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STATEMENT BEFORE THE HOUSE ARMED SERVICES SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES ON THE ROLE OF MARITIME AND AIR POWER IN DOD'S THIRD OFFSET STRATEGY

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Chairman Forbes, Ranking Member McIntyre, and members of this distinguished Sub-Committee, thank you for the opportunity to share my views on the implications of a "third" offset strategy on air and maritime forces. The Sub-Committee's support and oversight of this issue are crucial. The goal of my testimony today is to draw some lessons from previous offset strategies, explain why a new offset strategy is needed, outline the core elements of such a strategy, and identify near term investment options for implementing it over the coming decades.

As it enters an uncertain period of fiscal austerity, the U.S. military nevertheless confronts a range of worsening security threats around the globe. Preserving U.S. security interests in the face of both exiting and emerging threats is made all the more difficult as traditional sources of U.S. military advantage are being eroded by the maturation and proliferation of disruptive technologies—most notably, anti-access/area denial (A2/AD) capabilities—to state and non-state actors. Absent a major change in how the U.S. military projects power, its ability to deter aggression, reassure allies, and defend U.S. security interests are likely to be increasingly challenged. While China's ongoing military modernization represents the pacing threat in the Asia Pacific, prospective adversaries in other key regions are also acquiring and fielding a wide range of A2/AD capabilities to exploit U.S. vulnerabilities. The trend is clear and disconcerting.

Faced with this multifaceted challenge, the senior leadership of the Department of Defense has called for a new "game-changing offset strategy" akin to President Dwight Eisenhower's "New Look" strategy in the 1950s and Secretary of Defense Harold Brown's "Offset Strategy" in the 1970s. In both instances, the mechanism for "offsetting" the numerical conventional force imbalance relative to the Soviet Union and its satellites was the same: leveraging U.S. technological advantages. In the 1950s, it took the form of increasingly numerous and varied nuclear weapons, long-range delivery systems, and active and passive defenses. Roughly a quarter-century later, the United States made a series of "big bet" investments exploiting the U.S. lead in information technology to revolutionize battlefield command, control, and communications networks; develop more capable tactical surveillance and strike systems to "see deep" and "shoot deep" into

Warsaw Pact territory; exploit space for precision navigation, communications, and reconnaissance; and apply stealth technologies to combat aircraft.

While it is unlikely that a disruptive U.S. capability advantage comparable to that conferred by nuclear weapons in the wake of World War II is in the offing, four important lessons with contemporary applicability to the projection of air and maritime power can be discerned from the New Look in the 1950s. First, and most importantly, is the need for a strategy that provides U.S. leaders with options that can be tailored to address a wide range of anticipated threats. While this lesson may ostensibly seem at odds with the "massive retaliation" moniker often coupled with the New Look, it should not be forgotten that NSC 162/2 also called for "ready forces of the United States and its allies suitably deployed and adequate to deter or initially to counter aggression." Nuclear weapons provided a cost-effective "backstop" for outnumbered conventional forces—not a wholesale replacement for them. Second, the global air warfare capability that emerged from the New Look—and remains a key source of U.S. competitive advantage today—provided valuable strategic freedom of maneuver, complicating the Soviet Union's defensive planning while reducing basing vulnerability. Third, the threat of asymmetric punishment—the capability and willingness to strike outside the theater of operations chosen by an adversary with flexible means—can further increase an adversary's uncertainty, enhancing deterrence. Lastly, alliances matter—not only for burden sharing, but also for complicating an adversary's operational planning and imposing costs upon them.

Relevant lessons can also be drawn from Secretary Brown's "Offset Strategy" during the 1970s. First, technology can multiply the combat effectiveness of a smaller force such that it "offsets" a larger, but technically inferior, force. Second, rather than competing "jet for jet" or "missile for missile," capability advantages can be used to shape the competition, shifting it into areas where the U.S. military can compete more effectively. Third, it is important to retain sufficient "low-end" capabilities to maintain an affordable forward-deployed, combat-credible presence around the globe to deter and, if necessary, respond to contingencies short of high-end, major combat operations. The final lesson from this period is the importance of strategic continuity and institutional commitment. While DoD initiated several technology development programs in the late 1970s, they never would have been fielded if not for enduring bureaucratic support in the Pentagon, in successive presidential administrations, and on Capitol Hill.

These lessons have great value as we consider the situation facing the United States today. The U.S. military has enjoyed a near monopoly in the precision-strike revolution ushered in by the second offset strategy for nearly a quarter-century, but it is beginning to fade away. Prospective adversaries are fielding their own reconnaissance-strike networks—battle networks linked to extended-range precision strike forces—to challenge the U.S. approach to power projection. Consequently, the U.S. military now faces four core operational problems:

1. Close-in regional bases (e.g., ports, airfields, and ground installations) are increasingly vulnerable to attack in a growing number of countries around the world;
2. Large surface combatants and aircraft carriers at sea are becoming easier to detect, track, and engage at extended range from an adversary's coast;
3. Non-stealthy aircraft are becoming more vulnerable to being shot down by modern integrated air defense networks; and
4. Space is no longer a sanctuary from attack.

