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TRANSCRIPT

Event

Strategic Landpower Dialogue
A Conversation with Lieutenant General Frank Lozano

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FEATURING

Lieutenant General Frank Lozano

Portfolio Acquisition Executive, Fires

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CSIS EXPERTS

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Transcript By

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INTERNATIONAL STUDIES

Lieutenant
General Leslie C.
Smith (Ret.):

Good afternoon, everyone.

Audience
Members:

Good afternoon.

Lt. Gen. Smith:

Come on now. Good afternoon, everyone.

Audience
Members:

Good afternoon.

Lt. Gen. Smith:

There we go. Welcome both of you, those joining us online and here in person, for today's Strategic Landpower Dialogue. I'm Lieutenant General, retired, Leslie Smith, your vice president for Leadership and Education at the Association of the United States Army. It's always a privilege to continue this partnership with CSIS on a series that become a valuable venue for candid conversations on the future of landpower. I also want to thank General Dynamics for their continued support in making these series possible. We're grateful for that partnership.

Today, we're honored to welcome Lieutenant General Frank Lozano, the portfolio acquisition executive for fires, for a conversation about how the Army is rethinking the way it buys and fills fires and missile defense capability, and what it means for the Joint Force, our allies, and the future of landpower. Lieutenant General Lozano assumed this role in November 2025, leading the consolidation of the Army's fires and missile defense acquisition enterprise under a single portfolio, bringing together what were formerly the PEO Missiles and Space, the Rapid Capabilities Critical Technologies Office, and elements of other legacy offices.

He commissioned into the armor branch out of Texas A&M – so he's an Aggie, whoop – in 1993. Later, transitioned to the Army acquisition corps and has held program and product management roles across soldier systems, tactical missions, missile systems, and ballistic missile defense. He commanded the Program Management Office on soldier protective equipment, served as the project manager for the lower-tier project officer with PEO Missiles and Space, and recently held the PEO Missiles and Space itself, before stepping into this new portfolio role.

We're fortunate to have him here in such a pivotal moment in this transformation. And now, I'll turn over to our good friend Dr. Tom Karako to lead the discussion. Tom, over to you.

Tom Karako:

Well, thank you, General Smith. And thanks, as always, to the entire AUSA team, and our sponsor, for partnering with us on this series.

So, last November Secretary Hegseth announced a really big acquisition reform effort to put the department on a wartime footing. And in response to that, SecArmy Driscoll announced the creation of six portfolio acquisition executives, or PAEs, as part of this. Today we're very honored to welcome Lieutenant General Frank Lozano for PAE Fires. I'm biased, but inasmuch as the CSIS Missile Defense Project focuses on offensive and defensive fires, so don't tell the other PAEs this, but you've got the hottest portfolio in the Army. And it seems to – it seems to get bigger every month, with one thing or another.

We've got a lot of ground to cover, but also please feel free to submit questions online. We've got a QR code around here. And, of course, from the website. General Smith totally stole my thunder. I was going to talk about you being an Aggie, but he totally had it.

So we're going to start off, as we always do with this – with this series. Before we get into any of the programs or any of the details, big picture. Tell us your vision of landpower, what it must be able to do, where you need to be able to prepare to fight for the Army today, and for the future going to 2040?

Lieutenant
General Frank
Lozano:

Yeah. Thank you, Tom. And, again, I really appreciate the invitation to be with you here today, and to talk with and converse with this crowd. You had us here a couple years ago, me and General Rasch, to talk Guam defense system architecture. And we were able to really communicate some important tenets of what we were trying to achieve in the Pacific. And obviously, we're continuing that work.

I will tell you that this is an incredible and phenomenally rewarding position and job to hold. Suffice it to say, there is a lot going on in the fires enterprise. And I tell people all the time as I've progressed through my career, I said, I don't mind how hard I have to work. At the end of the day, I just want to be relevant. And I think everybody can agree that fires is incredibly relevant across the joint force, and the things that we're doing around the globe, and the things that our Army and our nation is trying to accomplish. So very rewarding position and job to hold, and an organization to lead.

So, obviously, I'm a little biased. You know, when I think about landpower, I come at it from a fire's perspective. But I'm always – I've always been an individual. I think this comes from having spent 10 years as a tanker and growing up in cav squadrons. I always think about the maneuver commander. And what battlefield outcomes can we generate from a PAE Fires perspective that will enable the commander, the maneuver commander, to seize and hold ground? Because I do believe, and I know that

there's a raging debate on what the Army maybe should be doing in the future, how it should do that in the future. But I always do believe that, at the end of the day, you know, the Army has a very simple mission – fight and win our nation's wars. And a key component of being able to do that, from a landpower perspective, is to seize and hold key terrain.

And so, from a fires perspective, you know, you look at the integrated air and missile defense capability. And we're protecting the maneuver force, right? We're protecting a lot of critical assets, but key and critical among those is the maneuver force. And then, from an offensive fire's perspective, whether you're at the cannon artillery level or at the long-range hypersonic Dark Eagle level, it's about taking out key and critical C2 nodes, hitting key and critical radar capabilities, blinding the enemy, creating a situation where the enemy cannot command and control its own force, and then opening up maneuver space so that the ground maneuver commander can maneuver effectively and achieve their objectives.

And so when I think about that – and whether it's, you know, an eastern flank defense initiative, that we spend a lot of time supporting from a USAREUR-AF and EUCOM perspective, or the ongoing efforts in OEF from a CENTCOM perspective, or as we prepare for operations in PACOM, again, it's focused on how do we protect and how do we influence the enemy from a long range, a long distance, so that we can provide forces from the joint force – whether that's maritime or land-based capabilities – the freedom and the space to maneuver effectively to close on and seize and hold those key objectives.

Mr. Karako: Well, you can't spell homeland without land. And this is the land. This is the domain on which most people spend most of their time. So let's start with the threat. We always start with the threat. How are you seeing – again, given your perspective for offensive and defensive fires – how are you seeing the threat evolve in terms of the challenge of targeting, the challenge of shooting at them? And then likewise, how are you seeing the threat evolve in terms of what they're shooting at us?

