DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

FEB 01 2022

MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP
COMMANDERS OF THE COMBATANT COMMANDS
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Initial Operating Capability of the Chief Digital and Artificial Intelligence Officer

The Department of Defense must become a digital and artificial intelligence (AI)-enabled enterprise capable of operating at the speed and scale necessary to preserve military advantage. The Chief Digital and Artificial Intelligence Officer (CDAO) and its supporting Office (OCDAO) are charged with ensuring it does. This memorandum provides amplifying guidance to my December 8, 2021 memorandum, "Establishment of the Chief Digital and Artificial Intelligence Officer," attached, in which I established the CDAO and OCDAO and directed that they have initial operating capability (IOC) by February 1, 2022.

As of February 1, 2022, the CDAO is an Office of the Secretary of Defense (OSD) Principal Staff Assistant (PSA). The CDAO and the OCDAO, as part of its IOC, will in general have the following functions: lead and oversee DoD's strategy development and policy formulation for data, analytics, and AI; work to break down barriers to data and AI adoption within appropriate DoD institutional processes; and create enabling digital infrastructure and services that support Components' development and deployment of data, analytics, AI, and digital-enabled solutions. Moreover, CDAO will selectively scale proven digital and AI-enabled solutions for enterprise and joint use cases as well as surge digital services for rapid response to crises and emergent challenges.

The CDAO will have responsibility for the functions referenced above, and authority, direction, and control over the resources and personnel associated with the offices as outlined in my December 8, 2021 memorandum, in addition to the Office of the Under Secretary of Defense (Comptroller), Office of Advancing Analytics (ADVANA) to the extent permitted by current law. Nothing in this memorandum shall be interpreted to supersede existing statutory requirements. The Chief Data Officer (CDO) shall be operationally aligned to the OCDAO, and the CDO's supporting office will transfer to the OCDAO; however, the CDO himself or herself will continue to report to the Secretary of Defense and the Deputy Secretary of Defense through the Chief Information Officer of the Department of Defense (DoD CIO), as required by section 903(b)(3) of the National Defense Authorization Act (NDAA) for FY 2020. The CDAO shall prepare, in coordination with appropriate stakeholders, a draft legislative proposal that would permit the CDO to report directly to the CDAO. Administrative support functions will continue to be provided until they can be responsibly transferred to CDAO.

The CDAO shall be the senior official responsible for performing the functions outlined above, reporting directly to me and through me to the Secretary of Defense. As of the date of this memorandum, the CDAO will assume the existing authorities of its component organizations and the OCDAO will be the successor organization. This includes, but is not limited to, the following authorities:

OSD000743-22/CMD000922-22

- Authority to access all DoD data in accordance with section 903 of the NDAA for FY 2020;
- Acquisition authority conferred on the Joint Artificial Intelligence Center pursuant to an Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)) memorandum dated August 31, 2021. That memorandum will remain in full force, pending any revisions from USD(A&S), and its conferral of acquisition authority shall extend to elements of the OCDAO, as appropriate. The limitations and conditions set out in that memorandum applicable to acquisition authority will remain in effect. The Component Acquisition Executive (CAE) and the Senior Procurement Executive (SPE) referenced in the USD(A&S) memorandum will be appointed and serve under the authority, direction, and control of the CDAO. All requirements, limitations, and conditions set out in that memorandum as applicable to the CAE and SPE will remain effect;
- Ability to use special hiring authorities, through appropriate human resources support organizations, to include Excepted Service Schedules in part 213 of title 5 of the Code of Federal Regulations (CFR), specifically 5 CFR §213.3102(r), as well as the Cyber Excepted Service in title 10, U.S. Code, section 1599(f);
- Authority to exercise, within assigned responsibility and functional areas, all authority of the Secretary, derived from statute, Executive Order, or interagency agreement, except where specifically limited by statute or Executive Order, including the authority to identify collateral responsibilities of other OSD PSAs and DoD Component Heads, such policies will be prepared in accordance with DoD Instruction 5025.01 or Administrative Instruction 102; and
- Represent CDAO equities in internal and external governance and oversight bodies.

The CDAO is authorized to request waivers of requirements of DoD regulations, directives, instructions, or other policy affecting its responsibilities for digital solutions pursuant to DoD Directive 5105.87. The responsible OSD PSA or DoD Component head policy proponent receiving any waiver request is required to respond within the timelines outlined in section 3.2(c) of DoD Directive 5105.87.

The CDAO will conduct a review of authorities and governance structures associated with DoD data, analytics, and AI, and will provide me with recommendations as appropriate by May 1, 2022. The Director of Administration and Management, in partnership with the CDAO, will prepare by June 1, 2022, a chartering directive for my approval, based upon the results of this review. The CDAO will conduct other reviews as appropriate to ensure the management and operational effectiveness of the OCDAO and report the results of these reviews to me, to include the responsible transition of mission support functions.

Mr. John Sherman is designated to serve as the Acting CDAO to lead OCDAO until such time that the Secretary of Defense or I appoint someone to the position.

Attachment:
As stated

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MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP
COMMANDERS OF THE COMBATANT COMMANDS
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Establishment of the Chief Digital and Artificial Intelligence Officer

The Department has made significant strides in unlocking the power of its data, harnessing artificial intelligence (AI), and providing digital solutions for the joint force. Many components have contributed to this progress. Yet stronger alignment and synchronization are needed to accelerate decision advantage and generate advanced capabilities for our warfighters.

Accordingly, effective February 1, 2022, there will be within the Office of the Secretary of Defense a new position of Chief Digital and AI Officer (CDAO), reporting directly to me and through me to the Secretary of Defense. The CDAO will serve as the Department's senior official responsible for strengthening and integrating data, artificial intelligence, and digital solutions in the Department.

The Office of the CDAO shall perform in an initial operating capability (IOC) upon its stand-up, with a goal of reaching full operating capability (FOC) no later than June 1, 2022. By January 15, 2022, Mr. James Mitre, Senior Advisor to the Deputy Secretary of Defense, will submit for my approval an implementation plan to reach these IOC and FOC milestones. Mr. Mitre will work closely with all affected DoD stakeholders, congressional staff, and outside experts in developing his recommendations.

Nothing in this memorandum shall be interpreted to supersede existing statutory requirements. At its IOC, the Office of CDAO will bear the following relationship to related OSD AI, digital, and data offices:

- Joint Artificial Intelligence Center (JAIC). The Office of the CDAO shall serve as the successor organization to the JAIC, reporting directly to the Deputy Secretary of Defense, pursuant to Section 238 of the John S. McCain National Defense Authorization Act (NDAA) for FY 2019, as amended.

- Defense Digital Service (DDS). The CDAO shall serve as an intervening supervisor between DDS and the Immediate Office of the Secretary of Defense and the Deputy Secretary of Defense, consistent with DoD Directive 5105.87.

- Chief Data Officer (CDO). The CDO shall be operationally aligned to the OCDAO, while continuing to report to the Secretary of Defense and the Deputy Secretary of Defense through the Chief Information Officer of the Department of Defense (DoD CIO), as required by Section 903(b)(3) of the NDAA for FY 2020.

Thank you in advance for your support in our efforts to adopt industry best practice and accelerate innovation.

OSD010894-21/CMD013905-21