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To: "Dr. Baruch Fischhoff - Chair, National Academy Committee on Improving Intelligence" <baruch@cmu.edu>, "Dr. Richard Atkinson" <rcatkinson@ucsd.edu>, "Dr. Kenneth Prewitt" <kp2058@columbia.edu>, "Dr. Jonathan Cole - CASBS" <jrc5@columbia.edu>

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

Subject: 181. Rebalancing the \$80.1 billion/year; Endowing Behavioral Science and National Intelligence Capabilities; Recapitalizing and the News Media

Dear Dr. Fischhoff and Colleagues:

Now would be a good time for interested universities and professions to build on the pending Report of the National Academy of Sciences/Fischhoff study group. We should develop proposals to endow new, 21st century (and G-20) capabilities for teaching and research concerning Behavioral Science and National Intelligence, including strengthening news capabilities for emerging networks.

Strategic Rethinking: \$80 Billion/Year

This is timely because there is a belief in Washington that the US government should begin to reduce its annual expenditures via the \$80 billion+/year DNI system. Rather than only cutting this budget, we should be thinking about smart, strategic options for rebalancing and downsizing.

[The recent Washington Post "Secret World" series (#137) and the new disclosures about the true size of the DNI budgets are part of the process of laying the groundwork for budget reductions. (I enclose a copy of Walter Pincus's article in today's Washington Post, "Intelligence Spending at \$80,1 Billion in First Disclosure of Overall Figure.")]

For example, the discussions of the Fischhoff project have been a catalyst to bring forth and identify an extraordinary range of promising ideas and (delayed) research programs that can

develop the capabilities of behavioral science to improve national intelligence in a changing world. And, too, provide a steady flow of future graduates with state-of-the-art capabilities in these new methods (e.g., GCAS; the use of cross-cultural survey research methods to study comparative political psychology/political behavior). <1>

Recapitalizing & Shifting Endowment: The Ford Foundation Model

A promising model for the Obama Administration, from fifty years ago, is the Ford Foundation's original decision to shift endowment funds for earlier international studies to leading universities. These Ford Chairs - presumably, today, about \$1.5 million+ each - allowed initial hiring and a slow, steady growth of national expertise for research and teaching about the major actors and forces in the Cold War era of global geopolitics.

Re endowing programs in the wide agenda of opportunities for promising multi-disciplinary studies within the purview of the federal government's \$80.1 billion/year responsibilities: What would you think about suggesting a critical mass of about three added faculty positions at each institution, plus support staff and further endowment to support three graduate fellowships and three post-docs (for additional cross-disciplinary training, or language or area-studies training)?

- The long-term strategic plan would include a recognition that we need to build "behavioral science and *national*/intelligence" capabilities in about twenty countries and their regions. The right strategic plan is to have all governments in contact with foreign realities and global policy processes and using policy analysis capacities for forecasting/abstraction + foresight as part of the new, networking, world. The historical challenge, across the arc of the next one- to two- decades is "national intelligence (US) x 20" - i.e., building a new and effective systemic capability for intelligence and wise collective choices.

Specifically: Whatever downsizing arc might be envisioned, a slightly slower pace would make it possible to rebalance between the original emergency needs and the longer-term investments and capabilities we will need for the 21st century. As the total budget goes downward in the long-term, perhaps \$100 million/year of the annual expenditure could be converted and transferred (as permanent endowment and investment) each year for 3-4 years? Perhaps \$8 million - \$10 million/package with additional packages available for the regional Centers

abroad?

Leadership and Organization?

I do not have a specific idea about how to proceed. Dr. Atkinson may have ideas about how these kinds of discussions are brought together and how transfers can be made that preserve the reality (in addition to the appearance) of academic integrity and freedom.

- The Association of American Universities (AAU) (still chaired by Robert Berdahl if my memory is accurate) was very strategic and timely in organizing "shovel ready" opportunities for the construction of physical facilities at its 63 member universities for the Stimulus Package. They are already beginning to think strategically about what the Obama Administration calls the G-20 global system and its requirements - e.g., with recent visits to Indonesia and Iran.

- Partly, a national strategy will have to depend upon the availability of current faculty and internal leadership, which may not always be available.

Recapitalizing the News Media?

To support academic research (and well as the long-term requirements of the DNI system and its constituent parts) it also might be a good idea to consider the BBC/MI-6 model, and the Swensen and Schmidt proposal (# 66 and # 130 archived at www.policyscience.net at II. D.]

Beyond the core of the traditional, daily mass-audience newspaper, there are extraordinary opportunities for news and analysis to serve and support emerging global professional (government + NGO), policy-discussion and thinktank networks across the G-20 and many fields. Rather than duplicate the BBC system (# 160), the Washington Post International Service could evolve and be positioned to serve the needs for detailed political understanding and global policy development across the G-20.

A combination of endowment funds (to build startup capability) and (then) annual subscriptions [e.g., on the Lexis-Nexus model, which receives annual income for the free online access provided throughout the intelligence community] might work. <2>

The Washington Post International Service Website could become a G-20 political portal, a daily "must check" stop for government officials and policy-influencing/activist networks worldwide.