Lt. Gen. Lozano: Yeah. So, first and foremost, I'm seeing the threat evolve at an incredibly rapid pace. And they're doing so from a multifunctional perspective. You know, Sun Tzu said a long time ago, never attack an enemy at their strength, right? And so we've seen a lot of proliferation of capability, development of new capability from an electronic warfare perspective. We've seen an incredible mass amount of long-range strike capabilities being developed, matured, and proliferated across the globe. And so, as we think about how those capabilities develop, you know, it's capabilities that that we think of employing in the same way.

So we think about ranges, whether it's a strike range or an air and missile defense intercept altitude. We think about counter-electronic attack capabilities. And we think about velocities, targeting different threat systems at different altitudes relative to the velocity and the trajectories that they're traveling – endo-atmospheric, exo-atmospheric, hypersonic, or purely ballistic or maneuvering threats. We think about countering capabilities, seeker capabilities in tactical ballistic missiles. And probably one of the most challenging items we have to develop against and counter are maneuvering TBM threats, right? Everybody's figured out that it's very hard to intercept a threat that is traveling from a long distance, where you're not exactly sure what it's targeting, traveling at a hypersonic speed, and has a seeker capability, so it's targeting, maybe an in-flight target update capability, maybe from a space-based asset, and has in-plane and out-of-plane maneuverability, right?

So a lot of the same things we are striving to develop, mature, and implement, we see our threat doing at the same time, right? And so it's very much a cat and mouse game. I tell my team all the time, it's not enough to maintain pace with the threat. We have to outpace the threat. We have to be very aggressive in our acceptance of risk. And we have to be very aggressive in the investments that we make across the board in new technologies, because we cannot afford to invest in new groundbreaking capabilities that are emergent across the market space because, I truly believe, that's how we stay ahead of the threat capabilities. We have a – I firmly believe we have a unique capability in the United States to innovate. And I firmly believe we have some of the most capable weapon systems that you will find anywhere in the globe.

Where we need to improve is the scale and the rate of those available weapon systems. And, you know, and from a munitions side of the house, we really have to look at that high-low mix. You know, what very capable, exquisite munitions, missiles, radars, fire control capabilities do we need? And then on the low end, where can we become more affordable, relative to a mass of capability, a mass munition element? Because I always go back to that old adage, right? Quantity has a quality all of its own.

Mr. Karako: So, staying with the threat, as we look at these real-world events – Russia, Iran, for instance – how are you seeing them use fires differently? How do you see them approaching, for instance, the relation between fires and maneuver as warfighting functions, and maneuver enabling fires, or vice versa, for instance? How do you see them doing things differently? And how do you see them approaching, for instance – or other adversaries, for instance – how do you see them approaching the high-low mix?

Lt. Gen. Lozano: Yeah. So I think that the two biggest things that I think that I've noticed across the environment is, one, an implementation of a lot lower cost

capabilities, right? It can take time to mature exquisite systems that work as reliably as we want them to work all the time. But when it comes to building a group two or a group three UAS in somebody's garage, you could probably afford to build 500, and only have 200 of them work. But if all 200 of those get to the target, that could be pretty devastating, right? So from a mass munition perspective, I think we've seen that proliferate across the board. And I think we see that in our intel assessments, whether it's Russia, or Iran, or North Korea, right? They're just not going to have the wherewithal to make the required financial investments to have hundreds of thousands of very exquisite capable missiles and munitions.

The other thing too is you don't – at least, I haven't – seen them maneuver with much success, right? So they've invested in an ability to perform long-range strikes. And in some instances, it's very evident in Ukraine, that they're not very discriminatory on the targets that they're servicing, right? So you could say that the Russians don't really care if they're killing civilians or they're killing soldiers, they just want to kill Ukrainians. And so if you're just going to pummel a populace and try to pummel them into submission, then you can stand off at a distance, not worry about trying to maneuver, to seize and hold key terrain, and just launch a lot of missiles and munitions, and try to bomb them into submission. I think we've seen through history that that doesn't really work real effectively, because at some point in time you have to – you have to be able to target with some precision to generate an outcome. But that's sort of the environment that I've seen evolve over the last few years.

Mr. Karako:

No, I mean, look, on one hand the Russians have got lots of these Shaheds. But on the other hand, they've got the Oreshniks, you know, and the Killjoys, the Kalibrs, things like that. Well, but you – to continue with your comment about just the low end of the threat, the UAS threat, I mean, we saw that, for instance, some kind of drone incursion near Barksdale. We keep some important things at Barksdale, for instance. How are you thinking about – how is the Army, perhaps, thinking about especially that – those threats to critical infrastructure, including here at home? And so I guess I'm talking a little bit more on the group one, group two, and to some extent group three UASes. It's not just an over-there problem; it's a here problem as well.

Lt. Gen. Lozano:

Yeah. We've spent a lot of time and we've made a pretty sizable investment in working with the JIATF 401 office, together with my office. I am the Army OPR for counter-UAS capabilities. And we are fielding and proliferating counter-UAS capabilities across the homeland. Obviously, those specific sites are classified. But we do look at the different types of technologies that could be potentially employed. We have a large number of electronic warfare systems that we employ. Obviously, there's knowledge of the directed energy systems that we've employed in our counter-UAS

capabilities. And we're also, from a science and technology perspective, looking at high-power microwave capabilities.

One of the – one of the unique aspects of high-power microwave is that it's very effective in negating electronic circuitry within a UAS system. But it doesn't do so at an extreme range, right? So if you're able to develop the capability from a technology perspective that you're looking for, and you can get it at the right price point, then it becomes sort of a capability that creates a dome over a protected area, without having to worry about the altitude at which it's radiating to, and potentially putting friendly commercial aircraft at risk, right? So it's a unique dynamic. And those are really the ways that we're looking at sort of securing elements within the homeland.

We're continuing to have a discussion about the appropriateness of kinetic energy interceptors in the homeland. We're not quite where we want to be from a comfort level of employing those in the homeland because that takes the risk acceptance level to a point where we're not comfortable yet. But the conversation is on the table and we're continuing to look at it, because as those capabilities mature and our confidence level grows, and a lot of that confidence level grows from the success we have from employing those in combatant commands around the world. As that confidence level grows, I think we'll likely be more comfortable, to a certain extent, employing kinetic energy interceptors. But we're just not there yet.

