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Is the Industrial Base on a Wartime Footing? A Progress Report

By Jerry McGinn and A.J. Dilts

Introduction

The Pentagon first outlined the goal of putting the United States industrial base on a "**wartime footing**"—the condition of being prepared to deter and, if necessary, prevail in a protracted conflict—in November 2025. What steps have government and industry taken since then to make this ambition a reality?

By initiating and incentivizing large-scale public and private investments, deploying novel industrial policy tools, and undertaking significant defense acquisition reforms, the Department of Defense (DOD) has made meaningful progress toward fostering an industrial base for wartime readiness. Roughly 10,000 new firms have entered the market in the past two years and nontraditional companies received over **$120 billion** in contract obligations in FY 2025, adding competition and innovation to the sector. Munitions contract obligations have risen **330 percent** since FY 2010. Spurred by this increased demand and depleted inventories, the Pentagon is signing **multiyear agreements** with munitions producers and suppliers on a historic scale.

In addition to developing magazine depth, the DOD is prioritizing **magazine breadth**, placing an increased emphasis on equipping the Joint Force with a "**high-low mix**" of both exquisite *and* affordable missiles and interceptors. Based on the Pentagon's FY 2027 **budget request**, the DOD plans to grow its demand for low-cost munitions from 49 percent of total munitions requested in FY 2027 to 70 percent in FY 2031. Stockpiles require resilient supplies of subcomponents, and new firms and forms of government-industry collaboration are reshaping the solid rocket motor (SRM) sub-sector. At the bedrock of defense supply chains, unprecedented commitments of public and private capital are focused on establishing a secure mine-to-magnet **rare earth** supply chain outside Chinese control. According to author analysis of announcements from several federal agencies, the scale of U.S.

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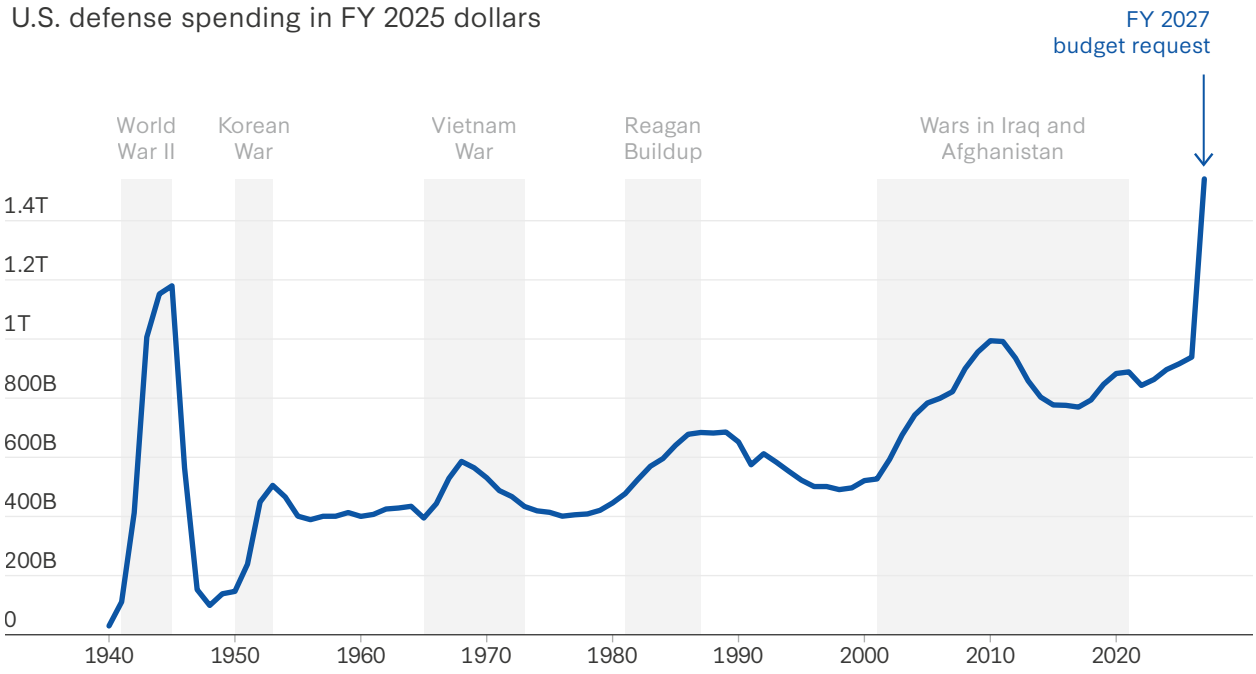
government investment in rare earth projects in the past sixteen months has increased by 321 percent from the previous four years. Finally, industrial collaboration between the United States and its allies and partners greatly facilitates overall industrial capacity, and a **347 percent** growth in U.S. **foreign military sales (FMS)** from FY 2015 to FY 2025 points to potential closer allied industrial integration.

Yet industrial plans are not the same as results, and isolated bursts of investment are not the same as institutionalized industrial power. The time scales needed to deliver several critical **munitions**, for example, depleted after the war in Iran, continue to stretch more than **three years**. Though investment announcements have risen following China's export controls in April and October 2025, U.S. and allied efforts to rebuild a secure rare earth ecosystem are in their early stages. While new entrants to the industrial base promise advanced technologies at low cost and high volume, moving defense innovations from concept to contract takes a sustained government **demand signal** and continued cooperation with private firms.

In short, getting on a wartime footing takes time. It must be built and maintained through strong and consistent budgetary demand signals, enduring coordination within supplier networks, effective coordination mechanisms and incentive structures between government and industry, and strong U.S. collaboration with allies and partners. The following analysis assesses where progress is being made and identifies areas for additional focus.

