

APR 28 2017

Ms. Ruth Vetter
Alternate Designated Agency Ethics Official
Office of the General Counsel
Department of Defense
Washington DC 20310

Dear Ms. Vetter:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Principal Deputy Under Secretary of Defense for Policy.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon my confirmation, I will take an unpaid leave of absence from my position as an Adjunct Professor at Missouri State University. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Missouri State University, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for either the exemption at 5 C.F.R. § 2640.203(b) or another regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I am the sole proprietor of Shortwaver Consulting, LLC. During my appointment to the position of Principal Deputy Under Secretary of Defense for Policy, Shortwaver Consulting, LLC (Shortwaver) will cease engaging in any business, including providing consulting services to clients. During my appointment, Shortwaver will remain dormant and will not advertise. I will not perform any services for Shortwaver, except that I will comply with any requirements involving legal filings, taxes and fees that are necessary to maintain Shortwaver while it is in an inactive status. Any amounts owed to me by my clients will be fixed before I assume the duties of the position of the Principal Deputy Under Secretary, and I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of any client to pay the agreed upon amounts. As Principal Deputy Under Secretary, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Shortwaver. In addition, I will not participate personally and substantially in any particular matter involving

specific parties in which I know a former client of mine is a party or represents a party for a period of one year after I last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d) and Section 6 of Executive Order 13770, if applicable.

I also perform independent consulting work. During my appointment to the position of Principal Deputy Under Secretary of Defense for Policy, I will not perform consulting work. Any amounts owed to me by any of my clients will be fixed before I assume the duties of the position of Principal Deputy Under Secretary of Defense for Policy, and I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of any of these clients to pay these amounts. In addition, I will not participate personally and substantially in any particular matter involving specific parties in which I know a former client of mine is a party or represents a party, for a period of one year after I last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d) and Section 6 of Executive Order 13770, if applicable.

Upon confirmation, I will resign from my positions with the National Institute for Public Policy, Wikistrat, Inc., and Dezenhall Resources. My consulting relationship with Alex-Alternative Expert, LLC, ended in May 2016, and my relationship with the Center for Strategic and International Studies ended in August 2016. For a period of two years from the date of my appointment, I will not participate personally and substantially in any particular matter involving specific parties in which I know any of these entities is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d) and Section 6 of Executive Order 13770.

Upon confirmation, I will terminate my contracts with Eagle Horizon Group and Maven Research, Inc. I have performed no work for these two entities over the last two years. In addition, upon confirmation, I will terminate my contracts with Gerson Lehrman Group (my last performance of services was December 2013) and Renaissance Strategic Advisors. My only work with each of these two entities involved one day projects. For a period of one year after the termination of my contact with each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which I know that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Within 90 days of my confirmation, my spouse will divest her financial interest in Intel Corporation. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Intel Corporation until my wife has divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I understand that I may be eligible to request a Certificate of Divestiture for the qualifying asset and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether I receive a Certificate of Divestiture, I will ensure that all the

divestiture discussed in this agreement occurs within the agreed upon timeframes and that all proceeds are invested in non-conflicting assets.

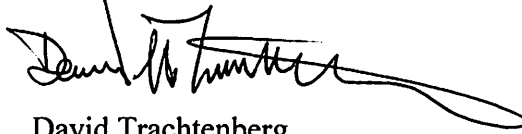
If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), obligations of the United States, or municipal bonds.

I will meet in person with you during the first week of my service in the position of Principal Deputy Under Secretary of Defense for Policy in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order No. 13770) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,

A handwritten signature in black ink, appearing to read "David Trachtenberg", with a long, sweeping horizontal flourish extending to the right.

David Trachtenberg