

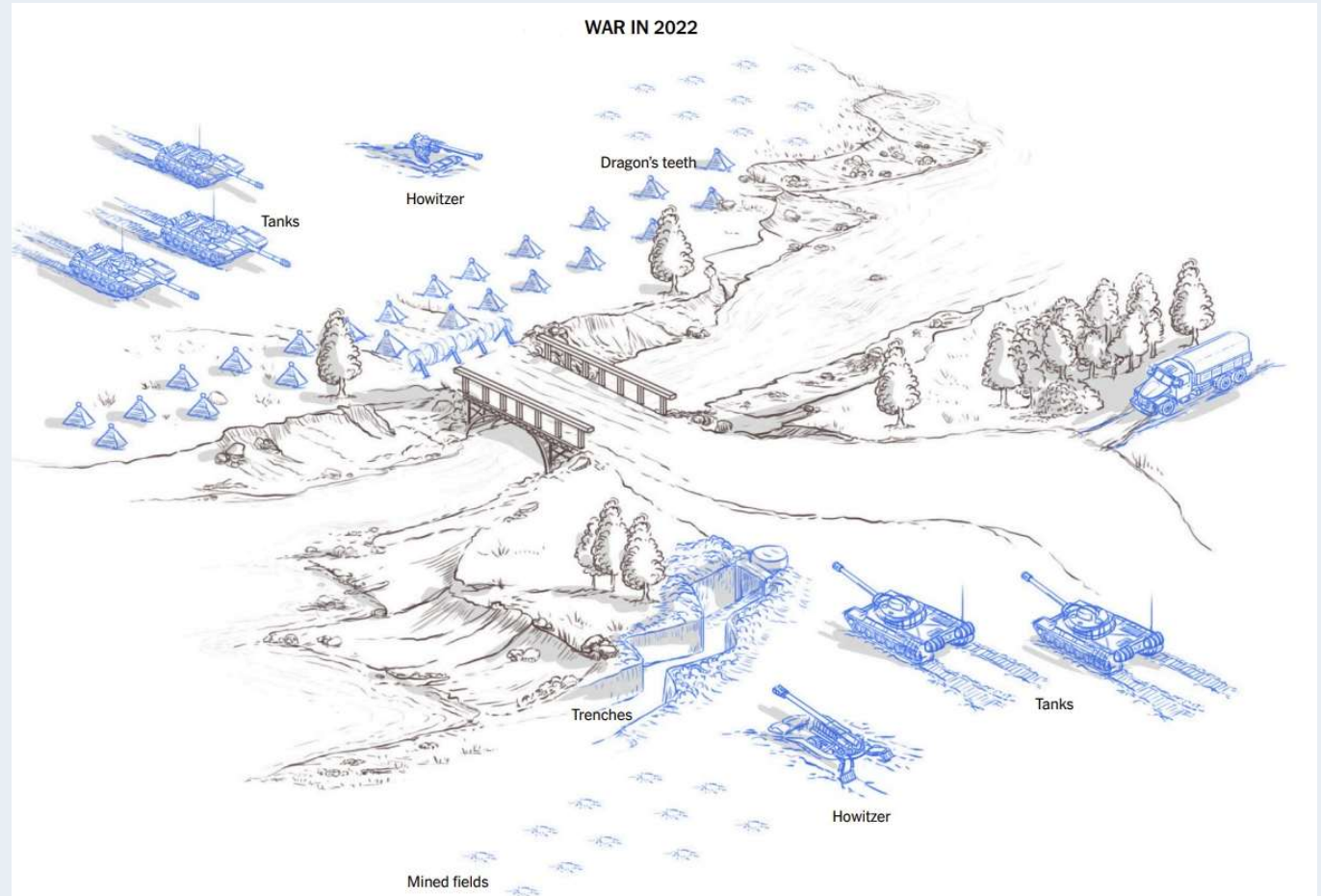
# IS THE U.S. READY FOR THE NEXT WAR?

*With global conflicts shaped by drones and A.I.,  
American military dominance is no longer guaranteed.*