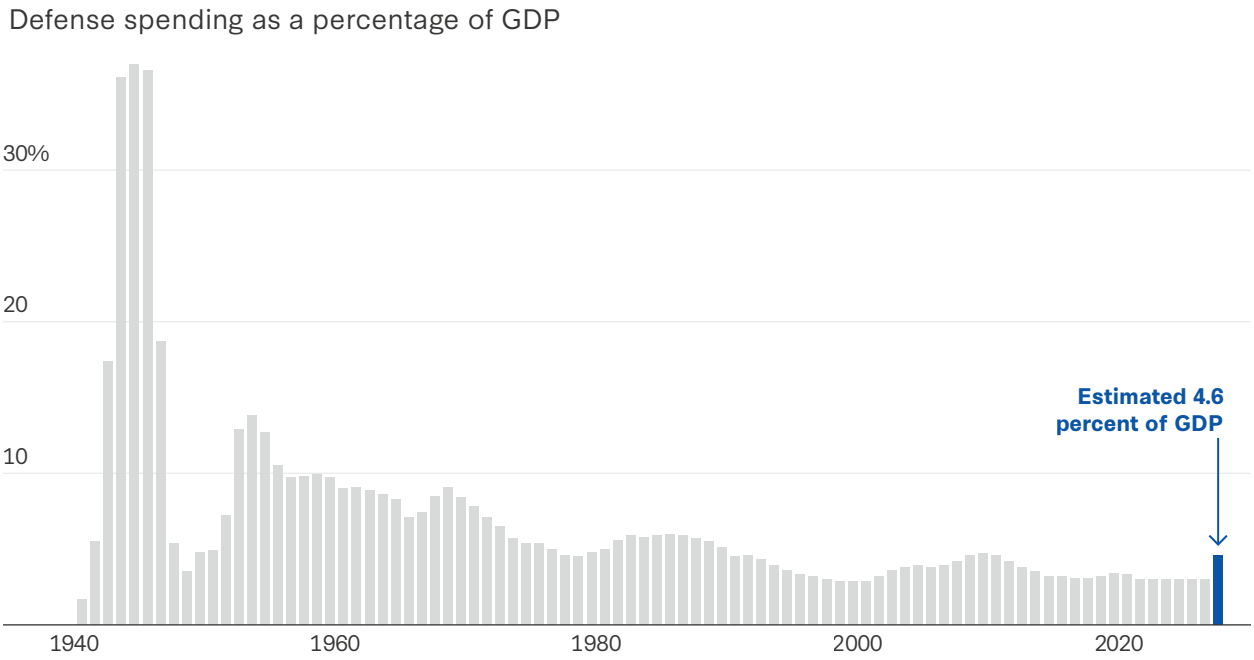
Aggregate Defense Spending Trends

Figure 1: U.S. Defense Spending Increased Significantly in Real Dollars Since World War II



Source: "Table 3.1—Outlays by Superfunction and Function: 1940–2031," and "Table 10.1—Gross Domestic Product and Deflators Used in the Historical Tables: 1940–2031," Office of Management and Budget (OMB).

Figure 2: Recent U.S. Defense Spending as a Portion of GDP Remained Generally Flat Until the FY 2027 Budget Request



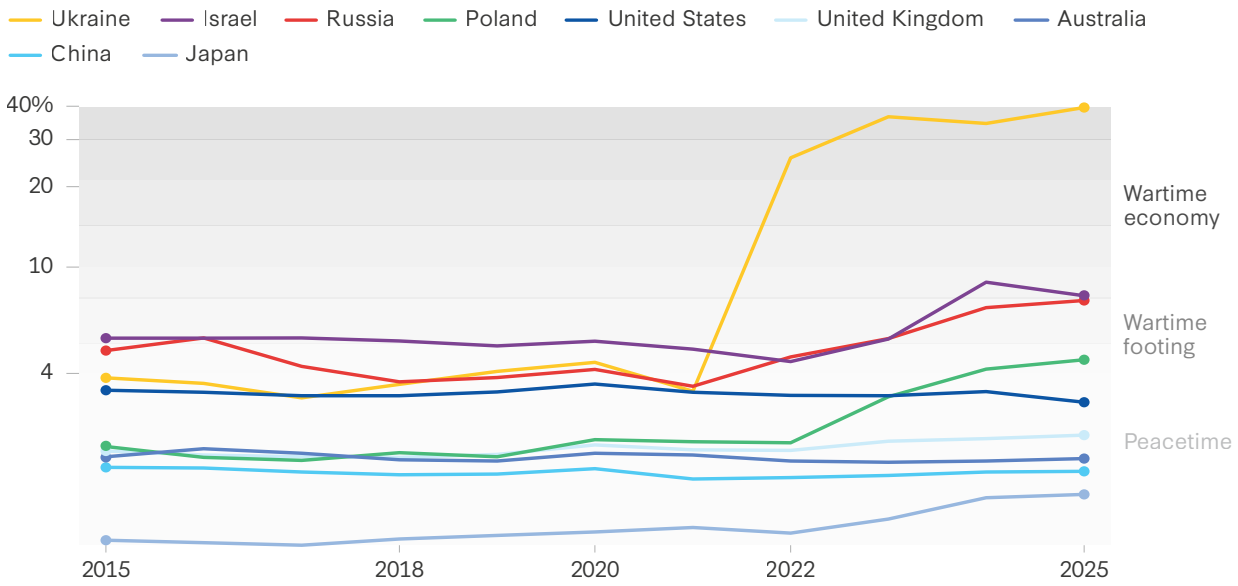
Source: "Table 3.1—Outlays by Superfunction and Function: 1940–2031," OMB.

While U.S. defense spending has increased in dollar terms over time (Figure 1), its recent share as a percentage of GDP has remained relatively stable and well below Cold War levels (Figure 2). The increase in real spending reflects rising investment in defense, but the flat GDP percentage suggests the U.S. remains below funding levels consistent with a wartime footing. At an estimated **4.6 percent** of GDP, however, the president's budget request of **$1.5 trillion** in total discretionary and mandatory budget authority for FY 2027 would mark a notable break in this trend.

The authors examined nine countries representing U.S. strategic competitors, close allies, and countries in active conflict to assess how they prioritized defense spending over the past decade, drawing on the Stockholm International Peace Research Institute's **annual index**. As Figure 3 illustrates, Ukraine, Israel, and Russia **spent** the most at 39.6 percent, 7.8 percent, and 7.5 percent, respectively. This puts them in the category of wartime economies, as defined in **previous CSIS analysis**, in which production is mobilized for sustained military conflict and defense spending is elevated above traditional levels. Russia's figures are likely underreported, as Moscow **funds** a significant share of its war efforts through state-directed bank loans to defense contractors outside the defense budget and it has kept a growing portion of that defense spending classified since invading Ukraine in 2022.

Poland's defense spending trends demonstrate how a country's industrial base may build toward a wartime footing: The country's said spending has **doubled** in the last 10 years in response to Russia's aggression against Ukraine. The United States dedicated 3.1 percent of its GDP to defense spending in 2025, but it would be closer to a wartime footing if spending reached the 4.6 percent level outlined in the FY 2027 budget request.

Figure 3: The United States, Allies, and Adversaries Vary Substantially in Their Defense Spending as a Percentage of GDP



Source: "Military Expenditure Database," Stockholm International Peace Research Institute, April 2026.

While taking significant steps to **build** and **modernize** their militaries, other key U.S. allies continue exemplifying peacetime economies, where military expenditures are held at predictable levels and are a marginal segment of the economy. These countries trail the United States in defense spending figures, including the United Kingdom at 2.4 percent, Australia at 1.9 percent, and Japan at 1.4 percent. China, which features a military-civilian fusion that **complicates** calculating total defense spending, spent roughly **1.7 percent** of its GDP on defense. This is widely recognized as significantly understating Chinese defense spending levels, which are likely at the upper boundaries of a wartime footing.

Reaching a state of wartime footing includes more than simply spending more on defense, however. It also demands an ecosystem of competitive, innovative firms that can quickly field and sustain military systems in large quantities.

