Origins of a Third Offset Strategy

On September 3, 2014, Secretary of Defense Chuck Hagel delivered an important speech on the topic of military innovation that received relatively little attention at the time but has since come to spawn considerable interest in development of what came to be called the “third offset” strategy.1 In Hagel’s speech he warned that a number of critical U.S. military advantages are at considerable risk of being degraded or falling away completely because of the proliferation of advanced technologies that are specifically designed to counter U.S. military advantages, especially in the area of power projection, around the world. In order to counter this threat, Hagel asked for the development of a new “game-changing offset strategy” similar to that of Secretary of Defense Harold Brown’s “offset strategy” of the 1970s. Brown’s offset strategy was driven by increasing concerns about the strategic nuclear parity of the Soviet Union coupled with its vast numerical superiority of conventional military forces in Europe.

In addition to the 1970s offset strategy identified by Hagel, observers have pointed out that the Eisenhower administration also pursued an offset strategy in the early 1950s with its new look strategy. When Eisenhower came to office in early 1953, the United States and its Western European allies were heavily outnumbered by Soviet conventional forces in central Europe. U.S. estimates at the time suggested that it would take at least 92 combined U.S. and NATO divisions to have any chance of holding back the estimated 175 Warsaw Pact divisions. Such a ground force was simply not attainable given the resource constraints present in both the United States and Western Europe. Because of those constraints the Eisenhower administration had to find another way to deter the Soviets from invading Western Europe. The “New Look” strategy adopted by Eisenhower substituted the technological advantages held by the United States in nuclear weapons and strategic delivery systems for conventional forces as a means of offsetting the Soviet advantages in ground forces and geography.

Over time the Soviets built up their tactical and strategic nuclear capabilities to the point that they came to outnumber those of the United States. By the 1970s, concerns grew that the U.S. defense of Western Europe rested mainly on its nuclear forces might no longer present a credible deterrence for the Soviet Union. The United States then found itself having to develop a second offset strategy to counter the Soviets’ nuclear parity and conventional advantage. In 1977 Defense Secretary Harold Brown and the Under Secretary of Defense for Research and Engineering William Perry (later Defense Secretary himself) embarked on a path of developing a new (second) offset strategy, using a variety of new technologies and operational concepts, some of which were developed by DARPA. One of the operational concepts developed at that time, called “Assault Breaker”, was designed to use new, promising military technologies for deep attack against Soviet forces. The Assault Breaker concept called for using manned aircraft with wide-area sensor-queuing capabilities and surface-to-surface ballistic missiles that could dispense a large number of anti-armor submunitions. This was not a set of capabilities or an operational concept that could be duplicated by the Soviets because of the tremendous technical

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hurdles they would have to overcome. The concept was successfully demonstrated in 1982, and was noticed by the Soviets. Within a few years the Soviets apparently determined that these extremely accurate terminally-guided anti-armor munitions could achieve a similar destructive effect as tactical nuclear weapons, thereby providing the United States with a tremendous conventional advantage. The Assault Breaker concept was embraced by the services, which began developing the AirLand Battle concept. Ultimately these systems produced a kind of primitive “battle network,” though it used just a small number of precision-guided weapon systems. The key new set of capabilities that the second offset strategy provided was the networking of a host of intelligence, surveillance, and reconnaissance systems and platforms with precision strike capabilities. Over time, as the United States developed ever larger numbers of precision-guided munitions and related systems, the concept grew even more capable, thus providing a multiple decades-long advantage. The Defense Department has determined that over time however this advantage has become eroded.

One of the interesting aspects of the previous two offset strategies is that both occurred in times of resource constraint: in both the early 1950s and the 1970s, the U.S. defense budget simply could not grow to the point where it could directly contest Soviet advantages. It had to find a way to defeat the Soviet Union even though he could not afford to purchase a military force equivalent in size. The United States finds itself in a similar position today.

It seems clear that today’s Defense Department is aware that it faces multiple potential adversaries ranging from regional actors like North Korea and Iran to near-peer competitors like Russia and China to nonstate actors, some of which may have niche advanced military capabilities. Obviously each of these different types of adversaries would require a different kind of offset strategy. One size clearly does not fit all. This is a very different problem from attempting to defeat a single adversary like the Soviet Union during the Cold War. Strategy development has begun and seems to be proceeding apace, though getting buy-in from all the services and relevant agencies will require, as always, considerable effort and time. Two of the chief architects of this new offset strategy are former Under Secretary of the Navy Robert Martinage, now working at the Center for Strategic and Budgetary Assessments, as well as Deputy Secretary of Defense Robert Work.2

The key feature of a new offset strategy is that it seeks to leverage U.S. advantages in new and emergent technology areas in order to overcome eroding U.S. advantages in current or more traditional areas of military capability. The United States does have a variety of advantages or “core competencies” in several areas that are not yet eroding, including: “unmanned systems and automation, extended-range and low-observable air operations, undersea warfare, and complex system engineering and integration in order to project power differently.”3 The reason why advocates suggest that a new offset strategy is needed is because of concern about the impending loss of a near monopoly in high precision reconnaissance-strike capabilities, with potential adversaries like Russia and China either already or on the verge of yielding their own reconnaissance-strike networks that could be used to challenge U.S. power projection. Clear U.S.


vulnerabilities have begun to emerge in areas like long-range decisions strike, advanced integrated air defense systems, manned and unmanned underwater systems, space warfare, and cyber warfare.