Based on: Dexter Filkins, The New Yorker, July 14, 2025

# THE SHIFT: A NEW KIND OF WAR

## OLD MODEL

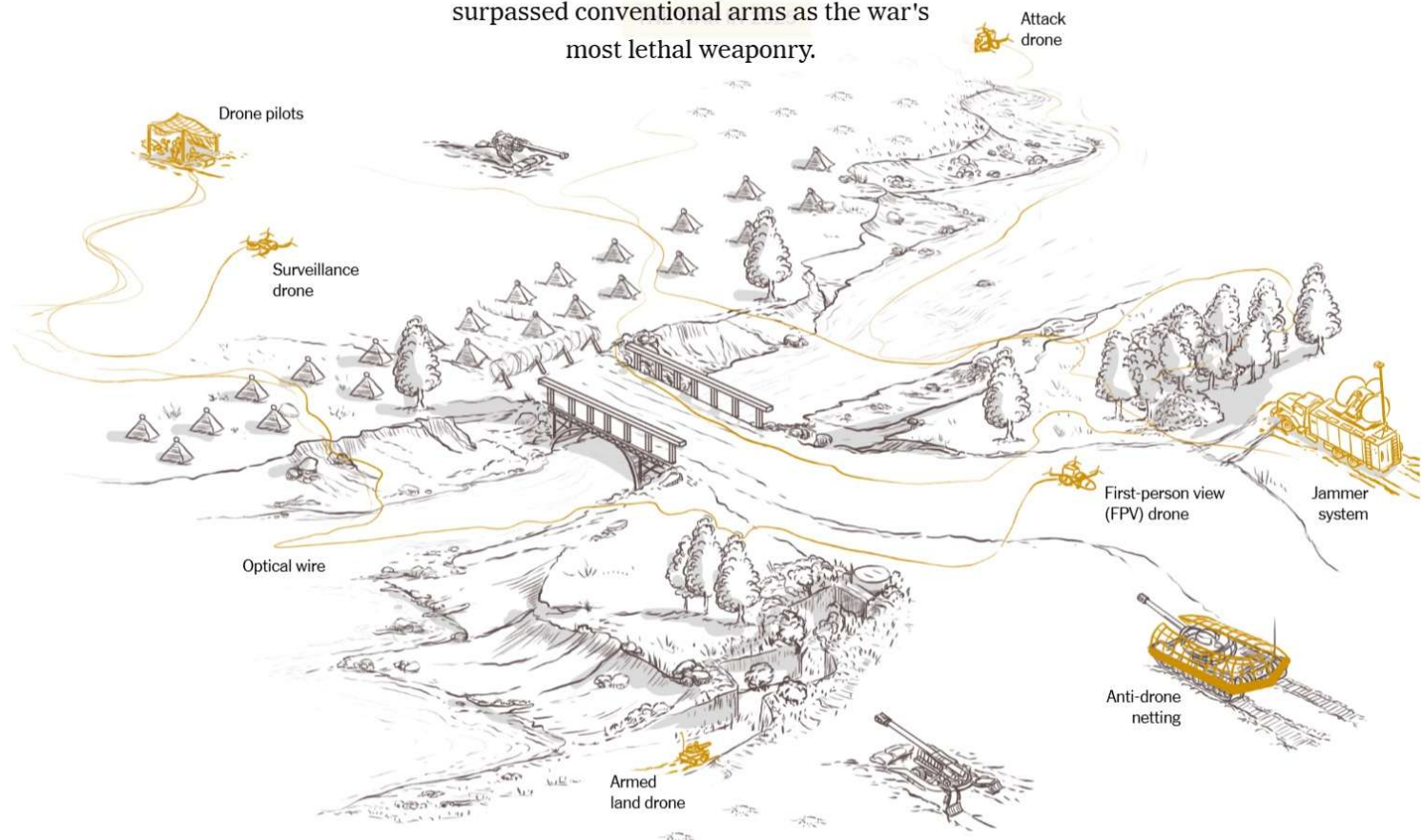


Source: NY Times

# THE SHIFT: A NEW KIND OF WAR

## NEW MODEL

Now, drones rule the battlefield. They have far surpassed conventional arms as the war's most lethal weaponry.



# THE SHIFT: A NEW KIND OF WAR

## OLD MODEL

- Massive standing armies
- Tanks, aircraft carriers, fighter jets
- High-cost platforms (F-22: \$350M each; carrier: \$13B)
- Decades to design, build & deploy

## NEW MODEL

- Drones, robots, AI-driven targeting
- Small, cheap, precise (\$500 per drone)
- Rapidly mass-produced by anyone
- Remote operation — fewer lives at the front

# UKRAINE: THE DRONE REVOLUTION

**80%**

of Russian casualties  
since early 2024  
caused by drones

**2M**

drones built by  
Ukraine in 2024  
alone

**\$500**

cost per drone vs.  
\$5M+ Russian  
weapon systems

# THE PENTAGON'S DILEMMA

*The nightmare scenario: an \$18-billion aircraft carrier steaming toward the western Pacific, and the enemy fires drones at it - highly accurate, incredibly fast, and far cheaper than anything we have built.*

## **Obsolescence Risk**

Aircraft carriers (\$18B) and F-35s (\$100M each) are now vulnerable to swarms of \$500 drones.

