



A VIPERIUS MARKET BRIEF · AUGUST 2026

Countering the Swarm

The C-UAS Opportunity Map

Unmanned systems now dominate the modern battlefield, and the race to counter them cheaply has become one of the most active contracting markets in defense. Here's where the opportunities sit, and who's already winning them.

INTRODUCTION

We've entered the age of autonomous warfare — and cost is the whole battle.

Unmanned Aerial Systems (UAS) now dominate the skies above the battlefield, and with them comes a race to build the best counter-technology (C-UAS). The core problem for the United States isn't detecting drones — it's doing it affordably, without spending a small fortune to stop a threat that costs almost nothing.

5

DISTINCT STAGES IN THE C-UAS KILL CHAIN, FROM DETECTION THROUGH DEFEAT

~\$2M

COST OF A TRADITIONAL KINETIC INTERCEPTOR USED AGAINST A DRONE WORTH A FEW THOUSAND DOLLARS

2026

YEAR THE PENTAGON'S NEWEST COUNTER-DRONE TASK FORCE MADE ITS FIRST ACQUISITION

This cost imbalance between offense and defense has been formally identified as a top defense-spending priority. Counter-UAS represents a genuinely vast ecosystem of contracting opportunity: detection, identification, and tracking; software and battle management; electronic warfare; directed energy. Every layer of that chain is a door a defense startup can walk through. It's exactly the kind of market Viperius watches constantly — broad, urgent, and still forming.

A NOTE ON TIMING

This market moves unusually fast even by defense standards. The office that has run point on counter-drone policy changed twice in the past 18 months — details on the following pages reflect that as of August 2026.

SECTION 01

Five stages, and a contracting opportunity at every one.

Every C-UAS engagement moves through the same five-stage sequence. Each stage is effectively its own technology market — a startup doesn't need to solve the whole chain to find a real opening.

STAGE 1	STAGE 2	STAGE 3	STAGE 4	STAGE 5
Detect	Identify	Track	Response	Defeat
<i>"The object is there."</i>	<i>"What is the object?"</i>	<i>"Where is it going?"</i>	<i>"What should the defender do?"</i>	<i>"How is the threat neutralized?"</i>
■ Radar ■ RF detection ■ Acoustic sensors ■ Infrared sensors ■ Electro-optical	■ Automated classification ■ AI-assisted ID	■ Trajectory prediction ■ Sensor handoff	■ Decision support ■ Rules of engagement	■ Directed energy ■ Kinetic interception ■ Electronic warfare

The two most crowded stages are Detect and Defeat — understandably, since they're the most visible parts of the problem. The most underrated opening is arguably the middle: **Track and Response are where sensor fusion and decision-support software live**, and that's a software problem more than a hardware one — which tends to favor startups over the capital-heavy primes.

SECTION 02

The office in charge of this problem just changed — twice.

The Pentagon's counter-drone organization has moved fast enough that older summaries of "who's in charge" are already out of date. Here's the actual sequence.



The Joint Counter-Small UAS Office (JCO) was established in 2020, with the Army designated as DoD's executive agent for C-sUAS. For five years, the JCO set requirements, ran evaluations, and coordinated policy across the services. In September 2024, the Pentagon layered on Replicator 2 — a companion initiative aimed specifically at fielding counter-drone capability faster.

In August 2025, the JCO was formally disestablished. In its place, the Department stood up Joint Interagency Task Force 401 (JIATF 401), reporting directly to the Deputy Secretary of Defense — a deliberate move to consolidate authority and cut through the coordination overhead that had built up across a growing number of loosely connected offices. JIATF 401 made its first Replicator 2 acquisition in January 2026, and in March 2026 awarded Anduril an \$87M task order — the first order under a 10-year, up-to-\$20B Army enterprise agreement — for the counter-UAS contract profiled in our companion case study, *The Anduril Playbook*.

