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To: "Dr. Baruch Fischhoff - Chair, National Academy of Sciences study to Improve Intelligence" baruch@cmu.edu

From: Lloyd Etheredge lloyd.etheredge@policyscience.net

Subject: Admiral Blair's "For the first time, we have a good understanding . . . " claim; Calibration methods

Dear Dr. Fischhoff and Study Group Members:

Admiral Dennis Blair, the Director of National Intelligence, told a media conference call on September 15, 2009: *"I think for the first time, we have a good understanding of the sort of world that we're in and the complexity and the dynamic nature of the world."* <1> He also disclosed that the US government is spending \$75 billion/year, and employs 200,000 people, to achieve this understanding, which also includes the government's needed physical science understanding (e.g., global warming).

- I suggest that the most urgent task for the National Academy of Sciences and your Study is to recommend methods that Admiral Blair can use to calibrate his current knowledge/understanding and the databases + analysis methods that give his summary judgment.

If Admiral Blair is correct, this is joyful news! The Obama Administration might be justified, for example, to accept Senator Coburn's amendment to eliminate the final \$19 million/year for the NSF political science research budget, and perhaps the other social, economic, and behavioral sciences, as insignificant and no longer needed.

Examples of Areas for Calibration and Dialogue

I am deeply skeptical - and I think this would be an extraordinarily interesting and useful line dialogue to pursue between the DNI and the National Academy of Sciences.

Many of my submissions (on the public record and online at www.policyscience.net) relate to this problem. However, re your Report and the DNI's need for strategic plans to test/calibrate his understanding, here are four examples:

1.) **International Finance.** The DNI, albeit with cumulative copies of the world's daily financial data in online NSA databases, catastrophically failed to predict the global financial crisis. Robert Schiller (Yale) who spotted and warned against part of the growing problem (the US real estate bubble) believes it will take ten years or more to understand what really happened and how much of the money being spent by the US and other governments has been useful. [Schiller's estimate assumes vigorous, fast discovery academic research (e.g., supported by NSF) which has not begun.] If the DNI now "understands" the new global financial system, he should publish his results! However (e.g., submissions # 17 and 7 re predator-prey models) I have seen no public evidence that Admiral Blair grasps what appears (to a social scientist of my persuasion) as the global political ("who gets what, when and how") and asymmetrical brainpower dimensions of the problem, or has the needed high-level (human intelligence) penetrations that are prudent. (The version (albeit unclassified) of his planning Report is candid about increasing penetrations of Chinese intelligence agencies, but says nothing about sovereign wealth/hedge funds or investment banks.)

2.) **How many years does it take the US government - with 200,000 US intelligence personnel, spending \$75 billion/year - to capture or kill Osama bin Laden?** I am not convinced about the level of competence/capability that our N=200,000 bureaucracy has achieved. Given huge budget deficits, wouldn't one of the highest DNI priorities/greatest economic benefits to America be to reduce the costs of the wars in Afghanistan and other military incursions into the Arab world - e.g., by finding, capturing, or killing Osama bin Laden more quickly? I think it would be a genuine service if you can address this example in your Report. It has been eight+ years, and presumably there are huge deficiencies in the databases and analysis methods used by the DNI?

3.) **Is the DNI asking the right questions?** One of the great benefits of an external review, like your Study, is to ask whether the DNI is asking the right questions?

For example, Admiral Blair's press conference spoke briefly about the identification of "opportunity" as part of his job, but there are huge areas - e.g., compassion, international health, or human rights where I doubt that the right questions about political opportunity (my # 4 re cognitive reframing) are being asked and pursued. Perhaps you could survey the databases/analysis methods they are using?

The barriers could partly be unrecognized and institutional: Admiral Blair's N=200,000 career-government-employee system will speak with a bureaucratic voice whereas the opportunities may require an instinct for political entrepreneurship. *Pace* Admiral Blair et al., only a small fraction of the (in one sense, wider) understanding of the world that is represented in the annual meetings of the Clinton Global Initiative might be included, let alone (e.g., databases to help understand and increase compassion) developed into rapid learning systems and useful science-based understanding.

- I have colleagues who also would be deeply skeptical of Admiral Blair's claims re his understanding of adverse changes to the oceans and policy options. In part because they do not believe that much of the basic physical science knowledge exists in the declassified academic world.

4.) **George Shultz and the Chess Master Analogy.**

Secretary of State George Shultz was known, and unique as Secretary, for devoting personal time and attention to personnel issues. He wanted to identify the current strengths, weaknesses, and potentials of each career foreign service officer, the opportunities open to each, and their next assignments. He wanted rich and varied experience, and to move people around, so that "in thirty years" (at their future, more senior positions) "they can help you accomplish things."

Your Study group could be uniquely qualified to help the DNI think about this beginner-to-expert and embodied knowledge/knowledge management problem and the gap between what one individual or

200,000 individuals might understand (even from consulting what is available on a computer screen) and the level of intelligence that an institution or system like the US government, *de facto*, achieves in practice (which might be much higher or much lower). For example, there is a difference between a database that "knows" the most important 50,000 game board positions in chess and a world class chessmaster who, via 4-5 hours of purposive practice/day for 10-15 years has encountered and built initial brain pathways to recognize and think about each position. When Admiral Blair told the nation's leading news organizations that "We (*sic*) understand . . ." I am not sure that he had thought through all of these issues.<2>

Lloyd Etheredge

<1> Online at [1. www.dni.gov/interviews](http://www.dni.gov/interviews).

<2> His media briefing and the unclassified version of the national plan that he was releasing suggest that Director Blair has thought about possible solutions to problems of inter-agency coordination and cooperation. The last academic reviews about these issues, related to the US intelligence world that I recall, identified about 340 recommendations from Clinton-Gore Reinvention through the post 9/11 inquiries, most related to such institutional and system design and cooperation, personnel selection/training/development, tacit and embodied knowledge, etc. See Amy Zegart, "September 11 and the Adaptation Failure of U.S. Intelligence Agencies," in International Security, Vol. 29, Issue #4, Spring 2005, pp. 78–111; Elaine Kamarck, Transforming the Intelligence Community: Improving the Collection and Management of Information. (Washington, DC: IBM Center for the Business of Government, 2005).

Shultz clearly wanted future senior-level managers who also knew people throughout their organizations and how different parts of their organizations, at different levels, actually behaved (e.g., different cultures). I recall asking a retired senior USIA official about the reliability of the official estimates of Voice of America audiences, compiled at lower levels in the organization and included in USIA reports to Congress. He said, with a slight grin, "We've all worked on those numbers . . . "

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