The goal is not simply to use the time of US government officials, at all levels, more productively but also to organize emerging global communications technology to support the growth of national intelligence about global political processes by professionals in the governments of Indonesia, Brazil, Turkey, India, China, South Africa (etc.) who will be playing leading regional and global roles in the 21st century, And - beyond mere information - the initiative helps to build conversations, shared cognitive maps, identities and sensibilities throughout the G-20 system. It also is a political strategy, in the best sense. <3>

- A parallel system might be developed for the Wall Street Journal, or an equivalent leader in global financial/business news if there are gaps in news available to policy makers.

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<1> Behavioral Science and National Intelligence is a generic term for the Recapitalization/Endowment grants. Specific programs could be specialized - for example, to the study of the new ecology of political economy and global finance (e.g., the applications of game theory, predator-prey models and war-gaming methods (# 178).)

<2> The BBC monitors about 200 global TV channels (alongside print publications) and has a global network of 12,000 contributing journalists in the UK and 80 global locations/ A Washington Post service could overlap, but focus on the global activities of professions, science-based and other policy discussions, the activist/policy work of foundations and thinktanks, the philanthropy of multi-national corporations, the foreign policy process across the G-20, etc.

<3> One possibility might be to expand and develop the original Princeton model (<http://uc.princeton.edu>) - now migrated to the Apple iTunes U, system.

Intelligence spending at record \$80.1 billion in first disclosure of overall figure

By Walter Pincus

Washington Post Staff Writer

Thursday, October 28, 2010; 9:06 PM

The government announced Thursday that it had spent \$80.1 billion on intelligence activities over the past 12 months, disclosing for the first time not only the amount spent by civilian intelligence agencies but also by the military.

The so-called National Intelligence Program, run by the CIA and other agencies that report to the Director of National Intelligence, cost \$53.1 billion in fiscal 2010, which ended Sept. 30, while the Military Intelligence Program cost an additional \$27 billion.

Spending on intelligence for 2010 far exceeded the \$42.6 billion spent on the Department of Homeland Security and the \$48.9 billion spent on the State Department and foreign operations. The cost of the Military Intelligence Program has always remained classified. But as undersecretary of defense for intelligence, James R. Clapper Jr., now the director of national intelligence, secured approval to release the figure.

"I pushed through and got Secretary [Robert M.] Gates to approve revelation of the Military Intelligence Program budget," Clapper told the Senate Select Committee on Intelligence in July. In disclosing the military intelligence figure, which includes more than \$3.5 billion spent in Iraq and Afghanistan, Defense Department official said no program details will be released.

Although an overall intelligence budget was not released last year, then-Director Dennis C. Blair told reporters in a teleconference that the overall budget was \$75 billion. At that time, the officially released budget for the National Intelligence Program was \$49.5 billion.

The disclosure Thursday that intelligence spending had risen to \$80.1 billion, an increase of nearly 7 percent over the year before and a record high, led to immediate calls for fiscal restraint on Capitol Hill.

The new total is more than double what was spent in 2001, noted Sen. Dianne Feinstein (D-Calif.), chairman of the Senate Select Committee on Intelligence. However, that was before the terrorist attacks of Sept. 11, 2001, prompted major shifts by the intelligence community.

"I intend to identify and remove any waste and unnecessary duplication in the intelligence budget and to reduce funding for lower-priority activities," Feinstein said in a statement. She added: "It is clear that the overall spending on intelligence has blossomed to an unacceptable level in the past decade."

Rep. Silvestre Reyes (D-Tex.), chairman of the House Permanent Select Committee on Intelligence, joined Feinstein in calling for fiscal restraint on the part of the intelligence community. He said that, along with Feinstein and her vice chairman, Sen. Christopher S. Bond (R-Mo.), he had put cost controls on major systems, such as intelligence satellites, and looked forward to helping to "eliminate the waste, fraud and irresponsible use of taxpayer dollars."

The Washington Post series "Top Secret America" described the growth and spread of the U.S. intelligence community since 2001. In an interview for the series, Gates said he didn't believe the intelligence bureaucracy and its contractors had grown too large to manage. But he added: "Nine years after 9/11, it makes sense to sort of take a look at this and say, 'OK, we've built tremendous capability, but do we have more than we need?' "

Gates has commissioned a major review of the Pentagon budget, with a goal of finding \$100 billion in excess spending over five years, thus reducing the growth of the Defense Department budget to about 2 percent annually excluding the costs of the wars in Iraq and Afghanistan.

CIA Director Leon Panetta told The Post that he knew intelligence spending faced reductions and that he was working on a five-year plan for his agency.

Steven Aftergood, who publishes the Secrecy News blog for the Federation of American Scientists, has pushed for disclosure of the top line intelligence budget for years. He said Thursday that the release of the new figure permits the government "to speak realistically about the level of intelligence spending."

He also said it took 30 years to get to this point, after convincing skeptics that the release of the figure would not harm national security. "I don't see now an avalanche of intelligence disclosures," he said

Dr. Lloyd S. Etheredge - Director, