



## **One Pentagon Office to Command All Drones: Why This New Drone Authority Is Different and How Contractors Can Benefit**

In a single June 2026 memo, the U.S. Department of Defense (now renamed U.S. Department of War (DOW)) pulled budgeting, contracting, milestone, requirements, classification, and even congressional-engagement authority for nearly every military unmanned system into one new office. Here is what the Direct Reporting Portfolio Manager for Unmanned Systems (DRPM-UxS) office changes for the companies that build unmanned systems – and how you can leverage it.

### **What the Memo Does**

On June 29, 2026, Secretary Pete Hegseth established this new Pentagon office – DRPM-UxS – and designated it the “single joint integrator” for every unmanned and autonomous system program in the DOW.

The DRPM-UxS director reports straight to the Deputy Secretary and holds directive authority across small aerial drones (groups 1-3), unmanned surface and underwater vessels, ground robots, autonomy, AI and swarming software, counter-drone systems, unmanned-systems logistics, and the drone marketplaces – everything except current Major Defense Acquisition Programs.

Two existing bodies fold in immediately: the counter-drone task force JIATF-401 and the Defense Autonomous Warfare Group. It is the acquisition-and-resourcing capstone of the administration’s drone-dominance push, sitting atop a roughly \$75 billion FY2027 request.

That much made the trade press. The part worth your attention is how much authority the memo aggregates in one place – and why each piece can be an advantage to a defense contractor.

## **Why This One is Different**

Defense reorganizations happen constantly. What makes this memo unusual is not any single authority but the stacking of authorities that are normally, and deliberately, kept in separate hands. Taken one at a time, here is what the DRPM-UxS holds, and why each matters to a defense contractor:

- **Budget formulation** – Direct input and “authoritative direction” over the programming and budget submissions and program-element funding levels that feed the President’s budget request.
  - Why it matters: The services normally build and defend their own budget requests, so a priority that cuts across the services gets diluted as each protects its own share. Consolidating formulation lets one office assemble a single, prioritized ask across all services – funding its winners and starving laggards from the top – and a coherent request is far harder for competing interests to pick apart. For a contractor, your program’s place in the request now turns on alignment with the office’s priorities, not just your service’s advocacy.
- **Budget execution** – Oversight of all budget year execution management processes, including directing funds distribution, allocation, and realignment during the year of execution, and coordinating reprogramming through the comptroller. This is the piece that most sets the memo apart: the office shapes the budget ask and steers the money after it is appropriated.
  - Why it matters: Budget formulation controls future dollars; budget execution controls the money Congress has already provided this year. Ordinarily that in-year money sits in service stovepipes and moves slowly. Putting one office in charge of redirecting it in real time – accelerating a performer, cutting a laggard – is genuine agility, and it means funding can appear or evaporate faster than contractors are used to, with performance and alignment converting quickly into dollars.

- **Contracting authority** – The ability to act as both the Senior Procurement Executive (SPE) and the Head of the Contracting Activity (HCA) for its portfolio, and to direct the services' contracting shops to prioritize unmanned-systems actions.
  - Why it matters: Those two roles – the SPE policy authority that grants deviations, and the HCA approval authority that signs off on sole-source justifications, urgency determinations, and high-dollar actions – normally sit with different officials across different services. Holding both lets the office set (or waive) the rules for its portfolio and approve the actions taken under them, then move its own work to the front of the contracting queue. That collapses the up-and-across routing that usually delays awards, which for contractors means faster awards and more room for sole-source and urgency vehicles.
- **Milestone Decision Authority** – Installed by the secretary's personal invocation of 10 U.S.C. § 4204(b)(5).
  - Why it matters: The Milestone Decision Authority is the gatekeeper who approves a program's passage through acquisition milestones, including the decision to enter production, normally the Defense Acquisition Executive or a Service Acquisition Executive. Pulling that role into the same office that controls the budget and the contract means one decision-maker owns funding, contracting, and the production go/no-go. A "yes" can move quickly because there is no separate milestone gatekeeper to satisfy; the flip side is that a "no" is close to final within the portfolio.
- **Requirements, technical, and test authority** – Including modular-open-systems mandates and the power to halt the fielding of any system.
  - Why it matters: Defining what is needed, setting the engineering standards products must meet, and deciding when a system is ready to field normally involve several separate stakeholders. Concentrating them lets the office control the specification, enforce interoperability by mandate, and stop a noncompliant system at the gate. For contractors, the requirement, the interface standard, and the fielding decision all trace back to one office – compliance with its open-architecture mandate is non-negotiable, and a fielding halt is a real risk for products that miss the bar.
- **Industrial-base priority** – Nominating unmanned-systems programs for DX ratings under the Defense Priorities and Allocations System.