Mr. Karako: Probably depends on how many things the bad guys are shooting at our homeland. Ukrainians got comfortable with kinetic interceptors real quick. (Laughs.) For instance.

Lt. Gen. Lozano: Yeah. That's true. That's a good point.

Mr. Karako: Well, let's move to kind of some of the organizational questions that we alluded to earlier. The department's acquisition reform, T2COM. And, I would say, before we get into your portfolio for PAE Fires, how would you characterize the overall reform effort and the creation of T2COM and the PAEs for the Army? What's the purpose? How are they organized? What are the different problems they're trying to get after, and problems they're trying to solve, that weren't being done before?

Lt. Gen. Lozano: So holistically, what I like to say is we took a battlefield warfighting principle, and we applied it to the bureaucracy of acquisition. We took unity of command and unity of effort and said, what if we were to create an acquisition construct or organization where the leader of the organization had, at their disposal, the decision authority and the capabilities to influence every step of the acquisition process to as quickly and streamlined and efficiently drive the outcome that we are trying to realize or manifest?

And you can look at it from a lot of different perspectives. I kind of like to almost lay it out linearly. And again, I'm sort of talking at the macro level, on what it was that we were trying to achieve that, from a department perspective, regarding these acquisition reform initiatives.

So, you know, you might start off with a directed requirement, or JUONs, or an operational need statement. That might drive some level of S&T investment to see if what you wanted to create was even feasible. And then once you had a demonstrated prototype or capability, you might write a requirement document. And there was a day and age I remember being told by a G-8 SSO, don't come ask for a POM wedge unless you have a requirement, you know. And then some people would say, well, my boss is telling me I can't write a requirement till we've got funding, right? So, you know, you've got a chicken and the egg situation going on. But once you had a demonstrated capability and people believed that you could actually make – you know, generate the system or the capability that that the user was asking for, then then they'd likely write a CDD or maybe an ICD that would lead to a CDD. And then once you had that, then you could go into the building and interface with the G-8 and put in a POM wedge.

But the notion there is that you build that POM wedge two years before a president's budget, you know, gets enacted, right? So then the funding materializes. And while that funding is going through the enactment process, then we'll start the acquisition process to get authority to actually run a program. And then the funding is realized. And then it's a year before you get the funding onto contract. And then you're usually running a competition. So then the winner of the of the competition realizes, you know, five years after you ran – you got that first directed requirement, that oh, OK, now I'm going to go build this. (Laughs.) And then you're waiting two or three years for something to be built, so that it can go through a two or three year EMD program. And then I can go to a milestone C and get it in the low rate initial – that's why programs take 10 years, right?

If you do everything in serial, and every – and the people who are in charge of every step of that process work for different people, then there's very collective – there's very little collective interaction driving towards an outcome, because everybody has their own unique set of rigid standards that they adhere to. But now the requirements team works for me, the science and technology team works for me. ATEC has an element that works for me, so I can coordinate testing. The logisticians work for me. The programmers work for me. I actually get to create my own POM profile for fires. The international team works for me. And the contractors work for me – the contractor officer works for me, right? So that's seven functional enablers that are now part of the PAE reporting to me.

And so now we can start to have meaningful discussions about what are we going to go do, where are we going to make investments, can I initiate a requirement at the same time that I'm initiating a reprogramming, while we make a 6.2 or 6.3 investment? And then can I – if I make that investment on an OTA – a prototype OTA, can I write in that it's got production hooks, because if the viability that prototype actually works then I can roll right into a production OTA? And then, when those prototypes are getting delivered while the production representative items are being built, let's send it out to the range and test it. Oh, by the way, let's do – let's hand it to a unit to go use it at the NTC, right? You start to create mechanisms where you can start to do things in parallel.

Now the trick is risk acceptance, right? And so I understand that if I'm going to execute activities in parallel versus in series, I have to underwrite the risks associated with the things that I'm directing my team to do, that those things might fail, or we might learn very quickly and be able to iterate and adapt. And so that was sort of the whole genesis behind what it was we were trying to achieve. And so those acquisition reforms – and I'm very proud of how quickly the Army attacked this problem. We stood up the six PAEs very quickly. We spent a lot of time working with Army senior leaders to sort of create these organizations and to make sure that we had agreements from the different functional enablers and the stakeholders who was going to work for who, who was going to reside where, what actions those individuals were going to take in support of PAE operations. And I think we are in a very good place with not only realization of the PAE, but a very clear understanding of not only risk acceptance, but what those PAEs are intending to do.

And I've already started to have discussions about how do we train future PAEs, right? Because the acquisition authority, the authority I have to obligate funds, the authority I have to program funds, the authority I have to direct S&T activities, is much different than what I did as a PEO. So we have to start thinking about how do we train future PAEs to accept the risk and to be aggressive in the manifestation and creation of capabilities that our army absolutely needs us to deliver.

Mr. Karako:

That's a good point because, look, I think you're probably still in the same building that you were, on Redstone. And if you have people sitting in the same offices when the sign on the door said PEO as opposed to PAE, there – it is just reasonable for there to be a certain inertia. And so what are the metrics of success? How are you – and maybe you can give us some examples of things that have gone well over the past however many months, things that have, perhaps, been a challenge. That you've just described the different authorities, the different organization that you have. So in principle, this ought to work, but how's it been working in practice? And what are the metrics to know whether it is working or not?

Lt. Gen. Lozano: Yeah. So we have a – I'll just say we have a lot of things in the hopper. We're about nine or 10 months into this. And so I feel very good about where we are, but a lot of the actions and activities haven't necessarily come to fruition yet. I believe – I have high confidence that they will. But I'll start off by saying, you know, we just held a really very successful low-cost interceptor industry day. We're working with xTech and Fuze to award the largest ever, \$8 million, prize to multiple different vendors, who are going to come out to WSMR, White Saints Missile Range, in September to demonstrate a capability for us. We're working very closely with the Scaled Hypersonics Office and the honorable Michael's R&E office for the rapid development and procurement of the Blackbeard missile system.

