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To: "Dr. Baruch Fischhoff - Chair, National Academy of Sciences Study on Social & Behavioral Science and Improving Intelligence for National Security" <baruch@cmu.edu>

From: Lloyd Etheredge <lloyd.etheredge@policyscience.net>

Subject: People, Databases, and Federal Budgets: Three suggestions

Dear Dr. Fischhoff and Colleagues:

May I suggest three additional methods to analyze the configuration of US intelligence databases and analysis methods/personnel levels: 1.) Zero-based budgeting; 2.) A grounded post-mortem of the DNI system's performance during the Bush Administration; 3.) A long-range plan based on divisions of labor and comparative advantages with US allies?

1.) Zero-Based Budgeting: What Databases and Personnel Do We Need?

The independent, two-year study by the National Academy will be our best opportunity to review the legacies of the Bush era. I hope that our nation's social and behavioral scientists will not, through your Report, give only limited technical advice about improving databases and analysis methods. The Report also should audit the scientific case for a huge \$75 billion/year global data and analysis system and the number of people that it employs: Are these scientifically justified by what we now know about threats in the world - e.g., 300 al-Qaeda in Pakistan, 100 in Afghanistan?

Can you estimate - for example on the basis of threats to Israel and to the UK and their expenditures - the shape of the US marginal cost curve? Could we cut \$10 billion/year and - perhaps by using the remaining resources more efficiently - have about the same level of national security?

Why - if we have spent \$600+ billion across the past decade - do we need to stay at the \$75 billion annual rate? <1>

- If our nation's social and behavioral scientists remain silent, we may have lost a unique opportunity to stimulate policy discussion. The silence of the National Academy of Sciences might be taken as assent. And these are - at least to a political scientist like myself - dangerous systems, whose dangers I hope you can es-

time.<1> [Moynihan was a liberal but the wisdom of his views might be equally endorsed by radicals or conservatives.] It may be wise to dismantle many of these national/global systems quickly, or scale them back while retaining a surge capacity if they are needed someday.

2.) Explaining Poor Performances in the Bush Years?

In redesigning databases and analysis systems, what should we learn from a grounded post-mortem of the Bush years? There was so much poor performance that we would not want to repeat - the war on drugs, Iraq (for many years), Afghanistan/Pakistan, unprevented resurgences in Yemen and Somalia, an unanticipated global economic catastrophe. The Obama Administration has changed less than 1% of the people, at the top. It is unlikely that this is enough. Specifically:

In Washington, the typical short-sighted pattern is to add new agencies or higher bureaucratic layers when the underlying institutions show unsatisfactory performance. As the great surges of highly talented and motivated people who came to Washington during WWII and the New Frontier/Great Society/Cold War days have subsided, new and higher layers like the National Security Council and the DNI system have been added to cherry-pick the best people from the underlying agencies and attract talented managers from other institutions who will serve a new President for several years at a high level. But 80%+ of the system has inherent problems unaddressed. In the private sector an unsuccessful company like GM eventually goes through bankruptcy; the Executive branch expands its personnel budget.

Several weeks ago I forwarded the candid assessment from a leader for military intelligence in Afghanistan excoriating the limited cognitive abilities - after eight years of war! - of the military intelligence staff he relied upon, which he did not feel was compensated for by the software driving the computer screens that they spent their time watching. His alarm goes to the point. <2>

- More deeply, once you begin to add bureaucratic and status layers you create too many incentives for ambitious and talented people to focus on upward mobility within the mega-system rather than on the issues. It's like a university that tries to become better at research and teaching by vastly expanding the personnel budget for its Administration. Even if you give these new Administrators vast budgets for new databases, surveillance, and analysis (or even cadres of smart Special Assistants with graduate degrees from the Kennedy School) - and even hire the National

Academy of Sciences to give them advice about databases, surveillance, and analysis - it won't make any difference. And it could make a university worse.

3.) **Divisions of Labor and Comparative Advantages**. For the long run, America has many allies - Israel, Saudi Arabia, NATO countries, India - who have equal or greater incentives for counter-terrorism surveillance and far greater front-line capacity to hire their own citizens with the language skills and cultural backgrounds to penetrate and understand terrorist organizations. They also - because of greater immediate threats - are more likely to sustain recruitment of highly capable people, vigilance, and performance.

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<1> The "need to know" compartmentalizing and other tradecraft protections that are being discarded in merged data systems also served as civil liberty guarantees. And protections against abuses and the vast sums that current/former employees of the new globalized intelligence net could earn from non-US government and private sources. It would be wise for the National Academy Report to take the long view and assume that people like Nixon, J. Edgar Hoover, Bush/Cheney, and Alberto Gonzalez will come to power in the future.

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