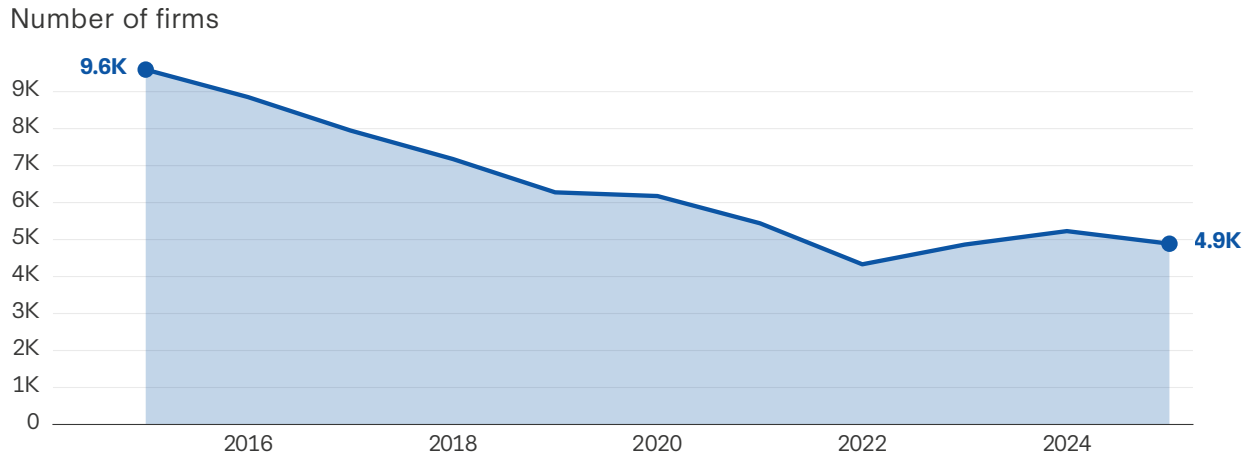
New Entrants and Nontraditional Firms

The recent increase of new entrants in the industrial base and the growth in nontraditional firms receiving defense contracts from the Pentagon both point to rising commercial sector participation and innovation. According to the FPDS, the U.S. government's central database that records federal contract actions, the number of new entrants has risen after several years of decline, adding roughly 5,000 new firms to the defense industrial base in both FY 2024 and FY 2025 (Figure 4). The dollar amount of nontraditional defense obligations, meanwhile, has more than doubled from $60.9 billion in FY 2015 to $122.6 billion in FY 2025 (Figure 5).

Indeed, DOD leadership has pushed for "commercial first" solutions from new industry players across the new **Acquisition Transformation Strategy** published in November 2025. As Assistant Secretary of Defense for Industrial Base Policy Michael Cadenazzi **described** in December, the Pentagon seeks

to reshape the defense acquisition ecosystem "to a commercially oriented dynamic vendor space." In late 2025 and early 2026, for example, Space Systems Command **issued** 20 Other Transaction Authority contracts to 12 firms, including **GITAI**, a space robotics startup, and **Quindar**, a cloud-based satellite software firm founded in 2022, as part of a broader effort to prototype space-based interceptor concepts for the Golden Dome missile defense architecture.

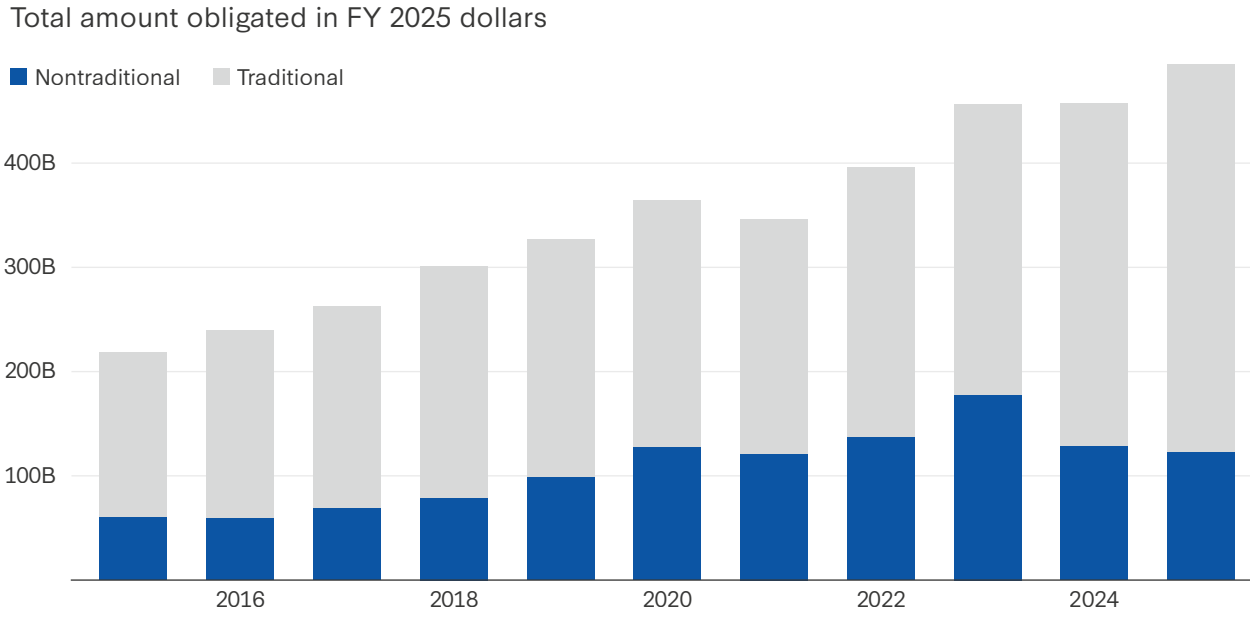
Figure 4: New Entrants to the Defense Industrial Base Are Growing, Reversing Years of Decline



Note: or each fiscal year, annual new entrants totals include companies that appear as contractors for the first time that year in the FPDS database.

Source: CSIS analysis of FPDS data.

Figure 5: Nontraditional Vendor Obligations Are Rising



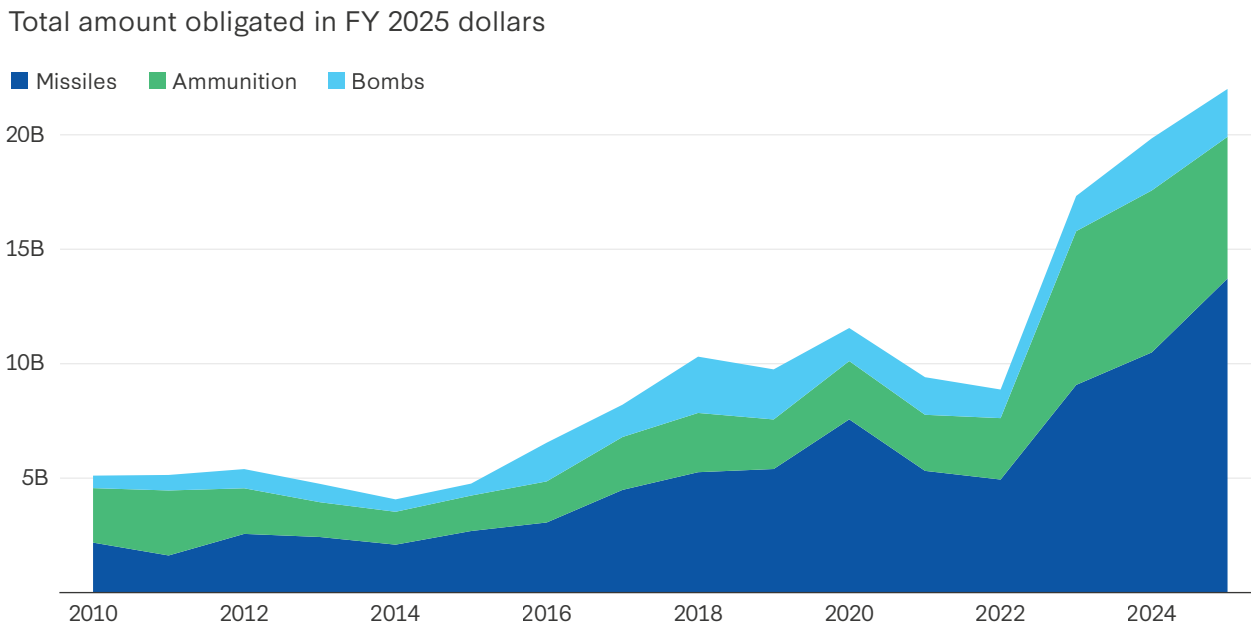
Source: CSIS analysis of FPDS data.

To streamline how government agencies buy from and contract with the private sector, the current administration has also taken significant **executive actions** targeting the federal acquisition framework as **part** of the ongoing **Revolutionary Federal Acquisition Regulation Overhaul**.

While faster, agile procurement is a clear priority of this administration, how policymakers translate innovations into production and long-term inventories will be crucial to addressing rapidly changing national security challenges.

Munitions

Figure 6: Demand for Munitions Is Surging



Source: CSIS analysis of FPDS data.

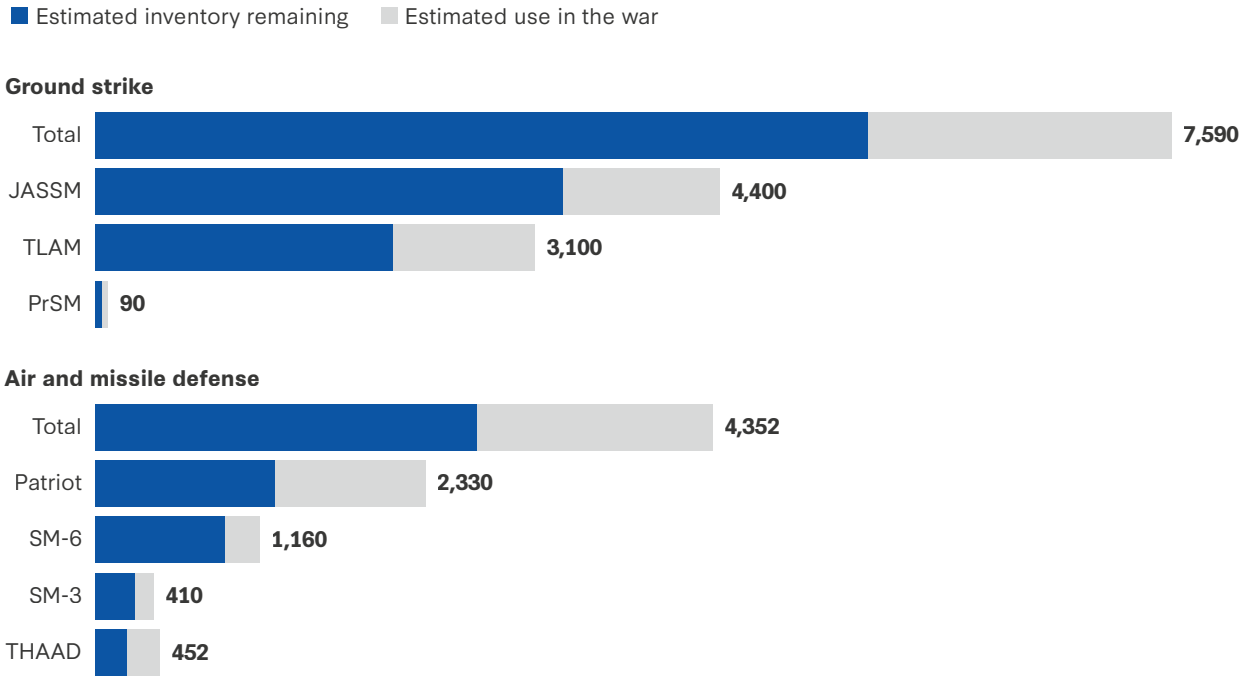
Driven mainly by increases in missile production, the total obligated amount of defense spending for munitions has risen by 330 percent since FY 2010 according to FPDS data illustrated in Figure 6. Yet **CSIS analysis** of the consumption rates across seven key munitions used in the war in Iran illustrated in Figure 7 suggest that remaining U.S. stockpiles will be insufficient for future conflicts, particularly the stocks of interceptors for air and missile defense systems such as Terminal High Altitude Area Defense (THAAD) and Patriot.

The recent conflict in the Middle East has also revealed the lengthy time horizons that prime defense contractors and their suppliers currently need to build and deliver critical munitions. Reflected in the service branches' **budget justification books**, the manufacturing lead time for these weapons ranges from **25 to 51 months**.

To reduce manufacturing lead times and replenish U.S. stockpiles, the Pentagon has signed several novel, multiyear framework agreements with leading munitions contractors since January 2026, which catalyze and create a demand signal for the expansion of underlying industrial capacity and output across critical munitions.

Figure 7: The Iran War Has Consumed High Levels of U.S. Munitions

Analysis of seven key munitions shows that the United States risks having insufficient stockpiles for future wars.



Source: CSIS calculations based on DOD FY 2027 defense budget materials and Pentagon estimates as reported by CNN. See Chris Park and Mark Cancian, "Rebuilding U.S. Missile Inventory: A Multiyear Project," CSIS, May 27, 2026; Chris Park and Mark Cancian, "Last Rounds? Status of Key Munitions at Iran War Ceasefire," CSIS, April 21, 2026; and Zachary Cohen and Natasha Bertrand, "US at risk of running out of missiles if another war breaks out after depleting stockpile in Iran operations," CNN, April 21, 2026.

Through a series of deals with various primes, the DOD anticipates growing the production capacity of PAC-3 MSE interceptors used in Patriot batteries from roughly 600 to **2,000 interceptors** per year by 2030, THAAD interceptor output capacity from 96 to **400 units** annually, and annual Precision Strike Missile (PrSM) production capacity **fourfold** to roughly 550 missiles. To meet this demand, companies are making private capital investments to increase capacity. For example, Lockheed has **begun** construction of a new Munitions Acceleration Center in Camden, Arkansas, that features advanced manufacturing techniques, tooling, and production methods to accelerate output. Backed by a DOD procurement commitment of up to seven years, RTX also plans to **raise annual production** of the Tomahawk missile to more than 1,000, the Advanced Medium-Range Air-to-Air Missile (AMRAAM) to over 1,900, and the Standard Missile 6 (SM-6) to over 500.