Low-cost containerized munition, right? Low-cost containerized munition really came on the scene, really emerged, as OEF was starting, but also based off of a demand signal from PACOM to have containerized cruise missiles that could go out a long distance. And so, you know, we wrote a requirement, we did some below threshold reprogrammings, we aligned some vendors, we awarded contracts, we initiated development, we're starting transition from R&E to the PAE. And so in a lot of different areas, whether it's scaled hypersonics, or directed energy, or low-cost containerized munition, or low-cost interceptor, or even our ongoing mobile tactical cannon competition, because we have everybody under a single roof I can gain alignment very quickly.

And I have to be – I have to be careful, because people from the outside could look in and see abuses emerge, right? And so there's always got to be checks and balances, right? And so we continue to have to report up to with T2COM. You know, we have to socialize the actions that we're executing with T2COM, and socialize those activities with the AAE. I have a dual report requirement to the T2COM CG and the Army Acquisition Executive. And then I come in on a quarterly basis to do a capability portfolio review with the undersecretary in the Army and the vice chief, and then ultimately the secretary and the chief of staff of the Army.

Mr. Karako: Do you feel like they are empowering you and allowing you to run, and allowing the folks that work for you to run?

Lt. Gen. Lozano: Absolutely. But I believe – I take a little bit of a different tact. I try to be very transparent in what – not only what we are doing, but in my recommendation for the Army. But then I lay that all on the table and I look at the chief and the secretary and say, this is the Army's portfolio. This is where Lozano thinks we should go. Where do you want to take your Army? Because now I have the mechanisms to execute very aggressively and rapidly and deliver capability, I want to make sure that we're doing that in

alignment with our Army senior leaders. And I believe we have that environment and that scenario established.

So it's a real – I mean, it's truly an honor to be able to run this organization, to lead this organization. But I believe you have to do it in the right way. And I believe you have to be open and transparent with Army senior leaders, and be able to take their rudder, their guidance, their steerage, to drive the capabilities to where Army senior leaders want our Army to go in the future.

Mr. Karako: Can you talk – I think your comment about training new PAEs is an important one, because ultimately this has to be sustained and grown and nurtured. Talk to us a little bit about the people who work for you, the CPEs, the capability program executives, and then, for offensive fires, defensive fires, integrated fires, and then, below them, kind of the specific program managers. How are you empowering them, and what are they doing differently than – some of them are the same people – than how they were operating, how they were engaging with different entities under the PEO?

Lt. Gen. Lozano: Yeah. So there was – there was a notion floating around a number of years ago that PEO Missile and Space was already starting to become very large. We were already talking about integrated offensive and defensive fires. We were already talking about cross-domain fires. And there was a notion about four or five years ago, I remember actually having this discussion when I was the integrated fires and rapid capability PM – the IFRCO PM – with Lieutenant General Thurgood at the time, when he was the director of the RCCTO. And there was a notion that we needed to have an SCS running offensive fires, and we needed to have an SCS running defensive fires, and maybe an SCS running integrated fires, right? And we didn't implement that.

And I remember talking to General Rasch and recommending that we not implement it, because organizationally we didn't have the muscle memory to understand how to work together to achieve the outcome that we were looking to achieve. We had just gone through a period, in 2019, where we had reorganized PEO Missile and Space from commodity end item systems, where PMs were organized around Patriot or cruise missile defense or IBCS, and we reorganized to be focused on components of the kill chain. So now we have an integrated fires mission command PM, we have a sensor PM, we have an effector PM, we have launcher PMs. And so the whole point of that was to break down these artificial walls that had been built so that we could have greater cross-pollination and coordination from a developmental perspective across the entirety of the board.

The last thing I wanted to do was recreate new silos, right? But bandwidth, and scope, and management are real things, right? And so we were able to work collectively together for about four years building that muscle

memory. And I'll be honest, our requirement to fulfill a need for the Guam defense system architecture really drove those activities, those reps and sets, right? And so I've got a very capable SCS, Ms. Jeannie Sommer, who runs my Integrated Fires Directorate. And is – in my role as the Guam Defense System JPAE, Joint PAE, I have her leading that effort. And we started executing an annual integrated fires test campaign, where we take all the capabilities that we're going to put out on Guam, on an annual basis, out to White Sands Missile Range and add more capability and holistically test that architecture.

That routine exercise of developing, designing, producing, testing allowed us to start executing in a coherent manner where we started to understand the crosstalk that needed to happen between the organization and how we needed to work together at all echelons of command within the PEO so that we could generate the integrated fires outcome that our Army was looking for us to generate. After doing that for four years, when we grew into the PAE and we added the RCCTO programs and personnel to the organization, as well as other entities like the Howitzer System Project Office from Detroit, the Towed Howitzer Office from Picatinny. As we grew, we realized – at least, I realized – the scope is way too much for one individual to manage.

And the thing that I love about PAE Fires, and it was true with PEO Missile and Space, not only are we material developers, but we're developing and delivering capabilities to fulfill mission needs. Not every organization gets to do that. So in the delivery – the development and the delivery of the Guam defense system architecture, that's a mission-driven capability. The entirety of that kill chain and that architecture. In developing and delivering capability for Golden Dome, it's the same thing. It's an element of an architecture that fulfills a mission set, right? It's not just a singular material end item. It's not just a tank, or an XM30, or an F-35. It's a set of kill chain capabilities that soldiers will fall onto and employ in an architecture manner that generates holistically an outcome for the combatant commander.

And so that's a lot of fun. That's very exciting. But it's also a lot of work to manage, right? And so we had to take a look at, OK, we think it's now time to assign a general officer, Brigadier General Mikesch – RJ Mikesch is running my CPE for offensive fires. Brigadier General Guy Yelverton is running my CPE for defensive fires. Jeannie Sommer still runs integrated fires, which has the purview to test and qualify and field the capability associated with Guam and GDA. And then we bring in the key functional enablers.