These growing operational challenges have problematic strategic ramifications: heightened crisis instability; declining credibility of U.S. deterrence threats and allied confidence in the U.S. military's ability to meet its security commitments; and increasing cost imposition on the United States, undermining its ability to compete with prospective rivals over time.

Given the increasing scale and diversity of these global threats, trying to counter them symmetrically with tailored forces, or competing "missile for missile" is likely to be both futile and (given current budget projections) unaffordable over the long run. The United States cannot afford to simply scale up the current mix of joint power projection capabilities. Indeed, owing to ballooning personnel costs, especially with respect to medical care and retirement, manpower levels will likely shrink over the coming decades. Similarly, while active defenses and countermeasures may be tactically effective and operationally useful in some circumstances, they must not be allowed to crowd out offensive capability and capacity, which is the foundation upon which deterrence is built.

What is needed, therefore, is a new offset strategy for projecting power effectively and affordably across the threat spectrum. While it must take account of America's fiscal circumstances, its central purpose must be to address the most pressing military challenge that we face: maintaining our ability to project power globally to deter potential adversaries and reassure allies and friends despite the emergence of A2/AD threats. This can be achieved by leveraging U.S. "core competencies" in unmanned systems and automation, extended-range and low-observable air operations, undersea warfare, and complex system engineering and integration to enable new operational concepts for projecting power. As used here, a core competency is defined as a complex combination of technology, the industrial base, skilled manpower, training, doctrine, and practical experience that enables the U.S. military to conduct strategically useful operations that are difficult for rivals to duplicate or counter. [1]

U.S. conventional deterrence credibility would also be enhanced by adopting a strategy that is less dependent upon the threat to restore the status quo ante through the direct application of force against an adversary's fielded forces. Instead, the United States should focus more on decreasing an adversary's perception of the probability of achieving its war aims in the first place (i.e., deterrence by denial) and increasing the anticipated costs of attempting to do so by threatening asymmetric retaliatory attacks (i.e., deterrence by punishment). The former would require both a high degree of situational awareness and the ability to apply force quickly to derail an adversary's campaign in its opening phases, regardless of the threat situation or basing availability. It would, therefore, put a premium on survivable forces that can operate within an enemy's A2/AD envelope persistently and effectively. Examples of these kinds of forces include undersea platforms and fast, long-range stealthy aircraft. The latter would require the ability to identify and destroy high-value targets regardless of where they are located or how they are defended, which would place a premium on survivability and lethality.

As part of a new offset strategy, the above-mentioned U.S. capability advantages (i.e., unmanned systems and automation, extended-range and low-observable air operations,

[1] W. Cockell, J. J. Martin, and G. Weaver, *Core Competencies and Other Business Concepts for Use in DoD Strategic Planning* (McLean, VA: SAIC, February 7, 1992). This report was done for the Directors of Net Assessment, OSD, and the Defense Nuclear Agency.

undersea warfare, and complex system engineering and integration) could provide the foundation for a global surveillance and strike (GSS) network that would be:

- Balanced, in that it would comprise a mix of low-end and high-end platforms aligned to widely varying threat environments—including advanced A2/AD challenges;
- Resilient, in that it would be geographically distributed with less dependence upon close-in bases, have greatly reduced sensitivity to enemy air defense capabilities, and be significantly more tolerant of disruptions to space-based systems;
- Responsive, in that a credible surveillance-strike presence could be generated within hours of the direction to do so by taking advantage of rapid global reach and survivable forward presence; and
- Scalable, in that it could by expanded to influence events in multiple locations around the world concurrently.

While many elements of the U.S. military would have important roles to play in a future GSS network, it would emphasize air and maritime forces capable of operating far forward in denied areas largely independent of support forces or close-in bases. In particular, it would leverage autonomous unmanned systems, given their advantages in terms of ultra-long mission endurance and low life-cycle costs relative to manned platforms.

A family of concepts for employing combinations of new and legacy air and maritime forces, complemented by other joint capabilities, could be developed under the GSS umbrella for addressing potential operational challenges posed by specific adversaries. In the event that deterrence failed, GSS forces could quickly mount strikes against fixed, mobile, hardened, and deep inland targets to thwart an aggressor's war aims; conduct asymmetric "punishment" campaigns, if necessary, against multiple adversaries concurrently; and, if required, set the stage for a large-scale, multi-phased, combined arms campaign by "rolling back" an adversary's A2/AD defenses.