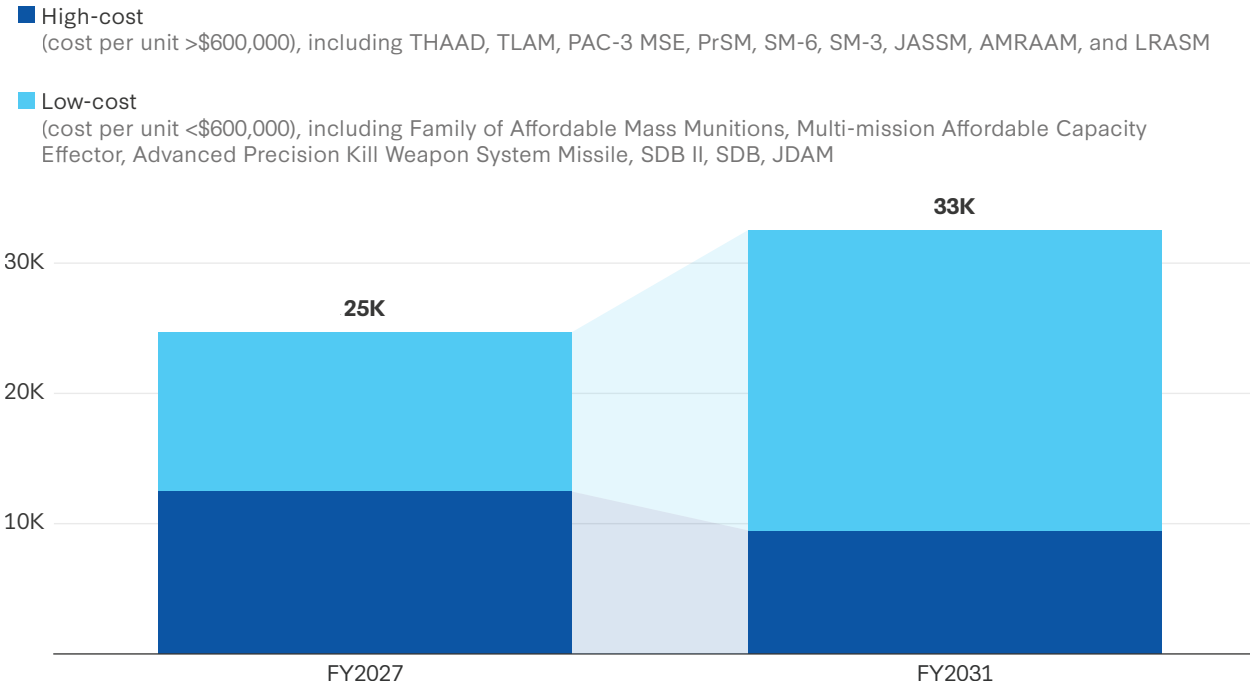
The Pentagon's initial framework agreements also target munitions suppliers, including L3Harris, **Boeing**, and **Honeywell Aerospace**. L3Harris, which manufactures SRMs, has pledged more than **$1 billion** to expand and modernize its site in Orange County, Virginia. Reinforcing the long-term government demand signal behind these recent agreements, Congress approved **multiyear procurement** authority for eight critical munitions in the FY 2026 appropriations bill, and the president's FY 2027 budget request called for a **188 percent increase** in missile orders.

A resilient industrial base, however, requires more than a deep inventory of large precision missiles and interceptors. It also demands industrial agility and the ability to quickly field a **breadth** of munitions that can be built at low cost, high speed, and large volume. As Senator Roger Wicker (R-MS), chair of the Senate Armed Services Committee, explained in a **hearing** on low-cost munitions in March 2026, affordable systems that can be quickly built and rebuilt are increasingly important on the modern battlefield. To this end, the Air Force has established the Family of Affordable Mass Missile program, aiming to procure nearly **27,000** cruise missiles costing **$218,000** per unit over the next five years. Air Force Brig. Gen. Robert P. Lyons III, portfolio acquisition executive for weapons, **stated** that the program represented "a new speed of acquisition," going from contract to prototype in a matter of months. The Navy has **requested** high volumes of the Multi-Mission Affordable Capacity Effector, an air-launched hypersonic cruise missile that, at a goal price of **$300,00** per unit, presents a more cost-effective complement to the Navy's Long Range Anti-Ship Missile, which costs nearly **$4.5 million** per missile. Complementing this push for cheap, attritable weapons, the DOD launched the **Drone Dominance Program** in December 2025, a **$1.1 billion** initiative to scale domestic drone production, remove acquisition barriers, and rapidly field some **300,000** units by the end of 2027.

An assessment of the Pentagon's FY 2027 budget request materials reinforces that it is shifting priorities and production within its munitions portfolio toward lower-cost weapons. As Figure 8 shows, while roughly 49 percent of units of munitions the DOD requested in FY 2027 cost less than $600,000 per unit, this figure increases to over 70 percent in FY 2031 based upon projected munitions budget requests. These budget totals do not include the Low-Cost Containerized Missiles program, a Pentagon initiative **announced** in May 2026 to deliver **10,000** cruise missiles between 2027 and 2029 through framework agreements with four **manufacturers**: Anduril, CoAspire, Zone 5 Technologies, and Leidos. The DOD is also planning to purchase some **12,000** low-cost hypersonic strike missiles from Castelion over the next five years, a long-term signal that has supported Castelion's self-funded **facility expansion** to meet the increased demand.

Through accelerated investments in missile and drone procurement, testing, and the underlying ecosystem of component parts and software, the Pentagon is pursuing mass and affordability to counter **adversaries** who deliberately field large numbers of cheap systems to outlast the United States' expensive, limited-inventory arsenal.