Now what we're doing right now, and we started this back in November as soon as we stood up the PAE, we're going through a series of monthly offsites where every key enabler comes in and we sort of pull the team

together, from a senior leader perspective, and we look at each enabler to understand what's the process that we're going to execute? How are we going to do contracting differently now that contracting is embedded within the PEA? Maybe we don't have to do it differently. But what I want to make sure that we do is we deliberately ask the question, review the process, and develop our own inherent SOP for every key functional enabler, with the outcome being – or, the purpose being having a PAE Fires SOP that guides how we operate.

Mr. Karako: So you've described the new authorities and organization to enable all this. And you gave a couple examples of some quick wins that you've had, and events, and contracts. What are some areas that have proven more challenging? Again, realizing this is still new, but what are some areas that has – on this front, in terms of moving from PEO to PAE – what's been harder than you expected?

Lt. Gen. Lozano: Probably that no good deed goes unpunished. So my team is very good. I'm incredibly proud of everything that they do on a daily basis. And in preparation for this discussion I was making notes last night. I think I filled out three or four pages of notes, actions, accomplishments. And it feels like every day, every week we're asked to do more. There's just an insatiable appetite for what we do in fires. And that's a good problem to have, right? But at the same time, we are a very lean team. I've got about – an organization of about 3,000 civilians and I've got 65 military uniformed officers, all of which are in key and critical command billets. And to date this year, we've obligated and awarded 25 billion (dollars) of FMS contracts. And my '26 appropriation was about \$13 billion. So we're managing a \$37 billion budget in '26. That's only going to get bigger next year.

And so the demands continue to increase. And on top of just the execution of contracts and the oversight of production and manufacturing and training and employment, there's also the fact that in a lot of these areas, from a Munition Acceleration Council perspective – a MAC munition perspective, in some instances we're quadrupling the rate of production. And, you know, like we – like we like to say, you know, when you go from baking one cake to baking 50 cakes, you just can't multiply the recipe times 50, right? Like, there's an art from a quality and a statistical control perspective, and from a supply chain perspective, and a subcontract management – there's a very deliberate method by which you have to follow and execute to ensure that these production ramp rates generate the high quality, reliable outcomes we're looking for.

Mr. Karako: Well, let's go there. I'm thinking of the HOAs. I'm thinking of all those multi-year procurements. You know, the bond and the deal team initiatives. We'll get into programs in a minute here, but from a big perspective how's that going? There's only been a couple contracts, and they were undefinitized

contracts. I think it was PAC-3 and THAAD, both undefinitized. How would you characterize the sprinting and all the ambition and the overall effort for the MAC, the munitions acceleration, in general?

Lt. Gen. Lozano: Yeah. I would say it's been tremendously successful. And I would say that because we have to remember why we're doing what we're doing, right? We're doing what we're doing to produce and deliver more missiles and munitions. This month, I will deliver more PAC-3 MSE into the inventory than we have ever delivered since the initiation of the program. We will deliver more PrSM Inc-1 missiles than we have ever produced and delivered. That's the outcome we're trying to generate.

Yes, the framework agreements are a lot of work. Yes, the contracting is a lot of work. We're in the process of definitizing right now. I've got teams at Lockheed Martin Grand Prairie definitizing that contract, both from a PrSM perspective and a PAC-3 perspective. Actually, I don't have the multi-year authority in PrSM. We asked for that in the FY-'27 PB. But we just did cut a modification where I increased the ceiling on the PrSM contract from 4 ½ billion (dollars) to 13 billion (dollars). So even if we don't get the multi-year authority, we're going to have the headspace we need to buy more missiles, right?

At the end of the day, you know, I look at what I do as preparing for the Army's worst day, a war on multiple fronts. And so I look at generating the production and delivery of enough missiles and munitions for our Army to be successful, whatever scenario we find ourselves in. And so increasing those quantities, increasing those production rates, increasing those deliveries are important. And the team is being incredibly successful in generating those outcomes.

Mr. Karako: That's great. That's great. But the actor who doesn't work for you in this portfolio is, of course, Congress. And we've got to get the appropriations before you can put a lot of the stuff on contract. And so can you say anything on that front in terms of is there a holdup, in terms of some of this stuff, to actually moving out in the way the department wants relative to appropriations?

Lt. Gen. Lozano: I don't think that there's a holdup. What I will say is we're investing a lot of time in communicating with the staffers. I've probably been up here in D.C. for the last four or five weeks consecutively meeting with all the authorizers, meeting with all the appropriators. And really, it's just a communication campaign, right? When we do something this drastically, and I kind of explained this a little bit when I presented at McAleese, you know, the way that we outpace these tyrannical, dictatorial, theocratic nations is not to mirror how they do business, but it's to leverage a free

market, capitalistic society to generate a win-win scenario for both the government and industry, right?

And so I believe what we've done – and this has been an incredible education for me as I've gotten the opportunity to work very closely with Secretary Feinberg. I worked very closely with his chief of staff and bomb team lead, George Kollitides and Pete Guinto, who's running the deal team. As I participate in those meetings and in those negotiations and in those forums, you know, we're creating a scenario where not only are we illustrating the demand signal, but we're influencing companies to provide that upfront investment of capital to facilitate, and to address obsolescence, and to create new capabilities. And then the onus that we have is to create that long-term contracting mechanism that will illustrate that if you make the investment, I will help you generate the rate of return that is greater than the weighted average cost of capital, right? And at the end of the day, we need our companies to be viable capitalistic entities. And so that's the scenario that we've created.

That's different than how we've done business in the past. And it's just taken some time to sit down with the appropriators and the authorizers, and to communicate this methodology to them. But once they understand what we're trying to do and what we're trying to achieve, I've seen a tremendous amount of support. So I'm very positive in my thought that, at the end of the day, Congress is going to be very supportive of what we're trying to accomplish.

Mr. Karako:

Got you. Well, look, you can't go to an Army conference or an Air Defense conference without everybody talking immediately about integration and interoperability. So let's talk about that a little bit. There was recently this Operation Jailbreak. Curious, what is that? What is jailbreaking? What was Operation Jailbreak? How did it go? And how can you – help us understand sort of the aspiration here on the – you mentioned the Golden Dome front. You know, that's a similar effort there. And getting all these systems that were built in silos, sometimes for very good reasons, to get to them to talk to each other and talk to each other in a language that each can understand. So what's going on with that movement, as it were?

