



ACQUISITION
AND SUSTAINMENT

THE UNDER SECRETARY OF WAR
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

OCT 19 2026

MEMORANDUM FOR COMPONENT ACQUISITION EXECUTIVES
PORTFOLIO ACQUISITION EXECUTIVES
DEFENSE AGENCY AND DOW FIELD ACTIVITY DIRECTORS

SUBJECT: Portfolio Acquisition Executive Operating Framework and Implementation

- References: (a) Secretary of War Memorandum, "Reforming the Joint Requirements Process to Accelerate Fielding of Warfighting Capability," November 7, 2025
(b) Secretary of War Memorandum, "Transforming the Defense Acquisition System into the Warfighting Acquisition System to Accelerate Fielding of Urgently Needed Capabilities to our Warriors," November 7, 2025
(c) Secretary of War Memorandum, "Unifying the Department's Arms Transfer and Security Cooperation Enterprise to Improve Efficiency and Enable Burden-Sharing," November 7, 2025

Mandate for Change. Our adversaries are advancing their warfighting capabilities at a blistering pace. To outcompete them, we can no longer afford to let acquisition outcomes become bogged down in antiquated, risk-averse processes. The Secretary of War's Acquisition Transformation Strategy, as outlined in references (a), (b), and (c), mandated a fundamental shift in how we deliver capabilities under the new Warfighting Acquisition System (WAS). A cornerstone of that strategy was the implementation of Portfolio Acquisition Executives (PAE) to drive speed, agility, and accountability into our system. This transformation also includes an overhaul of the foreign military sales (FMS) system, empowering our PAEs to ensure the rapid, integrated delivery of capabilities to both U.S. warfighters and our allies and partners.

The PAE Operating Framework. The attached DoW-level PAE Operating Framework is the direct execution of that mandate. The PAE Operating Framework is the foundational document that defines the enterprise framework, roles, and aggressive operational tempo expected of our PAEs. The Framework demands a warrior ethos and a relentless focus on speed-to-fielding. This Framework establishes a modern paradigm for how the DoW conducts acquisitions.

Implementation and Flexibility. Effective immediately, the broader DoW, Component, and Service enterprises shall align their operations to this PAE Operating Framework. As the Framework makes clear, the Components and Services are authorized and encouraged to instantiate different PAE archetypes to best suit their specific mission sets. While we grant this flexibility in implementation, the core principles of decentralized authority and absolute accountability are not negotiable.

Action: Component Implementation. To ensure rapid and accountable execution, each Component and Service is directed to formally document and submit their specific

implementation of the PAE Operating Framework to my office within 120 days of the date of this memorandum for a 10-working day review and comment period. Bureaucratic friction will not be accepted as an excuse for delaying capabilities to the Warfighter. Support functions are not gatekeepers; as outlined in the Framework, headquarters and staff elements will act as a "bulldozer" to actively dismantle bureaucratic constraints and provide relentless support to our PAEs.

Operating within the Law. The intent of this PAE Operating Framework is to operate aggressively, but within the legal limits of the laws. We will push the envelope of what our current authorities allow. Where we find that a law creates significant barriers to the operational agility our PAEs require, we will work with Congress to find solutions and aggressively champion the necessary legislative changes to ensure our acquisition professionals have the legal tools they need to execute. Nothing in this Framework limits the Defense Acquisition Executive's (DAE's), Component Acquisition Executive's (CAE's), or Service Acquisition Executive's (SAE's) authority to direct program or portfolio decisions as necessary to exercise their responsibilities for warfighting acquisition system execution.

Read the attached PAE Operating Framework. Internalize its urgency. Empower your PAEs to execute their mission, and remove the roadblocks in their way.

A handwritten signature in black ink, appearing to read 'Mike Duffey', with a long horizontal flourish extending to the right.

Michael P. Duffey

Attachment:
As stated

Portfolio Acquisition Executive Operating Framework within the Department of War

1.0 Purpose and Vision

In accordance with the Secretary of War's directive to place the Acquisition System and Enterprise on a wartime footing, this Framework establishes Portfolio Acquisition Executives (PAE) as the officials accountable for capability delivery to U.S. forces and international partners within the new Warfighting Acquisition System (WAS).

