vannevarlabs.com</a></p>	<p><b>Varda Space Industries</b>  El Segundo, California  <a href="http://www.varda.com">www.varda.com</a></p>
<p><b>Venus Aerospace</b>  Houston, Texas  <a href="http://www.venusaero.com">www.venusaero.com</a></p>	<p><b>Vine Ventures</b>  New York, New York  <a href="http://www.vineventures.com">www.vineventures.com</a></p>
<p><b>X-Bow Systems</b>  Albuquerque, New Mexico  <a href="http://www.xbowsystems.com">www.xbowsystems.com</a></p>	<p><b>ZaiNar</b>  Belmont, California  <a href="http://www.zainartech.com">www.zainartech.com</a></p>