Lt. Gen. Lozano:

Yeah. So I think part of the effort and the realization was making sure that we could improve our understanding of what it is we mean when we really talk about modular open system architecture. We like to throw around the phrase "MOSA" a lot. I don't think a lot of people understand really what MOSA means. And we even throw around "plug and play" a lot, but there's not a lot that we do that is actually plug and play, right? And this really came to light both in Europe, as we started executing fly trap activities, and it came to light as a part of OEF, when we started to adapt capabilities to provide to the CENTCOM commander for employment.

What we started to see was all these systems and components that claim to be interoperable and claim to be MOSA compliant, they would converge forward on the battlefield and they wouldn't work together. And so we were having to flow in engineers and designers forward with the soldiers, so that integration activities would happen at the convergence of these capabilities forward in a theater of operations. And it becomes very frustrating for a unit and a commander and soldiers to think that they're getting an integrated capability, but when the capabilities show up they end up standing around waiting for my teams to actually do the integration work and to recode systems so that data that's sent over an interface can actually be processed, ingested, and used.

Mr. Karako: And are we going to get there soon? And how did Operation Jailbreak go?

Lt. Gen. Lozano: It was a tremendous success. You know, first we started off at Fort Carson, Colorado. And we told everybody, you need to provide us – and we're going to publish this in a secure Army.mil site. You need to provide us your interfaces and you need to work with everybody else who's resident there – your APIs, your interfaces, your interface documents. And we collectively had everybody together. We had different grading regimens to understand who was able to pass data to one another. We started off with counter-UAS systems and moved to integrated air and missile defense systems. And it was a tremendous success. And now we've lifted and shifted that environment to Redstone Arsenal, in my Reveille Forge SIL, which, again, is a system integration lab. It used to be our software integration facility. It's now a full-up air missile defense integration lab that has allowed us to continue the work of integration and passing data through commonly well-understood, commercially available APIs and interfaces.

And so now we have a common understanding with vendors on what it is we're expecting to generate when we put capabilities into theater. The thing that affords me now is when a new company emails me and says, hey, I've got this great new sensor, I've got this great new AI-enabled fire control algorithm, I've got this great new effector I want to come brief you on, I say, here's my POC for Reveille Forge. Go there first. Integrate your capability. Once you prove to me that you have open interfaces and you're able to pass and receive data within my own inherent architecture, and you've integrated into the architecture, then you can come talk to me. And we'll have a serious discussion about how real is your capability, how affordable, how capable, what's its performance level. And we'll talk about the viability of moving forward from a developmental perspective. But that is now allowing us to integrate here stateside before we employ integrated capability forward.

Mr. Karako: So how should we understand the relation of this effort, these efforts, to the other, let's just say, integration and C2 programs, IBCS, IBCS maneuver, et cetera? What's the relationship between those?

Lt. Gen. Lozano: So IBCS, there's an instantiation of IBCS at Reveille Forge, in my Reveille Forge SIL. And there's an instantiation of IBCS maneuver in my Reveille Forge SIL as well. My Northrop Grumman encoders are part of IBCS, are in the SIL along with Anduril's coders, along with teammates from Numerica for IBCS maneuver and their lattice-based system are in the SIL. And so they're inherently a part of the architecture and participants in that integration effort.

Mr. Karako: Now why don't we pull up a slide? This is the – your placemat slide. I think you usually speak to this, just about – it's gotten pretty crowded. You know, I think just a couple years ago there were a lot fewer missiles on here. I wonder if you could talk to us about some of these. I mean, look, you'd be another hour going through everything. I want to say, talk about some of your priorities. Containerized munitions, for instance. Why are we doing that, and how's that effort going? And maybe we can talk about some of the other things as well.

Lt. Gen. Lozano: Yeah. So, again, the left-hand side of the chart, as you look at it, is my entire integrated air and missile defense capabilities portfolio. And the right-hand side of the chart is my CPE for offensive fires, or what I call my offensive strike and long-range precision fires capabilities. A number of different efforts going on here. We'll start off with low-cost containerized munition. Again, the intent here is to really thicken our inventory on missiles and munitions that can essentially be employed anywhere and launched against any threat without an understanding of whether a container is just a container, or a container is something that holds very capable lethal munitions.

Mr. Karako: A deception.

Lt. Gen. Lozano: Exactly, right? And then to have different missiles and munitions at different range envelopes, and at different velocities, and with different types of seeker, or maneuvering, or in-flight target update capabilities, right? So, a coupling of capabilities in a form factor that allows us to deceive the enemy on how we might employ capability, how we might defend ourselves, how we might strike long-range targets to enable maneuver from a lot of different aspects. Obviously, scale hypersonics. You see the Blackbeard missile on there. That's an effort we're undertaking with Castalion. Again, this helps us get after the low-cost alternatives. I was just up testifying in front of the Senate Armed Services Committee a few months ago on all of our efforts to generate low-cost alternative munition production and development efforts. That'll deliver more capability.

And then a competition that we have going on right now in my STORM portfolio is for Prism Inc 4. Again, not only a capability that we're looking out of – at launching from HIMARS, but a capability that could potentially be launched out of a container as well. We want to have sort of a multifaceted approach on how we apply capabilities from a long-range strike perspective, as well as an integrated air and missile defense capability perspective. Low-cost interceptor is down there next to PAC-3 MSC. And then you have, you know, IFPC Increment 2, and we're running an IFPC second interceptor competition and developmental effort there as well. LTAMDS always remains a priority up in my sensor portfolio. IBCS and IBCS maneuver.

I'll tell you something that we're going to start to move out very aggressively on in my ACE PM is directed energy. We're negotiating a contract with AeroVironment right now for the Enduring High Energy Laser system, which is a laser system that we can mount on multiple different platforms – a Stryker, a JLTV, an ISV. But that has shown a lot of recent promise and capability out at White Sands Missile Range during multiple demonstrations. And then, from a tactical aviation and ground munition perspective, we've got long-range precision munition, which is the lethal capability associated with launched effects. That both has a ground launch capability and an aviation rotary wing platform launch capability. You see THAAD down there at the bottom.