This Framework fundamentally transforms the role of acquisition leaders, elevating them from managers of individual programs to chief executives of entire capability portfolios. The PAE holds singular accountability for delivering combat-ready capabilities.

This transformation is driven by two core principles: restoring a warrior ethos and prioritizing speed by empowering leaders to make and own decisions. The PAE Operating Framework resolves fragmented accountability by delegating and centralizing authority, within a portfolio, under a single leader to ensure decisive, single-point accountability necessary to deliver integrated, combat-effective capabilities to the operational warfighter. Supporting processes, boards, and reviews shall not slow the delivery of capability; those that do will be candidates for elimination.

While this document establishes the high-level Framework, each Component is directed to aggressively implement the organizational, cultural, and policy changes necessary to fully realize this vision.

The provisions of this PAE Operating Framework—and all delegations of authority and actions—shall comply with and are subject to any restrictions or limitations contained in applicable statutes, federal regulations, appropriations law, and procurement integrity requirements.

This PAE Operating Framework does not address Direct Reporting Portfolio Manager (DRPM) programs. Given the unique nature of each DRPM portfolio, the DoW anticipates the Department may separately establish PAE responsibilities, authorities and delegation related to DRPM programs.

2.0 PAE Definition, Core Mandates, and Implementation Flexibilities

- **2.1 Definition:** As defined in title 10, United States Code (U.S.C.), section 1732, a PAE is the senior acquisition official designated by the CAE or the SAE of the Military Department concerned, as applicable, to lead a portfolio of capabilities, with authority for plans, budgets, and execution of programs assigned to the portfolio, including life-cycle management.
- **2.2 Core Mandates:** This Framework mandates that the PAE execute consistently with the following core principles to ensure the DoW delivers capabilities to the operational warfighter at speed. The PAE's organizing principles are:
 - **Push Authority to the Point of Execution:** Aggressively push decision authorities down to the lowest appropriate level, empowering Program Managers and their teams

to act with speed and agility. Authorities granted to the PAE should be delegated to the leaders directly responsible for execution to the maximum extent permissible.

- **Bias for Speed-to-Fielding:** Structure programs into tight, schedule-driven capability increments. PAEs must actively focus on and prioritize rapid delivery of relevant capability whenever possible to maintain a decisive military advantage to outpace evolving threats.
- **Execute Portfolio Trades to Drive Mission Outcomes:** To achieve this bias for speed to field capability, in consultation with key requirements, acquisition, engineering, sustainment and resourcing stakeholders, the PAE shall make prudent, data-driven trades across schedule, cost, and performance at the program and portfolio levels. The PAE shall accept measured acquisition and execution risk that is informed by the evolving threat—such as embracing "good enough" solutions—to accelerate capability delivery and drive critical mission outcomes, rather than pursuing perfect capabilities that arrive too late to be relevant. In accordance with 10 U.S.C. § 1732(c)(6), the PAE maintains explicit authority to modify, curtail, or terminate the development or production of a capability that suffer significant cost or schedule growth or no longer align with Joint capability requirements.
- **Own the Lifecycle Outcome:** The PAE, in coordination with assigned Program Managers, Product Support Managers (PSM), and other acquisition and sustainment professionals, shall ensure systems are designed, acquired, and maintained to maximize materiel readiness, guarantee availability, and minimize total lifecycle costs in alignment with established user objectives. This mandate includes implementing Modular Open Systems Approaches (MOSA) and executing a comprehensive, multi-tiered Intellectual Property (IP) Strategy. To prevent dependency on proprietary IP, encourage competitive sustainment, and secure long-term organic supply chain stability, the PAE should contractually secure the appropriate data deliverables and associated license rights (determined by acquisition method, funding source, and sustainment strategy) necessary to enable flexible modernization and sustainment strategies—including "Freedom to Fix." This strategy should be established early and, where appropriate, require the contractual delivery of an indentured Bill of Materials.
- **Direct System-of-Systems Integration:** Implement the Department-wide MOSA Policy across the portfolio by identifying, contracting for, and requiring the delivery of the interface control documents and obtaining the appropriate data license rights to accessible repositories which are necessary to enable third-party integration without further original equipment manufacturer coordination. Through the contracting or agreements process, the PAE should aim to maximize the government's license rights to unlimited or unrestricted license rights in form, fit, function data and technical data necessary for operations, maintenance, installation, or training purposes (other than detailed manufacturing data). The PAE shall collaborate across portfolios to ensure all capabilities integrate seamlessly into the broader Joint Force system-of-systems, prioritizing speed and resilience within our warfighting kill webs.
- **Strategically Shape the Technology and Industrial Ecosystem:** It is not sufficient for the PAE to focus on individual programs or a collection of programs. The PAE