Figure 8: The Pentagon is Pursuing Magazine Breadth, Not Just Magazine Depth



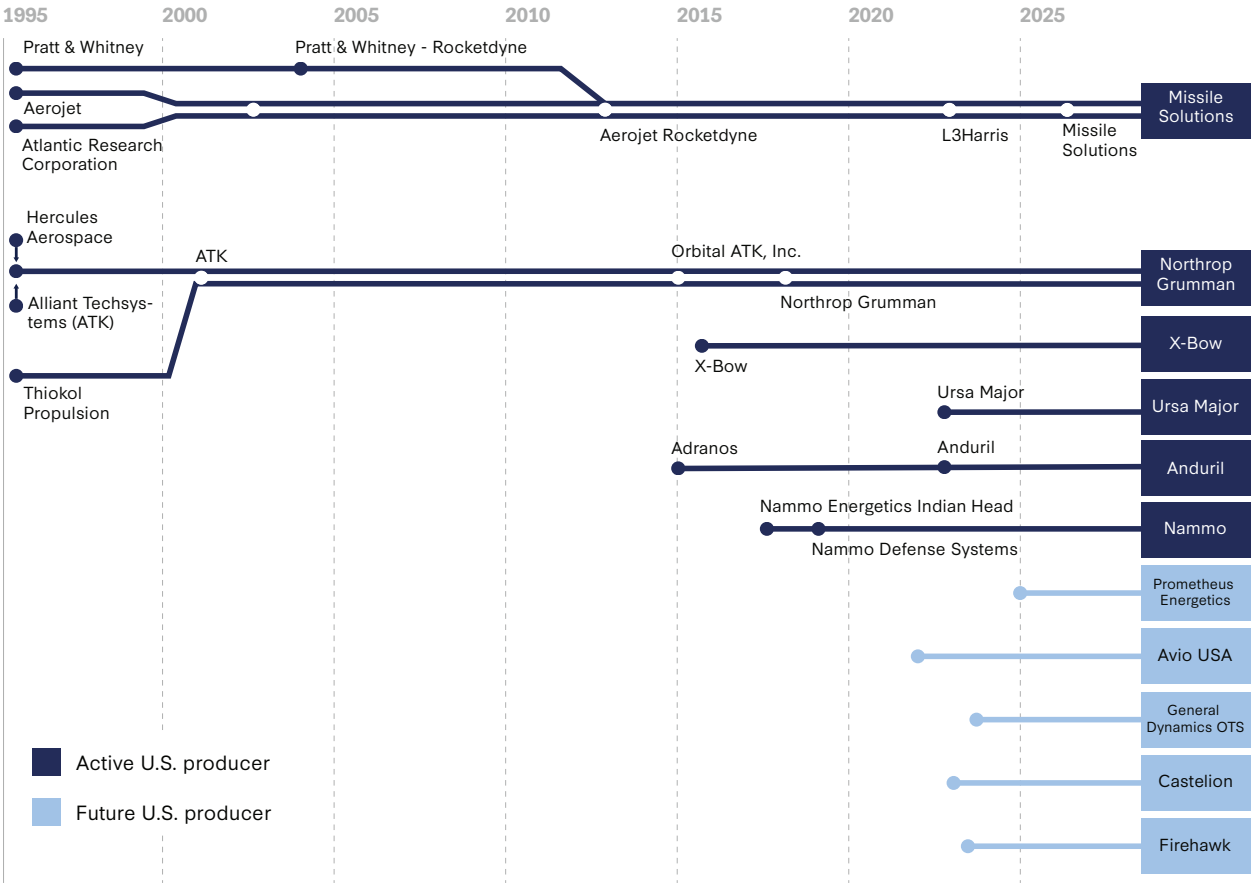
Notes: Totals for FY 2031 are projected requests as listed in FY 2027 DOD budget materials. FY 2031 does not reflect cumulative totals from FY 2027-2031, only units for that one fiscal year. Totals do not reflect recent framework agreements the Pentagon has announced, such as agreements to produce 10,000 Containerized Missiles by the end of 2029, and do not include potential capabilities that have yet to be developed and requested in future years. $600,000 per munition is the threshold used to differentiate high- and low-cost munitions. This cost amount falls between the affordable-mass programs the services are prioritizing and traditional precision munitions. The totals are drawn from the following DOD FY 2027 budget materials to capture the Pentagon's plans for munitions procurement: Missile Procurement, Army; Weapons Procurement, Navy; Missile Procurement, Air Force; Missile Defense Agency; Procurement of Ammunition, Army; Procurement of Ammunition, Navy and Marine Corps; Procurement of Ammunition, Air Force. The totals include units of guided/precision munitions (missiles, interceptors, and guided bombs and bomb kits), excluding unguided ammunition (small-caliber, artillery, and mortar rounds), launchers, practice rockets, and fire control units.

Source: DOD Comptroller, FY 2027 DOD budget estimates, Missile Procurement, Army; Weapons Procurement, Navy; Missile Procurement, Air Force; Procurement, Missile Defense Agency; Procurement of Ammunition, Army; Procurement of Ammunition, Navy and Marine Corps; Procurement of Ammunition, Air Force.

Supply Chains

The industry-wide imperative to increase munitions production has also led to significant changes within the overall supply chain, particularly in the SRM sector. While the industry remains dominated by two traditional prime contractors—Northrop Grumman, which acquired Orbital ATK in **2018**, and L3Harris, which acquired Aerojet Rocketdyne in **2023**—a wave of new entrants, including Anduril, Ursa Major, and X-Bow, has emerged with the aim of reducing supply bottlenecks and increasing production rates (Figure 9). In August 2025, Anduril announced that it had become the Pentagon's "third supplier" after opening an SRM manufacturing facility in McHenry, Mississippi, and that the firm expects to grow production to up to **6,000** tactical motors annually by the end of 2026.

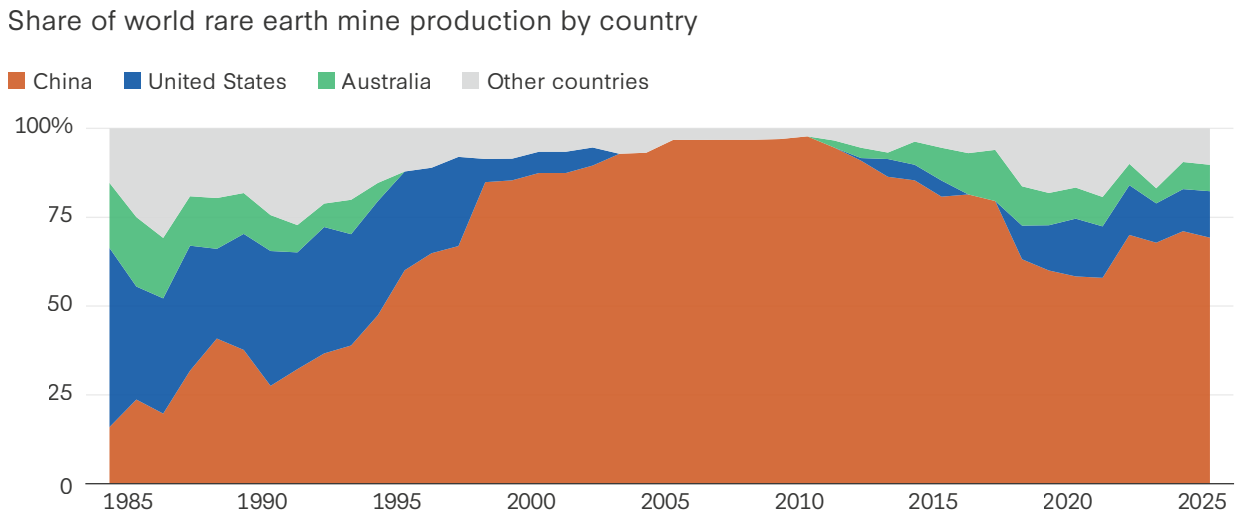
Figure 9: Demand for Munitions Has Led to New Entrants and Increased Activity in the Solid Rocket Motor Sector



Source: Wes Rumbaugh and Tom Karako, *Solid Rocket Motors for Missile Defense: Challenges and Opportunities for Expanding the Industrial Base* (Washington, DC: CSIS, June 2026).

