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A Problem the Pentagon Will Solve

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Robert Samuelson [op-ed, May 18] and the Department of Defense agree we have a "real problem" ensuring adequate access to a group of vital new technologies used in flat-panel displays. We disagree over what we should do about it. Samuelson says the problem will fix itself, and he suggests our response strays too far from proper Defense Department concerns.

In fact, no issue illustrates so well how the Clinton administration and Secretary of Defense Bill Perry have understood the importance of responding to the fundamental technological and economic changes we face. Reinventing government isn't a slogan; it is a necessary response to today's world. We have to reinvent the way the Pentagon does business, and the flat-panel story shows how.

Success on the battlefield of the future will hinge on the ability to collect, collate, analyze and disseminate a torrent of information. Flat-panel displays, now seen chiefly in laptop computers, will be the primary means by which the combatant will dip from this river of data.

Because of this, we need early access to the latest generation display technologies, and we need it while still in development in order to work out the battlefield and air combat tactics and strategies for their use. We need responsive suppliers who will customize commercially derived technology to produce displays that operate in both desert and Arctic temperatures, are readable in sunlight as well as night combat, offer extremely high resolutions, integrate specialized information processing capabilities and are available in nonstandard sizes. And it all must be affordable.

The key to making it affordable is the phrase "commercially derived." The flat-panel display market and technologies are driven by mushrooming commercial demands. Defense demand will ultimately be only a minor factor. The Defense Department can no longer afford to create defense-unique capabilities that depend on Defense Department programs for their survival. We have to benefit from economies of scale and keep up with leading-edge technologies. That means we must piggyback on commercial production.

So what's our problem? Currently, a handful of foreign firms dominate the flat-panel display industry, with over 90 percent of global production. The world's dominant flat-panel display manufacturer is unwilling to work with the Defense Department on its specialized requirements. With other producers, it's speculative at best.

U.S. firms today show little potential for meeting critical Defense Department requirements if left undisturbed, contrary to Samuelson's wishful assertion.

To fix this, we propose to make innovative new use of a tool we've used effectively in the past -- investment in research and development. Our National Flat Panel Display Initiative will make a portion of our R&D investment in future

display technologies available only to companies that commit to domestic volume production for current generation products, and a commitment to support Defense Department display requirements.

This initiative does not subsidize production or attempt to "pick winners." Instead, it is technology-neutral and company-neutral. It does not attempt to substitute a government bureaucrat's judgment for the judgment of the "market." It does attempt to tip the balance in favor of production by supporting next-generation research and development by those already contemplating production. It is entirely reasonable for the Defense Department to join in developing technology for the year 2000 with those likely to be in a position to actually build products for the Defense Department in 2000.

During the 1940s and early 1950s, the Defense Department funded practically all of the early R&D in the computer industry, setting the stage for a thriving and innovative commercial industry that today forms the backbone of the U.S. military's technological superiority. The Defense Department also funded the R&D that led to fundamental advances in aircraft design and jet propulsion, including the first U.S. jet engine, and ultimately spurred the development of the world-leading U.S. aircraft industry. In both the cases, the United States initially lagged technological development abroad. More recently, Defense Department investments in its ARPANET packet switched communications network laid the foundation for today's information superhighway, known as the Internet.

We already have a track record in flat-panel display technology. A U.S. company, for example -- with Defense Department R&D support -- has created what is by far the highest resolution flat-panel display yet unveiled. The Defense Department's problem is that little of this advanced technology has traveled off the laboratory bench and onto a production line, where it can ultimately be procured and used in U.S. combat systems.

Now, Samuelson's observes that "it's hard for government to improve consistently on the 'market.' " This observation is both correct and beside the point. Where market forces are at work, we are taking steps to support the choices of the market as to technology and production. Where there is no competitive market, we are acting to solve national security problems.

Perhaps Samuelson would quarrel less with us if he thought of this initiative as an insurance policy. If he's right, we'll cancel it before the premiums get too high. But if he's wrong, his prescription of doing nothing would be a disaster.

The writer is deputy secretary of defense.

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