## **Institutional Inertia**

The Pentagon is described as a 'big mastodon' — massive and slow to change, despite years of reform talk.

## **Procurement Lock-In**

Defense contracts favor legacy hardware. Redirecting spending to cheap, fast, disposable tech requires systemic overhaul.

# THE CHINA THREAT & TAIWAN SCENARIO

## War Game: China Blockades Taiwan

The Center for Strategic and International Studies (CSIS) simulated a U.S.–China conflict. The results were sobering:

Trigger	China shoots down 2 U.S. patrol planes over the Taiwan Strait
Escalation	Within hours: full-scale war. No slow build-up, no off-ramp.
U.S. Losses	3 aircraft carriers sunk (~15,000 sailors); ¼ of the Air Force destroyed
Chinese Strikes	Massive attacks launched by US against the Chinese mainland
Duration	The entire conflict — modelled to near-nuclear threshold — played out in a few hours

# AI ON THE BATTLEFIELD: THE ISRAEL CASE

## HOW IT WORKS

- IDF enters Gaza with a pre-built target list of thousands
- AI processes hundreds of hours of drone feeds, signals intelligence, and open-source data
- Generates hundreds of new targets daily
- IDF rented cloud capacity from Microsoft & Google to handle compute load
- Human targeter reviews AI recommendations and makes final call

## THE TENSION

- "Human-in-the-loop" is the official policy — but...
- Some targeters felt pressured to approve AI recommendations without full verification
- AI can recommend 100 targets/day; only 2–5 get approved after review
- AI experts (incl. Geoffrey Hinton) warn of broader dangers of autonomous weapons

# THE ETHICS OF AUTOMATED KILLING

## Who is responsible?

When AI recommends a strike and a human quickly approves it, accountability is diffused across engineers, programmers, officers, and algorithms.

## Precision vs. reality

The language of 'precision targeting' coexists with documented mass casualties at aid stations, markets, and civilian sites in Gaza — raising questions about the limits of any technology.

## Moral atrophy

The greater fear is not malevolent AI but moral atrophy: a world where human judgment is no longer expected, practiced, or valued in decisions about lethal force.

## Rules of engagement

Filkins observed in Israel some of the loosest rules of engagement he had ever seen — technology alone cannot substitute for clear legal and moral constraints.

# THE RECRUITING CRISIS

## WHAT WE FACE...

- Every military branch missed recruiting targets year after year
- Root causes: strong economy, declining physical fitness among youth, cultural drift
- Size driven more by inability to recruit than by strategy

**1.3M**

U.S. military  
personnel  
(historically  
small)

## ...AND HOW WE ADJUST

- Drone warfare reduces need for mass infantry deployments
- Remote operation keeps more people off the front line
- Future conflicts may require technical talent over troop numbers

*Filkins notes: No one can fully plan for the next war. Military history's greatest cliché still holds — 'no plan survives contact with the enemy.'*

# CAN THE PENTAGON CHANGE IN TIME?

## SIGNALS OF CHANGE

- Hegseth team pledges to shift procurement toward drones
- Pentagon memo: 'Unleashing U.S. Military Drone Dominance' (July 2025)
- Army targeting ratio: 90% crewed → 10% drone; goal to flip it
- B-2 bombers successfully deployed in Operation Midnight Hammer vs. Iran
- Defense tech startups (Anduril, Palantir, Saronic) gaining Pentagon traction

## MAJOR OBSTACLES

- Entrenched defense contractors with congressional lobbying power
- Procurement timelines span decades; drone tech evolves in months
- Pentagon culture resistant to disruption from Silicon Valley
- Budget battles make redirecting funds politically toxic
- Brain drain: experienced Pentagon staff departing under Hegseth

## THE BOTTOM LINE

- “Drones show that the one who is quicker to adapt wins the war” (Lt. Volodymyr Dehtyaryov - NYT)
- Growing consensus: U.S. is 'dangerously unprepared' (Filkins)
- China's military capability rivals or surpasses the U.S. in key areas
- Talk of reform has gone on for years — execution remains elusive
- The mastodon needs to turn; the question is whether it can turn fast enough

# ANDURIL INDUSTRIES: THE NEW DEFENSE PARADIGM



## Palmer Luckey

### Founder & CEO

Creator of Oculus Rift (sold to Facebook, \$2.3B, 2014); fired from Facebook 2017; founded Anduril same year. Net worth: \$3.5B. Sanctioned by China, December 2025.