must seek to shape the entire industrial and technology ecosystem. The PAE shall create and employ continuous development pathways to transition innovation from all sources—including industry and the Science & Technology community—into the programs in their portfolio, fostering competition to ensure a resilient and innovative industrial base. The PAE shall treat industrial capacity, workforce, materials, and supplier health as elements of readiness. The PAE shall create stable demand signals, foster meaningful competition, and mitigate single points of failure, foreign dependencies, and fragile sub-tier suppliers.

- **Arm our Allies and Partners with the Best Weapons:** The PAE shall develop and execute acquisition strategies that actively integrate and synchronize partner and ally requirements with U.S. requirements early in the capability design phase. This requires aligning acquisition timelines with Combatant Command theater priorities and planning, programming, budgeting, and execution cycles to establish a unified industrial base plan. The PAE must ensure that portfolio strategies are informed by U.S. requirements and ally capability requests, and that delivery schedules are matched to our partners' operational urgency and risk tolerance, consistent with statute and the Secretary of War's directives to accelerate partner nation delivery.
- **2.3 PAE Archetypes and Implementation Flexibility:** The Department recognizes that the Components and Services require flexibility to implement the PAE Operating Framework across various portfolio types. Not all PAEs will operate identically. The Components and Services are authorized and encouraged to instantiate their own PAE archetypes while strictly adhering to this Framework and the core principles of speed, accountability, and decentralized execution.

3.0 Empowering the PAE: The Expectation for Delegated Authority

The PAE Operating Framework is predicated on the principle of radical empowerment. The PAE shall have the maximum level of authority permissible by law to make decisions, control resources, and lead their teams with agility and speed. The default position of the Department is to drive all decision authorities to the lowest possible level, directly into the hands of the accountable leaders executing the mission.

Furthermore, the PAE shall interpret the absence of specific direction, regulations, or procedures as a license to innovate. The PAE shall not assume that an action in the best interest of the Government is prohibited simply because it is not explicitly addressed. Rather, the PAE shall use sound business judgment to implement creative solutions consistent with law and within the limits of their delegated authority.

Each Component or Service is directed to conduct a comprehensive review of its existing delegations of authority and processes to ensure they are aligned with this principle. In their Implementation Plan under this Framework, each Component and Service shall document the specific authorities—spanning all functional areas—that will be delegated closer to or within PAEs and program teams.

The Addendum to the PAE Operating Framework provides a non-prescriptive list of examples of the types of authorities that Components and Services should consider as they develop their implementation plans. The goal is not to mandate each specific item, or the mechanics of implementation within each Component and Service, but rather to illustrate the depth and breadth of empowerment necessary to achieve the speed and accountability required by the WAS.

4.0 Workforce Alignment

To ensure the PAE can effectively manage the execution of programs assigned to the portfolio, as mandated by 10 U.S.C. § 1732(a), all functional employees (such as contracting, cybersecurity, engineering, finance, developmental test, etc.) assigned to a portfolio shall report to the PAE through the acquisition leadership chain. Workforce alignment will deviate from this standard only in exceptional cases, such as high-demand, low-density specialties, and only with written approval from the Component Head or, if delegated by the Component Head, the CAE or SAE, as applicable. In these cases, the PAE shall retain directive and tasking authority, while the home organizations of those employees may continue to manage administrative support.