- Why it matters: A priority rating legally compels suppliers to fill rated defense orders ahead of their non-rated work, and DX is the highest such rating. The power to nominate its own programs lets the office jump them to the front of the production queue – decisive when every program is competing for the same scarce chips, motors, and batteries. If you are on a DX-rated program you gain that priority for your own inputs (and must flow it down); if you are a supplier, you may be legally required to bump other work to fill a rated order.
- **Original classification authority and congressional gatekeeping** – Original classification authority at the TOP SECRET level, plus a rule that every component must coordinate with the office before engaging Congress on anything in the portfolio.
  - Why it matters: Together these give the office control of both the information and the message – what gets classified and protected, and who is allowed to talk to the Hill about the portfolio. That lets it shield sensitive capability and present Congress a single voice, keeping individual services or programs from lobbying against portfolio priorities. For contractors, the classification of your work and your channel for raising concerns with appropriators and authorizers both run through the office; going around it is not a realistic option.

The Pentagon – by owning the budget request and the execution-year money, the contract vehicles and the milestone decisions, the requirements and the classification, and the door to Congress – has concentrated in one portfolio manager (DRPM-uxS) a set of levers that ordinarily run through the comptroller, the service acquisition executives, the service secretaries, and legislative-affairs shops separately. The services are left to “execute all UxS acquisition and funding actions in accordance with programmatic direction established by the DRPM-UxS,” with any budget disputes kicked up to the deputy secretary – a tell that the drafters expected pushback.

The memo reinforces the point with features you rarely see spelled out in an authorities document: unmanned-systems billets are exempted from department-wide hiring freezes and reductions in force; the office gets direct-hire authority; its director is designated a “required use traveler” with priority military airlift; and the memo even orders a threat assessment to decide whether the director of the office

needs a protective detail. The throughline is speed – “speed of execution is paramount,” a 30/60/90/120-day stand-up clock, and heavy reliance on non-FAR tools like Other Transaction Authorities (OTAs), Other Transaction (OT) and Commercial Solutions Openings (CSOs).

One legal caveat worth noting: this consolidation reorganizes authority *within* the Pentagon, but it does not lift the legal ceiling that sits above the whole department. A defense secretary’s memo can decide who inside the Pentagon controls budgeting, contracting, and milestones – and this one does, sweepingly – but it cannot rewrite the appropriations laws or displace Congress’s oversight role. So, three outer limits still bind the new office. The DRPM-UxS office can move money among unmanned-systems programs, but it cannot spend what Congress has not appropriated or spend it outside the purpose and year Congress specified. When a shift is large enough to constitute a formal reprogramming, it still routes through the comptroller and the congressional defense committees, just as before.

None of this diminishes the DRPM-UxS office’s day-to-day authority described above; it simply marks where that authority stops. The DRPM-UxS office is unusually powerful inside the box Congress drew, it just does not get to redraw the box.

## **What stays out**

The office’s reach stops at current Major Defense Acquisition Programs. The Air Force’s Collaborative Combat Aircraft, which moved to production awards for Anduril’s FQ-44A and General Atomics’ FQ-42A in June 2026, stays with the Air Force, as do the Navy’s MQ-25 Stingray, the MQ-4C Triton, and the current medium unmanned surface vessel program; underwater systems are handled in coordination with the submarine portfolio manager. If your work is on one of those, your chain of command hasn’t changed. If it’s on the aerial drone group-1-3 and autonomy side, it very likely has.