Founded: 2017 | HQ: Costa Mesa, CA  
Valuation: ~\$60B (2026 funding round)  
Revenue: ~\$2B (2025)  
Named after the sword in Lord of the Rings

*"If we're not building the weapons of the future, our enemies will be." — Palmer Luckey*

## WHAT THEY BUILD

### Lattice AI Platform

C2 brain fusing drones, sensors & weapons in real time. Now backbone of JIATF-401.

### Counter-Drone Systems

Roadrunner interceptors, Sentry towers, Pulsar EW. Deployed at U.S. bases and combat zones.

### Autonomous Drones

Ghost-X & Altius loitering munitions. Used in Ukraine; first Altius delivery to Taiwan, 2026.

### EagleEye AR Headset

Battlefield mixed-reality overlay; developed with Meta.

### YFQ-44A Fighter Drone

Semi-autonomous Collaborative Combat Aircraft. First flight Oct 31, 2025.

## CONTRACTS & CONTROVERSY

### \$20B Army Contract (2026)

Consolidates 120+ procurement actions. Lattice as C-UAS backbone through 2036. Largest ever for a defense-tech startup.

### \$1B Arsenal-1 Factory (Ohio)

Weapons megafactory in Columbus; could 'go hot' July 2026. Backed by Founders Fund, a16z.

### IVAS Takeover from Microsoft

Feb 2025: took over Army's \$22B AR headset program.

### WSJ Stumble Report (Dec 2025)

Drone boats failed Navy exercise; counter-drone test started 22-acre wildfire in Oregon.

### Conflict of Interest Watch

Shyam Sankar (Army Lt. Col.) is Palantir CTO — co-holds \$759M Army AI contract alongside Anduril.

# KEY TAKEAWAYS

**01**

Cheap precision drones have fundamentally altered warfare — a \$500 drone can destroy a \$5M+ weapons platform.

**02**

Ukraine is the proving ground; the U.S. must ask itself: could we end up in Russia's position?

**03**

The China–Taiwan scenario represents an extreme escalation risk, as shown by CSIS war games.

**04**

AI-powered targeting offers military advantage but erodes human judgment and accountability.

**05**

The Pentagon is slow, understaffed, and procurement-locked — reform talk hasn't translated into action.

**06**

Defense-tech startups like Anduril, Palantir, and Skydio are rewriting the procurement model — but Silicon Valley's speed culture and the Pentagon's risk-aversion remain in deep tension.

# SILICON VALLEY TAKES THE PENTAGON

*Tech industry executives now hold pivotal Department of War positions*



Emil Michael

**Under Secretary of War  
(R&E) / CTO**

Private Sector Background:

Former Chief Business Officer, Uber; advisor to 50+ tech companies; Acting Director, Defense Innovation Unit



Cameron Stanley

**Chief Digital & AI  
Officer (CDAO), DoW**

Private Sector Background:

Former Nat'l Security Transform. Lead, AWS; led Project Maven; USAF Academy graduate



Shyam Sankar

**Lt. Col., Army  
Reserve (Det. 201)**

Private Sector Background:

CTO, Palantir Technologies; co-holds \$759M Army AI contract



Andrew Bosworth

**Lt. Col., Army  
Reserve (Det. 201)**

Private Sector Background:

CTO, Meta (Facebook); Meta-Anduril partnership for military AR headsets



Gavin Kliger

**Chief Data Officer,  
DoW**

Private Sector Background:

Former DOGE operative; Senior software engineer, Databricks; launched GenAI.mil at Pentagon

*Note: Det. 201 (Army Reserve Executive Innovation Corps) commissioned June 13, 2025. Lt. Cols. Sankar, Bosworth, Kevin Weil (OpenAI) and Bob McGrew (fmr. OpenAI) will not recuse from DoD business dealings with their companies.*

# SECRETARY HEGSETH AND UNDER SECRETARY MICHAEL MAKE CHANGES

- “Drone on drone warfare, robot on robot warfare, those things are the future for sure.” – E. Michael
- “I believe a sophisticated drone war is going to be drone swarms controlled by AI to some degree.” – E. Michael
- “We have a drone dominance program.” – E. Michael
- “What the Department needs to do is have some of these [start-up] companies win big contracts quick... so that more money flows in, more entrepreneurs do it, and I can buy more.” – E. Michael
- AI and other licenses need to cover all lawful uses in warfare. **Redundancy and competition on price**



- 1/9/26 Memo from Sec. Hegseth: “Transforming the Defense Innovation Ecosystem to Accelerate Warfighting Advantage”
- Michael seeks to reform the procurement process to “encourage disruptors.” Provide high-level requirements to generate solution-oriented bids. Make contracts as close to commercial standards as possible. Goal: eliminate the competitive advantage of large incumbent contractors
- Supply chain issues (such as domestic battery sourcing) are a focus but will take years to resolve fully