Furthermore, in collaboration with senior functional advisors, the PAE has the authority to select, assess performance, and direct reassignment or removal of key functional leaders assigned to the portfolio, ensuring a high-performing and accountable leadership team.

5.0 Portfolio Governance and Execution

- **5.1 Default Decision Authority and Guardrails:** Consistent with the authority for plans, budgets, and execution of programs granted under 10 U.S.C. § 1732, the PAE shall be the decision authority within defined parameters for all matters in the assigned portfolio. The PAE shall make portfolio trade-offs across schedule, cost, and performance, informed by program and portfolio risk assessments, provided those decisions remain within established schedule, cost, performance, and requirement guardrails established by the appropriate Component or Joint authority. The specific processes and roles for proposing, establishing, and approving these guardrails shall be defined by each Component in their respective Implementation Plans, and factor in Joint Capability Requirements. The PAE must formally escalate any decision breaching a guardrail to the appropriate higher authority for adjudication.
- **5.2 Decentralized Decision-Making:** The PAE is expected to empower Program Managers and their teams by assigning decision authority to the lowest practical level. The PAE must pair this empowerment with enterprise-wide transparency and insight. This approach enables the PAE to manage portfolio-level risk while allowing program teams to operate at the speed of relevance.
- **5.3 Capability Trade Council (CTC):** The PAE shall formally establish and manage CTCs through an official charter to enable prudent trades at the program and portfolio levels and to support collaboration across portfolios. The PAE shall have the discretion to chair event-driven CTCs for trades requiring the integration of multiple stakeholders

(e.g., operational users, requirements, resourcing, and Security Cooperation/FMS stakeholders, Joint). While the CTC serves as the forum for stakeholder debate and data validation, the PAE remains the decision authority for all trades made within the established schedule, cost, performance, and requirement guardrails. The PAE must adjudicate any decision that would breach a programmatic guardrail through the DAE, CAE, or SAE, as applicable. The PAE must adjudicate any decision that would breach a requirements guardrail through the formal requirements process, in coordination with the Component's or Service's requirements lead (e.g., Service Chief or appointed representative). The PAE will document all decisions in a concise, PAE-signed Decision Memorandum that serves as the authoritative, immediate trigger for program execution.

- **5.4 Strategic Alignment and Dispute Resolution:** Nothing in this Framework limits the DAE's, CAE's, or SAE's authority to direct portfolio alignment, modify delegations, establish decision thresholds, or reserve decisions with enterprise-wide, cross-portfolio, or strategic implications. In the event of disputes that cannot be resolved at the peer level—including but not limited to cross-portfolio programmatic misalignments, requirement overlaps, resource and funding prioritization conflicts, or enterprise logistics and sustainment friction—PAEs shall formally escalate the issue. Whether the conflict is between multiple PAEs or between a PAE and other Component functional organizations, the PAE(s) must escalate the issue directly to the DAE, CAE, or SAE, as applicable. The DAE, CAE, or SAE, as applicable, shall provide rapid, binding adjudication or, when the issue crosses statutory or functional boundaries outside the DAE's, CAE's, or SAE's purview, actively engage the appropriate Component or Service executive or functional authority (e.g., Service Leadership, Requirements Validation Authority, or Senior Financial Officer) to secure a final, binding resolution.

6.0 Institutional Support and Accountability

- **6.1 Expedited Support Mandate:** All DoW organizations, Components, and Services shall provide expedited support to the PAE to prevent administrative bottlenecks. This support includes, but is not limited to, the rapid processing of contracting, financial, and personnel actions required to maintain momentum within the portfolio.
- **6.2 Portfolio Scorecard:** Instead of relying on only manual reporting, the PAE shall maintain continuous, data-driven transparency through a standardized portfolio scorecard, available enterprise-wide for insight. This scorecard will serve as the authoritative, real-time source for portfolio health, tracking automated metrics for things like speed-to-fielding, FMS case execution and partner delivery timelines, total lifecycle costs, information required to inform sustainment reviews (e.g., as mandated in 10 USC § 4323), delivered operational value, and other mission outcomes across key functional and mission areas.
- **6.3 Empowered Accountability:** The authority granted to the PAE is based on trust; significant empowerment is given in exchange for radical transparency and enterprise-wide integration. While the PAE Operating Framework enables and empowers the PAE to make rapid decisions, this requires absolute accountability. The PAE shall treat