WHY THIS MATTERS FOR YOU

If you're researching this market using anything written before late 2025, references to "the JCO" as the governing authority are outdated. JIATF 401 is now the primary organization to track.

SECTION 03

Every branch is pursuing its own piece of the problem.

JIATF 401 sets the joint standard, but it isn't the customer itself — each service branch runs its own programs, which means a different opening for a different kind of technology depending on where you look.

BRANCH	FOCUS AREA	NAMED SYSTEMS
Army	Ground-based layered defense	M-LIDS, FS-LIDS, Coyote interceptors, directed-energy systems
Navy	Counter-swarm & sensor fusion	Counter-swarm technology, sensor fusion, C-UAS sensors
Air Force	Detection, jamming & kinetic defeat	Radar, RF detection/jamming, directed energy, optical tracking
Marine Corps	Mobile & installation defense	MADIS, L-MADIS, I-C sUAS, O-C sUAS

TRACKING THE JCO'S SUCCESSOR

JIATF 401 isn't a customer in the traditional sense — it sets joint goals and standards for counter-UAS systems across the services. Monitoring its priorities is one of the fastest ways to spot a technology gap before it becomes a published solicitation.

SECTION 04

Who's already dominating each layer of the stack.

Competitive intensity varies enormously by segment. Some layers are wide open; others are already crowded with well-capitalized incumbents.

Detection

Dedrone (Axon)
DroneShield
Echodyne
Robin Radar Systems

Electronic Warfare & Directed Energy

DroneShield
D-Fend Solutions
Sentrycs
L3Harris
Epirus (Leonidas)

Kinetic Weapons

RTX
Lockheed Martin
Rafael

AI & Command / Control

Anduril
Shield AI
Parsons
Black Sage

Kinetic weapons remain the segment most dominated by major primes, given the high capital cost — **subcontracting is often the more realistic entry point here than competing head-on.**

SECTION 05

Four places a startup can realistically break in.

Sensor fusion & detection

A C-UAS system pulls input from multiple sensor types at once; fusion software blends that input into one readable picture. Specialization opportunities: sensor fusion devices, AI-assisted detection, RF + radar integration, object classification.

AI & command and control

Manual operation wastes manpower and raises the odds of operator error — AI systems are increasingly trusted to run C-UAS engagements directly. Specialization opportunities: battle-management software, operator decision support, automated threat classification.

Low-cost defeat

The Department has been openly searching for cheaper ways to intercept cheap threats, rather than spending a missile-sized budget on a drone-sized problem.

Specialization opportunities: low-cost sensors, reusable effectors, scalable electronic effects, directed-energy systems.

Interoperability

One of the Department's top C-UAS priorities is connecting detection and interception systems that don't currently talk to each other. Rather than a new point solution, the highest-value play here is a system that links what already exists — across sensors, manufacturers, and legacy platforms.

SECTION 06

Four practical paths into the market.

SBIR / STTR

Search across terms like drone detection, sensor fusion, AI-assisted identification, electronic warfare, low-cost defeat, autonomous systems, and communications — see our companion playbook, *SBIR & STTR, Explained*, for how to run that search properly.

Defense Innovation Unit (DIU)

Look for solicitations across AI, sensors, autonomy, data processing, and communications — DIU's commercial solutions openings tend to move faster than traditional acquisition.

Prime contractor teaming

Subcontracting for a larger defense prime is often the highest-odds path into segments — like kinetic weapons — where capital requirements make head-on competition impractical for a startup.

Dual-use conversion

Existing commercial technology can often be converted to military use, saving significant time and funding versus building from scratch. Commercial radar, AI, and commercial drone technology are the categories seeing the most dual-use conversion right now.

THE VIPERIUS APPROACH

We track JIATF 401's priorities, each branch's active programs, and where the competitive landscape still has real gaps — so a startup entering this market knows exactly which of these four paths fits their technology.

IN CLOSING

The drones are cheap.
The defense against them
doesn't have to **stay expensive** —
if you find the right layer.



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