However, there are opportunities: there is increasing innovation and development of the kinds of systems required by a new offset strategy that is being done in the commercial sector in areas related to robotics, miniaturization, advanced computing, big data, and 3-D printing, among many others. The current era has been likened to that of the interwar period when there was a tremendous amount of technological development, innovation, experimentation, all taking place in an environment in which it was entirely unclear as to which technologies might be best integrated into the armed forces, and probably even more importantly, how these capabilities might be best used by military organizations. This creates a series of opportunities and challenges in developing an offset strategy.

In very real way, a third offset strategy must be capable of dealing with the most challenging set of future threats, that of the growing anti-access/area denial (A2/AD) challenge from China. If left unchallenged, it is clear that China is more than capable of creating sanctuaries for its own forces and operations in “A2/AD bubbles” in the Western Pacific centered around specific geographic locations that Chinese forces want to operate in, like the Taiwan Straits or in around the East and South China Seas. Anti-access strategies — the A2 part of the capability—seek to prevent U.S. and allied forces from operating from fixed bases within a particular theater. The area denial capability—the AD portion—targets U.S. and allied maritime forces that would be required in a given theater. China has a variety of advantages in both areas. First and perhaps most importantly, China enjoys a tremendous geographic advantage in that it would be operating either from its home territory or very close by; the United States would have to project its power from thousands of miles away, or operate from friendly and allied bases in the region, all of which can be ranged by increasingly robust Chinese strike capabilities. Second, China is very consciously attempting to acquire and further develop its A2/D2 capabilities, and has been acquiring all of these systems over the course of the last decade or two and continues to invest very heavily in these capabilities. One of the key challenges encountering or rolling back Russian or Chinese A2/D2 capabilities in the event of war would be to manage the escalatory risk inherent in a war between two nuclear-armed adversaries. Such a challenge is made even more difficult because of the dual-use nature of many strategic assets, such as space-based sensors. It would be useful, for example, to blind the space-based sensors of a Russian or Chinese adversary, though these systems are useful for providing the necessary situational awareness and ISR capabilities for both conventional and strategic forces.

There seem to be at least four major operational problems that potential adversaries are beginning to recognize and plan against when it comes to U.S. power projection. The first is the vulnerability of in-theater bases (ports, airfields, ground force bases) to precision strike. The second is the vulnerability of U.S. maritime surface combatants, to include aircraft carriers and

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their support ships, because of their increased ability to be detected, track, and attack even at over-the-horizon distances. The third is the increasingly robust capabilities of integrated air defense systems (IADS), which are becoming effective over longer ranges and against a greater variety of attack systems, to the point where non-stealth aircraft are at tremendous and increasing risk. And fourth, the space dimension is becoming increasingly vulnerable to both kinetic and non-kinetic (including cyber) attacks, meaning that when fighting adversaries with robust anti-satellite capabilities the United States no longer has a sanctuary in space, which is deeply problematic because of heavy U.S. reliance on space for ISR, navigation, and communication, among many other functions. Collectively, these vulnerabilities mean that the current U.S. ability to project power and thereby deter adversaries is threatened; the U.S. ability to project power into robust A2/D2 areas must increasingly be called into question.

It is worth considering what this new third offset strategy might look like. Because such a strategy is in the early stages of development, it could still take on a variety of different forms, and in fact, a great deal of flexibility would be most useful in attempting to counter the variety of different adversaries’ A2/D2 capabilities. For example, a third offset strategy might involve directly targeting the enemy’s reconnaissance-strike network as a means of directly countering and rolling it back. But it could also render these A2/D2 networks irrelevant or ineffective by projecting power in an entirely different manner. The key is that a third offset strategy need not represent a kind of symmetric response to A2/AD the challenges.

Key U.S. advantages likely to endure in at least the near-future and that could be leveraged as foundational sets of capabilities in a third offset strategy include: unmanned systems and operational concepts for using integrating such systems with manned platforms; long range/extended range manned air platforms; low-observable/stealthy manned air platforms; undersea warfare platforms; in the advanced/extremely complex systems engineering needed to network this host of advanced systems. These are core strengths not yet duplicated by any adversary. It is these areas that will likely form the core around which a third offset strategy will be forged in the coming years.

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7 Ibid., 7.