program data as an enterprise-wide asset, providing continuous, unfiltered insight into program health and risks through the Portfolio Scorecard (Section 6.2), replacing manual reporting cycles. The PAE shall also execute programs with an enterprise mindset, prioritize MOSA, and collaborate across portfolios to ensure seamless integration into the broader Joint Force system-of-systems.

7.0 Designation, Tenure, and Relief of the PAE

To ensure stability, accountability, and long-term mission focus within the WAS, the CAE or SAE of the military department concerned, as applicable, will tie the designation and tenure of a PAE directly to performance, portfolio outcomes, and the Department's strategic needs.

- **7.1 Designation and Tenure:** In accordance with 10 U.S.C. § 1732(c)(2) and Department policy, the CAE or SAE of the military department concerned shall designate the PAE. To align leadership tenure with major capability delivery milestones and fortify long-term accountability, such PAE designations shall be for an initial four-year term. The CAE or SAE may extend this designation in two-year increments based on performance and the needs of the portfolio. Any waiver or deviation from this tenure policy requires written approval from the CAE or SAE.
- **7.2 Relief for Cause:** The CAE or SAE has the authority to relieve or reassign a PAE before the end of their term. The CAE or SAE may base relieving a PAE on misalignment with Office of the Secretary of War and Component priorities, performance concerns, chronic failure, statutory or compliance breaches, or loss of confidence in the PAE's ability to execute Secretary of War, DAE, CAE, or SAE mandates.
- **7.3 Protection for Calculated Risk-Taking:** The DAE, CAE, and SAE, as applicable, will continuously assess the PAE's performance via program performance, as documented in the Portfolio Scorecard. Absent other circumstances, the CAE or SAE should not relieve or reassign a PAE for programmatic failures resulting from authorized, calculated risk-taking, pilot program setbacks, or "fast-failing" experimental efforts, provided the PAE documented and managed those risks to accelerate capability delivery.

8.0 Initial Operational Capability and Full Operational Capability Definitions for PAE Construct

- **8.1 Initial Operational Capability (IOC):** The Component achieves IOC when it formally establishes all its PAEs and begins operating under the new construct. This includes the CAE or SAE of the military department concerned designating all PAEs, formally realigning programs and budgets to respective portfolios, and granting all PAEs the delegated authorities to manage the portfolio.
- **8.2 Full Operational Capability (FOC):** The Component achieves FOC when it fully implements the PAE construct and demonstrates quantifiable improvements in capability delivery. This includes final alignment of all personnel, institutionalization of the new operating model, and demonstrated performance against baseline metrics for outcomes like speed, cost, and quality.

9.0 Continuous Evaluation of Authorities and Barrier Removal

This PAE Operating Framework represents the minimum characteristics required to achieve IOC and FOC under the WAS. The DAE, CAE, or SAE, as applicable, may modify delegations of authority based on portfolio maturity, and shall review and adjust delegations of authority according to portfolio performance. The DoW views PAE empowerment as a continuous, iterative campaign rather than a static end-state.

- **9.1 The PAE Demand Signal:** The DoW expects PAEs to continuously identify institutional friction points, policy constraints, and statutory limitations that impede speed-to-fielding and achieving mission outcomes. PAEs have a standing mandate to push the boundaries of their delegated authorities and formally request new tools, strategies, and waivers necessary to execute their mission.
- **9.2 Headquarters as the "Bulldozer":** All levels of DoW, Component and Service leadership, including field commands and headquarters staff, shall adopt a posture of relentless support. When a PAE identifies a roadblock, DoW-wide leadership will intervene to remove bureaucratic constraints, waive unnecessarily prohibitive policies, and provide the necessary support to ensure uninterrupted portfolio execution.
- **9.3 Legislative and Strategic Advocacy:** For constraints rooted in statute or requiring new appropriations structures, DoW leadership is responsible for advocating for Congressional action. In accordance with Department policy, the Department leadership will actively consider sponsoring legislative proposals—including expanded Direct Hire Authorities, portfolio-level budget lines, new contracting pilots, and statutory protections or exemptions necessary to preserve the stability and technical expertise of the acquisition workforce—to continually expand the PAE's trade space.

