Opening Remarks of Gregory M. Kausner
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House Committee on Foreign Affairs
Member Roundtable, "Executing AUKUS Pillar II: ITAR Exemptions for the UK and Australia"
Wednesday, April 17, 2024

Chairman McCaul, Ranking Member Meeks, distinguished Members, I appreciate the invitation to speak with you today.

I first want to thank Congress, and particular, this Committee, for your vision to advance the AUKUS security partnership in a tangible way. I would also like to note our appreciation for the State Department's efforts to drive implementation, as well as the similar efforts of our AUKUS partners. This landmark agreement is the culmination of more than a decade of work by the U.S. government and our allies. It has the potential to be a momentous achievement for cooperative defense.

AUKUS represents an opportunity to fortify the arsenal of democracy as it comes under threat from the forces of autocracy. This historic partnership not only benefits Australia, the United Kingdom, and the United States, but it could deliver a critical deterrent at a time of unprecedented strain on the rules-based international order.

Since last year's HFAC roundtable, Congress collaborated with industry and our partners to pass what is perhaps the most substantive reform to the International Traffic in Arms Regulation since its inception. It aligns the respective export control regimes of the AUKUS nations and establishes the groundwork for the integration of our defense industrial bases to sharpen our shared technological edge. We have been encouraged by the focus on implementation. Australia recently passed landmark reciprocal legislation, and the U.K. is reforming its licensing program to provide exemptions for Australia and the United States.

But regulatory reform in and of itself is not a deterrent. To outpace the threat, AUKUS Pillar 2 offers the opportunity to collaborate on the development of advanced defense capabilities such as hypersonics, electronic warfare, artificial intelligence, quantum technologies, and undersea systems. As Australia's submarines come online under Pillar 1 in the decade ahead, Pillar 2 has the potential to set the stage — here and now — with enhanced maritime awareness, networked autonomous systems, improved decision-making, and advanced strike capabilities.

With the wind of ITAR reform at our back, there are a number of ways in which AUKUS Pillar 2 could accelerate the delivery of advanced capability. While government driven co-development is top of mind, we should not lose sight of the benefits we could derive from organic industry-to-industry collaboration. Make no mistake, though, shared development across diverse companies separated by international borders still presents challenges. Delivering on the bold vision of AUKUS will require industry players to adopt core principles like open architecture, software-first design, 21st century manufacturing, and scalable supply chains. As we strive for greater interoperability between our platforms, we should also ensure that our approach to technology development, building factories, and even working together is equally interoperable — which means designing with modularity in mind.

At Anduril, we think about modularity from the moment we conceive of a new product. Modularity enables economies of scale when applied across a family of systems and allows for seamless integration of commercial-off-the-shelf parts. Whether its an autonomous undersea vehicle, a collaborative combat aircraft, or a suite of sensor-fused modalities, a maximally modular system enables the utilization of complementary components for a variety of missions. It also helps us withstand supply chain disruptions. When system components are interchangeable — easily replaced with alternatives across international borders — we take a significant step toward realizing allied-supply chain resiliency.

Ideally, a cooperative development program propelled by AUKUS Pillar 2 would be based on a modular design and open architecture. Such a program would foster cooperation on capability development in the near-term and pave the way for future projects in the long-term. Take undersea autonomy, for example. Under a cooperative program, bolstered by AUKUS regulatory reform, participant nations could use a flexible, digitally engineered hull as a common platform to develop a range of mission payloads for future fleets of autonomous underwater vehicles. Each nation would be able to focus on the mission sets and adjacent capabilities most relevant to its concept of operation and deliver capability to warfighters on a time horizon that actually matters.

Concurrently, the development of nationally-produced payloads would allow each nation to locally employ engineers, manufacturers, welders — each benefiting from the knowledge gained through experimentation by and with other parties. The inherent advantage to this approach is that the alliance starts to solve for the challenge of contested logistics. The efforts of an adversary to deliberately disrupt our operations and facilities, would be mitigated by geographically dispersing trusted allied personnel and production capacity. Thus, the modular payload configuration of an autonomous undersea vehicle makes it an attractive candidate for joint development, even as each nation eventually deploys various customized versions of the platforms.

This is but one example. AUKUS nations could work together to develop shared capability in other domains and across a range of programs. In each case of cooperation, we would see common advantages. For instance:

- Software-defined command and control would allow our countries the digital means of integrating disparate sensors and systems so as to truly enable 21st century interoperability.
- The deep bench of engineering talent across AUKUS nations would work together to identify emerging technologies, share lessons, and iteratively develop new capabilities at greater speed and scale.
- The incorporation of locally produced sensors, payloads, and other components means that partner nations need not insist on a “one-size-fits-all” solution and would leverage their comparative advantage.
- And finally, by broadening the base of suppliers, expanding markets, and eliminating time-consuming administrative burdens, AUKUS members would reap the benefits of efficiency and increased production opportunities.

To summarize, we are grateful for the leadership Congress has shown on these difficult issues. We see tremendous potential for successful outcomes through streamlined cooperation. Our workforce, alongside many others in industry, are eager to work with you to make the AUKUS partnership a success and deliver capabilities at a pace and scale to preserve the competitive advantage that free countries have enjoyed for generations.

Thank you again, and I look forward to your questions.