Mr. Karako: Recently transferred to you from MDA.

Lt. Gen. Lozano: One October.

Mr. Karako: OK. (Laughs.)

Lt. Gen. Lozano: So we're in the throes of negotiating what that MOU and what that that transfer looks like. But, yes, it is coming over to me in '27. And then and then mobile tactical cannon competition that we're running in the Howitzer system office. And so, yeah, definitely a lot going on, not only from an iterative modernization perspective with our legacy systems, but also from a new market entry, non-traditional modernization perspective. So, you know, I really look at what we're doing, and I just I just call it – it's a full court press, right? Everything has to be better. But I can't just focus on making the legacy systems better and turn a blind eye to the new emergent capabilities. I've got to be able to do both.

And the only way that you can do both is to make sure that you've set up competitive environments so you can get the greatest amount of value for every dollar that you're investing. Because this portfolio can very quickly become unaffordable. And we struggle and work every day to maintain the

affordability, so at the end of the day the Army has the fires capabilities that it needs but it's also attacking a lot of its other modernization priorities, like next generation C2, XM-30, M1E2, and the MV-75.

Mr. Karako: That's a lot of stuff. And I want to maybe do a little bit of a lightning round on some of the programs. Don't have time for all of them. But before I do, let's just pick offensive fires, for instance. How do you, as a PAE, think about the making of trades, right? This is something that a PAE can do, that, you know, was perhaps not there in the past. But how do you make the trades between, you know, let's just say, MRC, and PrSM, and HIMARS, and MLRS, and LRHW. And do we need something else, you know, that's not in the mix there? Like, how do you think about those? Recognizing, of course, there's the requirements piece of it, but how are you going to manage those trades, for instance?

Lt. Gen. Lozano: Yeah. You know we have to look at that problem from multiple different angles and perspectives, right? You know, somebody – you know, from a requirement perspective somebody was asking me a while back, well, you know, what kind of trades authority do you need? And I said, well, you know, trades is not a binary thing, right? Like, I know I've never traded away a requirement that was in a CDD, right? And we've done a lot of things like configuration steering boards and capability trade councils now, CTCs. Usually when we're advocating for a trade, it's can I go through milestone C, can I get into low rate initial production, can I get to full rate production when I'm only meeting 85 or 90 percent of a threshold requirement? That's really the trades discussion that we have from a performance perspective.

But we also look at trades from a portfolio capability perspective. So one of the things that I've been advocating for is this notion of a high-low mix. I believe that we need to have a 60/40 high-low mix across my missile and munition portfolio. That means about 40 percent of my missile and munition portfolio needs to be very high-end, exquisite, capable missiles and munition. And then I think about 60 percent of it needs to be low-cost alternative missiles and munitions, right? Because as we think about the things that we want to do from a long-range offensive fire's perspective, again, I want to be able to stand off at a very long distance and strike key command and control nodes. I want to be able to strike key radar sites. I want to be able to take out key ballistic missile launch targets, right?

And once I can do that with very exquisite, GPS-denied capabilities, counter-electronic attack capabilities, a very highly capable, survivable weapon system, probably hypersonic, probably fired from a very long distance away – once I can do that then I can start to close with the enemy and pummel the enemy with a lot of low-cost alternative munitions that are much more affordable for me to procure and to build magazine depth with. So that's – we look at trades from a couple of different perspectives. But we look at it

from a mass perspective, from an inventory perspective, from a cost perspective, and from a performance perspective. And somewhere in there is a thread that generates the right mix of capabilities.

I mean, we even have this discussion and debate relative to DIVARTYs. What's the right mix of cannon artillery with rocket artillery? And now we're even putting longer range capabilities into the long-range fires battalions. So, you know, as we adapt the DIVARTY construct within the divisions, we're giving the maneuver commander a lot more options to influence their assigned battle space, again, to accomplish the missions that they're assigned.

Mr. Karako: Well, let me dig into example on the defensive fires piece. And let's just go to lower tier, for instance. Just in the lower tier of, let's just, say counter-UAS and SHORAD, for instance. You got your Stinger. You got your NGSRI, the next generation piece of that. You've got Coyote, which is shooting down stuff in the Middle East right now. You've got NGCM, the next generation counter-UAS missile. There's a lot there. And, again, how do you – how do you think about how many of these things go forward? Do you need to bring in some? Do you need to – are some going to get pruned, for instance? How do you think about that?

Lt. Gen. Lozano: Yeah. So our – I'll be honest, our thinking has sort of evolved over the last few years. So we usually think, and we usually want to settle on just one thing that does or accomplishes a particular mission very well. The challenge with that is oftentimes there can be limitations, and chokepoints, and vulnerabilities, and single points of failure, not only from a manufacturing perspective but from a supply chain perspective. And so we've started to adapt our thinking on how do we proliferate capability in a particular space.

And so if we can maintain a competitive environment, right, if I can have a couple of vendors making next generation Stinger, NGSRI, if I can have a couple of vendors making counter-UAS capabilities, if I can have a couple of vendors creating a missile that is a counter-cruise missile, counter-fixed wing, rotary wing capability, if I can have three or four vendors making a low-cost interceptor, and maybe – and, you know, we just recently saw Lockheed Martin sign an agreement with General Motors, I believe, on potentially gaining access to their manufacturing and production expertise, right?

If we can thicken the market space with multiple different vendors creating affordable capability solutions, then I can not only buy more faster, that which I buy will be more affordable, and I'm also maintaining the health of the defense industrial base so that I have options. And if I do it right, I'm maintaining competition within those different spheres of influence, and

always looking for and buying the most of whichever member of the industrial base is the hungriest to produce a capability that's affordable and outperforms their competitors.

Mr. Karako: Well, I don't think I've ever seen as many questions come in as you've got coming in today. I have been reviewing them and trying to work them in. There's one in particular here from a reporter at Inside Defense asking for an update on the CAML program, the launcher. When do you expect system design finalization? When do you expect to award prototyping OTAs, for instance? I might broaden that to also be, for instance, about IFPC second interceptor. What's the status of CAML and IFPC second interceptor, for instance?