To realize the GSS concept, the Department of Defense should consider undertaking the following actions:

- Increase space resiliency by, for example, developing cost-effective counters to adversarial anti-satellite systems or disaggregating payloads on both commercial and military satellites;
- Hedge against the loss of space-based enablers by accelerating R&D on alternatives to GPS for precision navigation and timing, fielding a "high-low" mix of unmanned surveillance aircraft with long mission endurance and/or aerial refueling capability, and developing an "aerial layer" alternative to space for long-haul communications;
- Develop and make known counter-space capabilities, especially those capable of achieving reversible effects, to deter prospective adversaries from attacking U.S. satellites;
- Expand the geographic coverage of the undersea fleet by accelerating development of key enabling technologies for unmanned undersea vehicles (UUVs) including high-density energy storage for power and endurance, undersea navigation and communications, and autonomy;

- Expand undersea payload capacity by both increasing available volume onboard future submarines and fielding a family of external payload modules that could be clandestinely pre-deployed into forward operating areas;
- Increase submarine payload flexibility by developing non-kinetic weapons (e.g., undersea-launched airborne jammers and decoys), modifying existing missiles to address a wider array of target sets, and initiating development of a submarine-launched, conventional ballistic/boost-glide missile;
- Expand geographic coverage provided by fixed and deployable undersea sensor networks;
- Develop and field modern ground-, air-, and sea-deployed naval mines, as well as a long-range anti-submarine warfare weapon;
- Reverse the active defense versus missile attack cost exchange ratio that currently strongly favors the offense by accelerating development and fielding of electromagnetic railguns and directed-energy systems;
- Develop and field new counter-sensor weapons including directed-energy systems (e.g., high-power microwave payloads and high-energy lasers) and stand-in jammers/decoys;
- Accelerate fielding of aerial refueling capabilities while seeking opportunities to increase automation;
- Continue developing and fielding the long-range strike bomber;
- Develop and field a land-based, penetrating, high-altitude, long-endurance UAV for medium-high threat environments;
- Develop and field penetrating, air-refuelable land- and carrier-based unmanned combat air systems optimized for distributed surveillance-strike operations (i.e., mobile-relocatable target killers) in medium-high threat environments; and
- Develop expeditionary, ground-based, local "A2/AD" networks comprising short-to-medium range air defenses, coastal defense cruise missiles, defensive mines and UUVs, and mobile surface-to-surface missiles.

Such initiatives would contribute to an effective offset strategy by restoring U.S. power projection capability and capacity and bolstering conventional deterrence by supporting a credible threat of denial and punishment. It also has the potential for imposing disproportionate costs upon prospective adversaries as part of a long-term competition by devaluing large enemy "sunk cost" investments, in part by channeling competition into areas (e.g., undersea warfare) where the United States can compete more effectively or areas that are less threatening from a U.S. perspective.

To fund development of these and other high-payoff capabilities, DoD should redouble efforts to reduce spending on "tail" as opposed to "tooth" by shedding excess basing infrastructure in the continental United States, restructuring the personnel system to reduce ballooning medical and retirement costs, and reforming ossified and inefficient acquisition processes. In addition, selected allies (e.g., Australia, Japan, and the United Kingdom) might be willing to share costs associated with the development, procurement, and operation of some GSS capabilities. Allies might also be will to take on additional responsibility for key enabling functions, such as survivable basing, logistics support, and communications.

Given the intensifying global threat and need to "offset" the proliferation of A2/AD networks with high-payoff investments in areas of enduring U.S. advantage, a strong case can also be made for rescinding the Budget Control Act of 2011 and restoring defense funding to the level reflected in the FY 2012 "Gates" budget, also recommended by the bipartisan National Defense Panel. This would restore an average of nearly $100 billion per year to the Pentagon over the next decade. DoD also needs to rebalance the current defense investment portfolio to put relatively more emphasis on capabilities for projecting power into medium and high threat environments. Reducing force structure and scaling back modernization plans for forces that contribute primarily to operations in more permissive threat environments necessarily means having less capacity for some contingencies. The magnitude of such cutbacks and associated risk would largely be a function of the level of funding that Congress restores to the Department of Defense. Regardless of the budget, however, it is imperative to rectify the growing imbalance between forces able to operate in permissive versus non-permissive environments.

Just as it took well over a decade to field every "assault breaker" capability envisioned in the mid-1970s, the GSS network would not attain an initial operational capability until the mid-2020s, but only if focused R&D begins now and the Pentagon, the White House, and Capitol Hill stay the course over successive administrations. A sustained wargaming program across the Department is also needed to develop and refine novel operational and force employment concepts.

Given current constraints on resources for defense, the nation can neither afford to continue the current "business-as-usual" approach to power projection, nor plan on having the resources and time to rectify the many operational and strategic problems inherent on the current path once they fully manifest. Congress needs to be an active partner in restoring and sustaining U.S. air and maritime power projection capacity over the coming decades through the formulation and implementation of a third offset strategy.

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The Center for Strategic and Budgetary Assessments (CSBA) is an independent, nonpartisan policy research institute established to promote innovative thinking and debate about national security strategy and investment options. CSBA's analysis focuses on key questions related to existing and emerging threats to U.S. national security, and its goal is to enable policymakers to make informed decisions on matters of strategy, security policy, and resource allocation.