

115TH CONGRESS
2D SESSION

S. 3044

To establish the National Defense Accelerator Network pilot program.

IN THE SENATE OF THE UNITED STATES

JUNE 11, 2018

Mr. ROUNDS introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To establish the National Defense Accelerator Network pilot program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Defense Ac-
5 celerator Network Act of 2018”.

6 **SEC. 2. NATIONAL DEFENSE ACCELERATOR NETWORK**
7 **PILOT.**

8 (a) FINDINGS.—Congress makes the following find-
9 ings:

10 (1) Defense Innovation Unit Experimental
11 (DIUx) has spurred investment from private venture

1 capital into businesses and academic institutions,
2 which do not have a traditional relationship with the
3 Department of Defense, that focus on national de-
4 fense solutions. Since June 2016, seven startups
5 supported by Defense Innovation Unit Experimental
6 have raised close to \$720,000,000 in subsequent
7 rounds of private venture capital funding.

8 (2) An innovation ecosystem can be developed
9 based on a hub and spoke network closely aligned to
10 public research universities in partnership with the
11 government and private capital.

12 (b) SENSE OF CONGRESS.—It is the sense of Con-
13 gress that—

14 (1) while Defense Innovation Unit Experi-
15 mental has been able to attract early stage private
16 capital to dual-use start-ups, more needs to be done
17 to re-establish a dual use innovation ecosystem in
18 the United States similar to what was created in the
19 1950s and early 1960s in radar and microelectronics
20 technologies;

21 (2) this older ecosystem eventually evolved into
22 the globally dominant commercial information tech-
23 nology industry primarily based in Silicon Valley but
24 was initially jump-started based on a partnership be-

1 tween the Government, leading universities, and the
2 private sector; and

3 (3) new innovation networks should be devel-
4 oped and incubated that would be comprised of busi-
5 nesses and academic institutions, which do not have
6 a traditional relationship with the Department of
7 Defense, to enable the Department to stabilize and
8 then hopefully begin to close the digital and techno-
9 logical gap that is beginning to emerge in many key
10 areas with United States competitors.

11 (c) PILOT REQUIRED.—

12 (1) IN GENERAL.—The Secretary of Defense
13 shall conduct a pilot program to assess innovation
14 network capabilities.

15 (2) ESTABLISHMENT OF NETWORK.—In car-
16 rying out the pilot program required by paragraph
17 (1), the Secretary shall establish a network of the
18 dual-use startups produced under the pilot program.
19 Such network would be known as the “National De-
20 fense Accelerator Network”.

21 (3) INITIAL TEST PHASE.—In carrying out the
22 pilot program required by paragraph (1), the Sec-
23 retary may carry out an initial test phase at one
24 leading university that—

1 (A) has an established leadership team
2 that is intimately familiar with the workings of
3 In-Q-Tel and Defense Innovation Unit Experi-
4 mental; and

5 (B) has established relationships with lead-
6 ing venture capital firms and other sources of
7 early stage financial capital.

8 (4) PRODUCING DUAL-USE STARTUPS.—The
9 pilot program required by paragraph (1) shall be a
10 pilot program to assess the ability to produce dual-
11 use startups focused on priority defense technology
12 that attract seed and round A financing from pre-
13 mier venture capital firms in the United States.

14 (5) SCALABILITY.—The Secretary shall ensure
15 that the pilot program conducted under paragraph
16 (1) is designed to be scalable and, if successful, en-
17 larged to consist of at least 10 and not more than
18 20 leading regionally-based public research univer-
19 sities.

20 (d) SEMIANNUAL REPORTS.—Not less frequently
21 than once every six months for the first two years of the
22 pilot program conducted under subsection (c), the Sec-
23 retary shall brief the congressional defense committees on
24 the progress of the Secretary in carrying out the pilot pro-
25 gram.

1 (e) FUNDING.—Of the amounts appropriated or oth-
2 erwise made available by this Act for the Industrial Base
3 Analysis and Sustainment program (IBAS), Defense Inno-
4 vation Unit Experimental, the Rapid Innovation Fund
5 (RIF), and for any purpose relating to strengthening and
6 improving the defense industrial base, \$5,000,000 shall be
7 available to carry out the pilot program required by sub-
8 section (c).

9 (f) CONGRESSIONAL DEFENSE COMMITTEES DE-
10 FINED.—In this section, the term “congressional defense
11 committees” has the meaning given such term in section
12 101 of title 10, United States Code.

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