Addendum: Example List of Authorities Considered for Delegation

This Addendum provides a non-prescriptive list of examples of the types of authorities that Components and Services should consider, to the maximum extent appropriate and as permitted by law, in the development of Component and Service implementation plans. The goal is not to mandate each specific item, or exhaustively list all authorities, but rather to illustrate the depth and breadth of empowerment necessary to achieve the speed and accountability required by the WAS. The Components should seek waivers to law and policy when necessary to implement these authorities.

Category	Authority	Description
Acquisition	Decision Authority (DA), inclusive of Milestone Decision Authority (MDA)	The PAE shall serve as the DA, inclusive of the authority to determine the appropriate acquisition pathway, for each acquisition program in their portfolio, and shall seek to further delegate DA when appropriate. On an exception basis, in writing, the Defense Acquisition Executive (DAE), Component Acquisition Executive (CAE), or Service Acquisition Executive (SAE), as applicable, may decide to retain DA for a specific program(s). The default should be delegation of authority. Note: Milestone Decision Authority for each Major Defense Acquisition Program must be formally delegated in writing by the CAE or SAE, as applicable, in accordance with the requirements in 10 U.S.C. § 4204.
	Program Documentation Approval	The DA shall approve all required program documentation within their authority. The DA is strongly encouraged to further delegate this approval authority to the lowest competent level. To accelerate decision-making, the DA retains full discretion to determine the necessary functional staff coordination for these documents, ensuring all statutory coordination mandates are strictly met.
	Strategy and Policy Tailoring Authority	The DA shall tailor program strategies, and application of Department-, Component-, and Service-level acquisition policies, to field operational capability at speed. The DA will document any such tailoring in writing. For

tailoring of application of DoW-, Component-, or Service-level policies with enterprise-wide implications that require approval, the PAE will provide a signed copy of the requested tailoring to the DAE, CAE, or SAE, as applicable, and the respective senior functional authority related to the policy for approval within five business days. This tailoring authority does not permit deviation from statutory requirements.

Budget &
Finance

**Participation in
Planning,
Programming and
Budgeting**

The PAE shall actively participate in the Component's or Service's Planning and Programming phases to evaluate, develop, and recommend portfolio program options. The PAE shall develop and document the necessary annual budget position required to execute the assigned portfolio, and submit this position to Component or Service leadership via the respective component's established resourcing governance processes. PAEs will provide inputs and guidance to the Component's or Service's resourcing process, and will document the assessed programmatic, technical, and/or operational risk associated with decisions to fund below the PAE's recommendation.

**Portfolio Funding
Execution
Flexibility**

In exercising the authority for budgets provided by 10 U.S.C. § 1732, the PAE shall exercise maximum flexibility to reallocate acquisition investment funding (i.e., within RDT&E and Procurement accounts) fluidly within and across programs within the portfolio, aligned to Component or Service priorities and within statutory, congressional, and DoW 7000.14-R limitations. This includes reallocating funds within approved consolidated budget line items (BLI). This also includes directing Below-Threshold Reprogramming (BTR) within established thresholds between PAE-owned BLIs. The PAE shall actively identify and submit formal Above-Threshold Reprogramming (ATR) requests when strategic opportunities exceed