As the CSIS Missile Defense Project's recent **report** demonstrates, overcoming long-standing production constraints has led these firms and policymakers to adopt new approaches, including multiyear procurement agreements, direct-to-supplier investments, and leaner acquisition pathways. In January 2026, for example, the DOD announced it would commit **$1 billion** in convertible preferred equity investment in L3Harris' Missile Solutions business, positioning both government and industry to negotiate a multiyear procurement framework agreement pending congressional authorization and appropriation. Such public capital investments send a powerful demand signal and will generate additional SRM capacity. Yet this government equity stake also complicates competitive dynamics within the industry as new entrants and established suppliers alike seek to meet rapidly growing demand for munitions at scale.

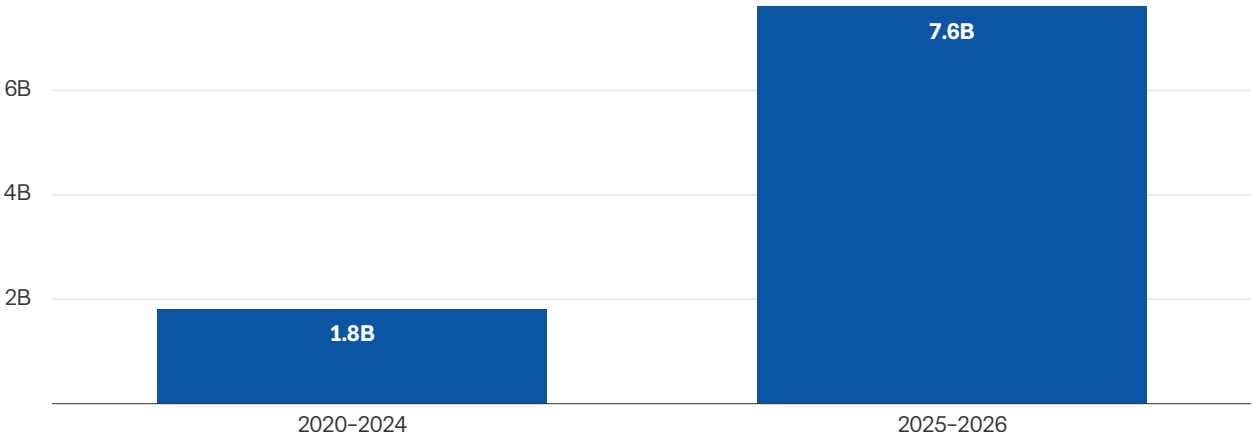
Figure 10: China Has Dominated Global Rare Earths Production for the Last Three Decades



Source: U.S. Department of the Interior, *U.S. Geological Survey, Circular 930-N, International Strategic Minerals Inventory Summary Report-Rare-Earth Oxides* (Washington, DC: Government Printing Office, 1993); U.S. Department of the Interior, Bureau of Mines, Minerals Yearbook 1993, Volume 1 (Washington, DC: Department of the Interior, 1993) 879-887; and U.S. Department of the Interior, U.S. Geological Survey, "Mineral Commodity Summaries, 1996–2026.

As Figure 11 illustrates, announced non-equity U.S. government investment in rare earth projects has reached $7.6 billion from the start of 2025 through June 2026, a 321 percent increase from the $1.8 billion announced from 2020 to 2024. At the lowest levels of the supply chain, the Pentagon and federal agencies are leveraging long-term demand commitments and strategic capital investments to shape investment incentives, crowd in private funding, and secure the raw resources required for increased defense production.

Figure 11: U.S. Government Investments in Rare Earth Production and Processing are Scaling Dramatically to Address Decades of Chinese Dominance



Note: Totals reflect announced U.S. government non-equity commitments (grants, loans, awards, and non-binding Letters of Interest) to expand rare earth production, processing, and magnet production at pilot or demonstration scale and beyond (roughly Technology Readiness Level 6 and higher). They exclude tax credits, equity stakes, and

bench- or laboratory-scale research projects. For the July 2025 DOD–MP Materials deal, for example, the $400 million equity investment is excluded while the $150 million loan is included. Direct commitments from the DOD Office of Strategic Capital are counted, while private fund investments under the related Small Business Investment Company Critical Technology (SBICCT) Initiative, a joint OSC–Small Business Administration effort, are not. Totals do not include government investments in comprehensive critical minerals initiatives like Project Vault or non-rare earth critical minerals production and processing projects. Many entries, particularly EXIM Letters of Interest, are non-binding and may not convert to disbursed funding. Figures measure announced intent as of June 27, 2026, not outlays.

Source: DOD, Department of Commerce, Department of Energy, EXIM, Development Finance Corporation, and U.S. Trade and Development Agency announcements; "Investment Intelligence Center," Office of Assistant Secretary of Defense for Industrial Base Policy, last accessed June 27, 2026; C. Todd Lopez, "DOD Looks to Establish 'Mine-to-Magnet' Supply Chain for Rare Earth Materials," DOD News, March 11, 2024; Office of the White House, "FACT SHEET: Biden-Harris Administration Takes Further Action to Strengthen and Secure Critical Mineral Supply Chains," September 20, 2024; U.S. Department of State, "FACT SHEET: 2026 Critical Minerals Ministerial," February 4, 2026; and Gracelin Baskaran and Meredith Schwartz, "Rare Earth Export Restrictions One Year Later," CSIS, April 27, 2026.

Among these inputs are 17 **rare earth elements**, a valuable subset of critical minerals, and the high-performance magnets made from rare earths that are essential for guidance systems on precision-guided missiles, radar on fighter aircraft, electric motors on unmanned aircraft systems, and applications across virtually all major **defense systems**. As Figure 10 shows, the United States led global rare earth mine production until the **mid-1990s**, when China's long-term, state-led industrial strategy, abundant rare earth reserves, permissive environmental standards, and lower labor costs enabled it to flood world markets at reduced prices and **emerge** as the world's dominant supplier. Beijing has maintained this position for three decades, accounting for **69 percent** of production, nearly **90 percent** of processing and refining capacity, and over **90 percent** of rare earth magnet manufacturing across the globe today. From 2021 to 2024, the United States sourced **71 percent** of its rare earth imports from China, **leverage** which China wielded through export control regimes in **April** and **October 2025**. While Beijing agreed to suspend the restrictions for one year in November 2025 as part of a broader economic and trade **truce** with Washington, erratic export patterns, continued licensing requirements, and strategic competition in the following months have reinforced that the United States cannot depend upon its most significant rival for its most essential resources.