## **What it means for you**

- **Your counterparty may shift.** Direction, funding priority, and milestone decisions increasingly run through DRPM-UxS rather than the service program office you know. Existing contracts may be redirected or reprioritized on programmatic

direction from the office.

- **Funding can move faster – in both directions.** The office can realign and distribute funds toward its priorities. A program that aligns may see money accelerate; one that competes with portfolio priorities can be slowed, defunded, or cancelled – raising stop-work, termination-for-convenience, and equitable-adjustment questions.
- **Expect more OTAs, OTs, and CSOs.** These non-FAR vehicles carry different intellectual property, dispute, and protest rules than the FAR contracts your compliance systems may be built around.
- **Onboarding gates are real.** Reaching the consolidated marketplaces or the Blue UAS list means clearing Section 889 (the ban on prohibited Chinese-origin telecom and surveillance components), covered-foreign-entity, domestic-content, and cybersecurity requirements first.
- **Your path to the Hill narrows.** Because the office centralizes congressional engagement for the portfolio, the way your concerns reach appropriators and authorizers is now routed and gated.

## How to leverage it

The same concentration that creates risk also creates a clearer target. Practical advice for defense contractors:

- **Engage DIU early.** The memo makes the Defense Innovation Unit the single industry front door for the portfolio. That is where relationships and technical engagement should start.
- **Get vetted and listed now.** Position for the consolidated marketplaces and the Blue UAS list and clear your supply-chain compliance ahead of time so you are eligible the moment a fast-buy opportunity opens.
- **Build for the vehicles the office favors.** Position for OTA consortia, prototype OTs, and CSO white papers – and go in with a deliberate IP and data-rights strategy, because those terms are negotiated, not boilerplate.
- **Design to the mandate.** The office requires modular open systems and open interfaces (OMS/UCI). Open-architecture, interoperable products are advantaged; bake compliance in rather than bolting it on.

- **Use the priority machinery.** Suppliers on a program the office nominates for a DX rating can leverage that priority through their own supply chains – and should prepare to receive and flow down rated orders.
- **Aim at one target, correctly.** With funding priority, milestone timing, and requirements concentrated in one office, well-placed, compliant engagement can move faster than working multiple service stovepipes – provided you respect the congressional-coordination rules rather than trip over them.
- **Be ready now.** “Speed is paramount” and a four-month stand-up clock mean the office will reward production-ready, compliant capability. The ability to deliver at scale immediately is itself a competitive edge.

## **Where the legal exposure lives**

Consolidation changes the paperwork as much as the org chart. Contract review and negotiation matter more, not less, as programs migrate onto OTAs, CSOs, and marketplace agreements with unfamiliar IP, dispute, and protest terms, and as open-architecture mandates put technical-data rights on the table. The office’s power to reprioritize and halt work makes stop-work orders, terminations for convenience, and requests for equitable adjustment live possibilities – document your costs accordingly. Consolidated and re-run source selections, plus a wave of OTA and CSO awards, reshape the bid-protest calculus at the GAO and the Court of Federal Claims. And for the venture-backed entrants increasingly central to this market, foreign investment review (CFIUS) and foreign ownership, control, or influence (FOCI) mitigation remain gating issues. Each of these is manageable – but best addressed before you sign, not after a notice arrives.

If you build unmanned systems or supply those who do, our government contracts and national security team can help you position for the marketplaces and OTA/CSO vehicles, identify CFIUS or FOCI issues, negotiate new or redirected agreements, pursue equitable adjustments on curtailed work, and navigate the compliance and investment questions this new structure raises.

*This blog was drafted by [Ray Jones](#), a government contracts and M&A attorney in the Spencer Fane Washington, D.C. office. For more information, visit [www.spencerfane.com](http://www.spencerfane.com).*

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