		BTR limits. Note: this does not prevent the Department, Component, or Service from also initiating a BTR or ATR that impacts PAE portfolios. Note: All financial transactions and reallocations must be executed and recorded within Component- or Service-approved financial systems of record to ensure full auditability and compliance with FIAR guidelines.
Sustainment & Logistics	Product Support Strategy Authority	The DA shall approve the Product Support Strategy (PSS) and all associated lifecycle sustainment planning and documents, or shall seek to further delegate approval authority when appropriate. In cases where the DAE, CAE, or SAE is the designated DA, the PAE shall endorse the PSS and provide a formal recommendation to the DA for final approval.
	Sustainment Resourcing	The PAE shall directly integrate with and participate as a voting member in the Component's or Service's established sustainment governance and resource allocation processes to help drive alignment with portfolio outcomes. The Military Service Materiel and Sustainment Commands shall retain existing execution and management authority of these requirements to support near- and long-term readiness objectives, subject to operational, rate-stabilization, and statutory constraints (including 10 U.S.C. § 2208 governing Working Capital Funds).
Contracting	Head of Contracting Activity (HCA)	Components and Services shall consider delegation of HCA to accountable leaders as close to mission execution as reasonable and permissible by law
	Statutory and Regulatory Authorities	HCAs shall delegate statutory and regulatory authorities related to contracting functions to the maximum level reasonable and permissible by law and regulation. The PAE shall establish procedures which foster these delegations of

authority and imbue appropriate oversight, as necessary.

**Clearance
Authority**

The PAE's dedicated contracting office support shall approve all Business and Contract Clearance decisions across the portfolio IAW Component or Service procedures and applicable statutes. On an exception basis, in writing, the SPE may decide to exercise Business and Contract clearance authority.

J&A Authority

The PAE, Competition Advocates, and Contracting Officers shall approve J&As, to the fullest extent permitted by statute and regulation.

**Fair Opportunity
Exception Approval
Authority**

The PAE shall approve all Fair Opportunity Exception Approvals between \$20M and \$150M, to the fullest extent permitted by statute and regulation, as long as the PAE is a General/Flag Officer or Senior Executive Service level employee.

**Source Selection
Authority (SSA)
and Fair
Opportunity
Decision Authority
(FODA).**

When the PAE is the DA for an acquisition program, the PAE shall appoint the SSA and FODA for source selections.

Personnel

**Decentralized
Selection and Direct
Hire Authority**

The PAE, or the PAE's designated representative, shall be the primary Selecting Official for all non-executive civilian personnel assigned to the portfolio. The PAE shall have the authority to hire, select candidates, and make organizational structure decisions. The PAE shall have the authority to directly utilize all available Direct Hire Authorities and civilian personnel flexibilities delegated to the Component or Service. When applicable, the PAE shall coordinate these actions with central personnel boards to clarify

reporting lines and ensure proper functional alignment and continuity with non-acquisition directorates.

Engineering	Technical Authority	The PAE shall hold final technical authority for all systems, including hardware, software, and digital engineering, within the portfolio. The PAE shall set and modify technical baselines, approve engineering changes, and accept appropriate technical risk to meet mission outcomes. The PAE's authority is not intended to bypass statutory requirements, but to ensure a single, accountable official is responsible for the final technical decision.
Requirements	Requirements Coordination and Trade-Off Authority	PAE shall make schedule, cost, and performance trades across their portfolio within established requirement guardrails, in coordination with Component or Service requirements owners and stakeholders.
Security	Original Classification Authority (OCA)	Subject to the delegation of "TOP SECRET" original classification authority, the PAE shall be designated as the OCA responsible for making classification determinations for information, technologies, and operational concepts associated with the PAE's portfolio. The relevant Special Access Program (SAP) office will provide direct support to the PAE and facilitate any required further protection under SAP or alternative compensatory control measures.
Cybersecurity	Authorizing Officials	Component or Service CIOs shall consider designating PAEs as Authorizing Officials for portfolio systems in accordance with DoDI 8510.01, specifically empowering PAEs to establish and leverage Continuous Authority to Operate (cATO) frameworks for rapid deployment of systems.

Foreign
Military Sales

**Production and
Delivery
Synchronization**

PAE shall synchronize and integrate U.S. and Foreign Military Sales (FMS) production schedules within their portfolio to optimize the industrial base and meet Combatant Command theater priorities, subject to overarching Service, Component, and Departmental allocation decisions.