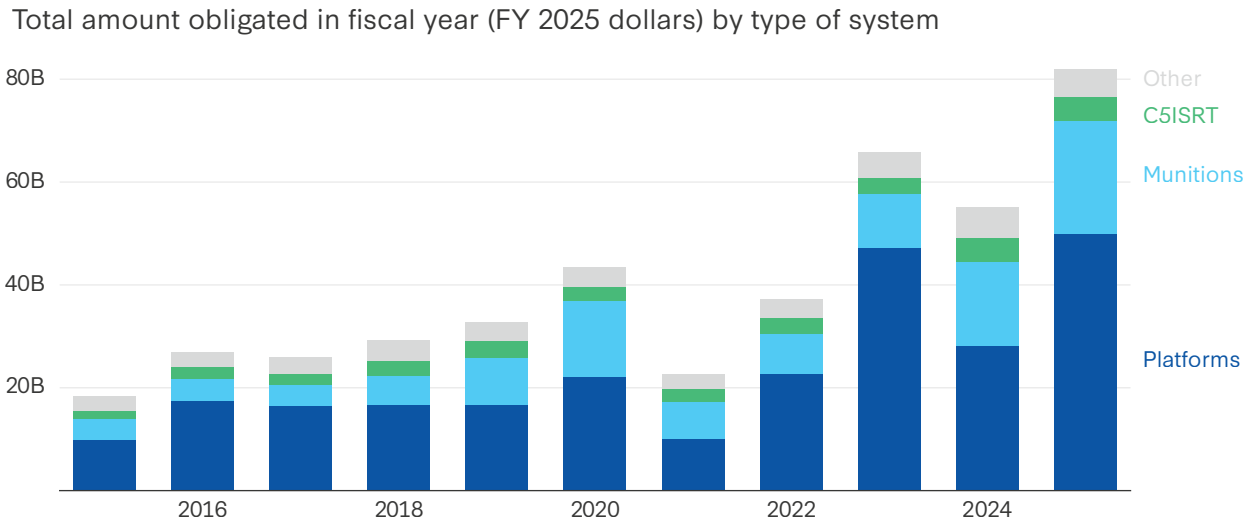
To address this acute vulnerability, the Trump administration has built upon efforts under the Biden administration that mobilize domestic industrial policy tools and coordinate with partner countries to construct a predictable, secure rare earth "**mine-to-magnet**" supply chain. According to **analysis** by the CSIS Critical Minerals Security Program and **recent** industry **announcements**, the federal government has announced roughly $7.6 billion in non-equity capital support, including a mix of loans, grants, and nonbinding letters of interest, to accelerate rare earth production and processing projects since January 2025. The Pentagon's Office of Strategic Capital, the Export-Import Bank of the United States (EXIM), and the U.S. Development Finance Corporation have led a diverse set of government agencies that fund these efforts, each injecting public dollars and signaling federal support to catalyze the longer-term, larger private investment needed for large-scale rare earth mining and processing projects. To build more resilient stocks and sources for critical minerals inputs as a whole, the Trump administration has also launched **Project Vault**, a $12 billion public-private partnership backed by EXIM to establish a U.S. Strategic Critical Minerals Reserve of 60 essential minerals, the **Forum on Resource Geostrategic Engagement** initiative, a plurilateral preferential trade and investment zone that protects allied mining projects using tools like coordinated price floors, and **Pax Silica**, a U.S. State Department-led coalition of over a dozen partner nations to coordinate minerals production, processing, and distribution.

Through these novel forms and levels of government and industry coordination, the United States and its allies have built a robust foundation for recovering a rare earth industry over the last year. Indeed, the United States produced **8,900** tons of rare earth compounds and metals in 2025, tremendous growth from the 95 tons produced in 2022.

The erosion of domestic rare earth manufacturing capacity and the rise of Chinese control took decades to unfold, however, and it will take several years of enduring effort for the United States and its allies to build, scale, and sustain the production capacity of these key defense inputs. For the U.S. to possess the raw materials that wartime footing demands, policymakers and firms must coordinate to unlock private capital, educate engineers and a skilled workforce, and scale innovative recycling, recovery, and substitute technologies that offer alternatives to dependence on China.

International Industrial Cooperation

Figure 12: Foreign Military Sales Are Engines of U.S. Defense and Security Cooperation



Source: CSIS analysis of FPDS data.

Drawing from FPDS records, U.S. FMS obligations have increased by over 347 percent from FY 2015 to FY 2025 (Figure 12), reflecting an expanding global demand for U.S. defense systems, particularly munitions and manned aircraft, and deeper security cooperation with allies and partners.

To capitalize on this market and lock in partner integration across defense systems, the Pentagon has taken several steps to streamline the FMS process and position arms cooperation as an engine driving demand across the broader industrial base. After issuing the first presidential executive order specifically **focused** on the FMS process in April 2025, the Trump administration announced an "**America First Arms Transfer Strategy"** in an executive order signed in February 2026. Together, these measures accelerate the FMS approval process and prioritize deliveries to those countries with higher defense spending and strategic importance. The **FY 2026 NDAA** included a provision to create an assistant secretary of defense for international armaments cooperation, further institutionalizing the Pentagon's engagement with allied and partner industrial bases.

As the United States works to put its industrial base on a wartime footing, allied and partner defense markets are experiencing parallel expansions that create new opportunities to fuel domestic industry. In 2025, military **spending** by European NATO members rose faster than at any time since 1953, while military expenditures in Asia and Oceania saw the largest annual rise since 2009. Yet a resource-constrained industrial base supporting U.S. and allied forces in multiple theaters raises questions over whether industry can meet simultaneous demand at scale.

In addition to increased arms deliveries, shared security challenges and scarcity of critical inputs have led to significant codevelopment, coproduction, and co-sustainment efforts between the United States and its closest allies and partners. Canada and Finland, for example, **signed** a trilateral memorandum of understanding with the United States in November 2024—the Icebreaker Collaboration Effort, or "**ICE Pact**"—to jointly design, build, and maintain Arctic and polar icebreakers by pooling shipyard capacity, supply chains, and workforce development across the three nations. The pact has since shifted from framework to implementation, as officials met in Helsinki in May 2026 to **identify** concrete actions over the following year that will expand production capacity, train skilled workers, and reduce supply bottlenecks. South Korean shipbuilding giant Hanwha Ocean, as well, has notably moved forward in 2026 with its agreements in 2025 to invest **$5 billion** in transforming its U.S. subsidiary, Hanwha Philly Shipyard, into a warship-building facility and to perform **maintenance** on U.S. naval vessels at its yards in South Korea.

Conclusion

The United States has made meaningful progress toward placing the industrial base on a wartime footing. Defense spending is rising, munitions production agreements are being signed at historic scale, and novel public-private investment structures are taking shape.

Yet according to several measures—manufacturing lead times, critical munitions and materials stockpiles, and supply chain security—the U.S. industrial base has a long way to go to achieve resilience. Munitions depleted in the war in Iran will take years to replace and lower-cost versions are not yet in production. Commercial-first acquisition reforms, however promising, have yet to demonstrate that technologies at the prototype stage can be reliably converted into throughput at scale.

Wartime footing is not a destination that can be declared but a condition that must be continuously built, tested, and sustained. Translating investment into inventory and building the physical capacity and human capability needed for enduring industrial strength will demand continued effective coordination between government and industry, within supplier networks, and across allies and partners. The goal of a wartime footing is ultimately to deter conflict, an effort that will increasingly depend not only on exquisite military systems and technological superiority but also on whether the United States and its allies can generate, field, and reconstitute military capability faster than adversaries can exhaust it. Institutionalizing this industrial power remains an essential task for

policymakers seeking to transform wartime footing into a foundation for sustaining the United States' national security and strategic commitments. ■

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