Navy Reshapes Warfighting Acquisition System



Establishes 5 Portfolio Acquisition Executive Organizations
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Washington, DC – The Department of the Navy (DON) today announced the establishment of five Portfolio Acquisition Executive organizations: PAE Industrial Operations, PAE Marine Corps, PAE Maritime, PAE Strategic Systems Programs and PAE Undersea. With these directives, the Navy is fully engaged in making the PAE model the new operational standard for the acquisition enterprise, injecting urgency and a ruthless focus on accelerated delivery.

The organizational changes are key initiatives of Secretary Hegseth's directive to transform to a warfighting acquisition system and a key tenet of Secretary Phelan's Golden Fleet initiative to change how the Navy is doing business to drive accountability and performance.

"In a time where our warfighters are on the frontline and the

nature of warfare is changing at a rapid pace, the Department of the Navy needs a warfighting acquisition system that better responds to those at the tip of the spear," said Secretary of the Navy John C. Phelan. "Every acquisition decision ties directly to deterrence, and if deterrence fails, decisive victory. With the establishment of PAEs, we are instilling a war-fighting mindset to accelerate delivery to the fight."

Under the PAE model, leaders are empowered —and expected— to make disciplined, data-driven trade-offs across cost, schedule, and performance, with a clear priority on time to field. Additionally, each PAE is responsible for understanding and actively managing the industrial base supporting their portfolio, including production capacity, supply chain risk, and opportunities to expand or diversify suppliers.

The Department of the Navy has empowered five senior acquisition leaders as the interim Portfolio Acquisition Executives, making them the single accountable official for key portfolios:

PAE Industrial Operations: Vice Adm. James P. Downey

PAE Marine Corps: Lt. Gen. Eric Austin

PAE Maritime: Mr. Christopher Miller

PAE / DPRM Strategic Systems Programs: Vice Adm. Johnny Wolfe

PAE Undersea / DRPM Submarines: Vice Adm. Robert Gaucher

These reforms will create a warfighting acquisition system that aligns authority with responsibility, reduces unnecessary bureaucracy, empowers program managers, and delivers capability to the Navy and Marine Corps at speed and scale.

"PAEs will have direct authority not only for program offices but also over associated technical, contracting, and sustainment functions, providing true cradle-to-grave control to deliver fully integrated capability," said Mr. Jason

Potter, Performing the Duties of Assistant Secretary of the Navy for Research, Development and Acquisition (ASN RDA). “We are moving from a compliance-based bureaucracy to having outcome-focused organizations, fundamentally changing how we do business.”

Department of the Navy acquisition reform efforts have progressed aggressively since the establishment of the DON Rapid Capabilities Office (DON-RCO) and establishment of PAE Robotics and Autonomous Systems in December 2025, which Vice Adm. Seiko Okano, Principal Military Deputy to ASN(RDA), says is helping to establish a culture of speed and measured risk across the warfighting acquisition system.

“Our acquisition workforce is critical to our warfighting capability, and not being deployed does not excuse us from having a warfighting ethos,” said Vice Adm. Seiko Okano. “Each PAE will operate with a digital first mind-set – we will align on data and eliminate non-value-added layers of program reviews and bureaucracy to identify risks earlier and enable faster and more informed decision making.”

Additionally, each PAE will operate with a dedicated Rapid Capability Cell, closely linked to the Department of the Navy’s Rapid Capabilities Office. These cells will focus on rapidly identifying opportunities to adopt commercial technology, conduct rapid prototyping, and accelerate fielding when urgent operational needs arise.

Transition study efforts continue across the aviation, industrial infrastructure, mission systems, and munitions programs. These efforts are progressing and will be announced as they are formally established.