Lt. Gen. Lozano: So the status of CAML is we're actually just on the tail end of a number of demonstrations from vendors who are proposing the autonomous mobile platform, the AMP, capability, and the munitions pallet capability, and a pitch on weapon system integration capability, right? What I did not want to go do is just go to a single vendor to provide everything. That's an option. That's always an option that's on the table. But sometimes that comes with some bad behaviors and baggage associated with vendor lock, and certain IP rights that I may want access to, even from an interface perspective, that may limit how I can mature the system in the future.

So we had all of those vendors that are competing in that space demonstrate their capability for the platform, the munitions pallet, and the weapon system integration capability. And now we're evaluating those demonstrations together with the proposals, and we'll probably look at making an award towards the end of the August timeframe.

Mr. Karako: Now, why is – what is CAML? Why is it important?

Lt. Gen. Lozano: So there's two very important facets associated with CAML. One, at a very simple level, every missile has its own launcher. That gets very expensive to maintain, modernize, and sustain. And so very early on we said, we need to collapse into a common launcher platform, to the greatest extent possible. And we spent a lot of time thinking about how we do that, because if you're not careful you can just go to the lowest common denominator and just say, well, obviously the biggest missile we have in the portfolio is long-range hypersonic weapon. So we have to have this giant, enormous, incredibly heavy launching platform so that it can carry everything that's lesser and lighter than LRHW. We didn't want to do that.

So we scoped out what we wanted this first instantiation of CAML to be able to carry. And we focused around Tomahawk, and PAC-3, and IFPC interceptors, and the MFOM, the MLRS family of missiles and munitions, GMLRS, ATACMS, PrSM. And now we're looking at Castelion Blackbeard, too.

So we focused on a design parameter that looks at being able to launch five different missiles or munitions.

The second aspect is this whole cross-domain fires facet of the problem that we're trying to solve. And so I had this discussion, I think it was last year. I was on an AUSA panel talking about reimagining fires. And so today we have a fires battery. And we have an air defense battery. Or, we might have a rocket battery or an artillery battery and an air defense battery. Imagine if we had a battery of soldiers, and the soldiers had a battle operations center, a BOC, that had virtualized IBCS, NGC2, AXS, maybe TTWCS, virtualized Aegis weapon system. And then there were – there was a common fires radar that could perform both an air defense mission but also counter-fire target acquisition. And then you had a set of launchers that could fire both offensive and defensive missiles.

That battery commander could be performing a protect mission one day, and then the next day if that maneuver commander wanted to conduct offensive operations, that same battery could fire offensive missiles and munitions, right? And if you're that flexible on tomorrow's battlefield, and the enemy doesn't know how you're going to apply combat power in any given situation, now you're in their decision cycle. And that's exactly where we want to be as an Army. We want to be outmaneuvering the enemy by keeping the enemy guessing on how we're going to apply combat capability, because now it does more than just one thing. And so that's where CAML fits into this whole dynamic.

Mr. Karako: Got you. Got you. Another reporter asks basically about the status of LRHW, now the Army is moving out on that. And has the ongoing acquisition reform affected that program? And I would add to that, are you expecting any spirals or block changes on LRHW?

Lt. Gen. Lozano: Yeah. So the ongoing acquisition reform hasn't adjusted our acquisition strategy whatsoever on Dark Eagle, long-range hypersonic weapon. We're continuing to work very closely on the production of hypersonic missile with Lockheed Martin and LRHW. We've fully workloaded them. The Congress and the department have been very generous in the investments that they've allowed me to make in that capability. And Lockheed Martin continues to produce and deliver.

I will say, though, that we – I have to do better in that space. And I have to create greater magazine depth from a hypersonic perspective. And so that's why we're actively working with Castilion. We're actively working with Anduril. We're actively working with Ursa Major to expand the scope of the number of different hypersonic capabilities that we have in our inventory, so we can build that inventory up as quickly as possible so that we can deter adversaries. Hypersonic capabilities are not – are not going to be a silver

bullet application. And so although we are moving forward very aggressively with long-range hypersonic weapon and Lockheed Martin, we're also looking at other alternatives to bring into the portfolio and into the inventory.

Mr. Karako: Well, look, we could go at this for another couple hours. That's what the bar is for, I guess. You've been great. There's a ton of questions that have come in about all these different programs, but, again, you see from the slide the number of things that you have. One thing we'd like to close out with is to ask senior leaders, what are you reading? Or, what do you recommend soldiers or policymakers read to better think about fires, to better think about long-range strike, and air and missile defense? Or, for that matter, about the future of landpower? And which CSIS report is it? (Laughter.)

Lt. Gen. Lozano: Well, I did just read the one you sent me because I felt obligated. It was very well written, by the way. But I just finished "Bomber Mafia" by Malcolm Gladwell. Thought it was a very interesting discussion. And I liked, at the end of the book, how they bring it back home to, does high-altitude precision bombing carry the day or does the low-altitude mass strike that ended up having to be performed in Japan, flying from Guam into Japan based on that cloud cover and the high winds at those altitudes? I thought that, you know, we have an ongoing debate on, you know, cannon artillery, and rockets, and long-range strike. And I thought that that was a very interesting anecdotal relationship.

Because I tell Army senior leaders all the time, you know, we still have to close with, fight, and engage, and destroy the enemy. And we can't forget – we can't ever forget that that close fight is a real, lethal, and very dangerous environment. And so we've got to have the 155 rounds. We've got to have the guided MLRS. We got to have the ATACMS, now PrSM. We got to have those capabilities to enable that close fight.

In my backpack, since I travel so much, I've got "Freedom's Forge" from Arthur Herman. I read that a long time ago. I'm rereading it now because I think it's very applicable to the environment that we're in. And on my nightstand – and Mr. Joe Amodei (ph) is probably not going to appreciate this – on my nightstand I have, "Out of the Crisis," written by Deming. It's very technical. It's very applicable to what we're doing on the manufacturing and production line. And it's really good at putting me to sleep. (Laughter.)

Mr. Karako: All right. Well, thank you very much, sir. You've been very generous. And thanks to everybody who turned out, and to our partners. So please join me in thanking General Lozano for his remarks. (Applause.)

(END.)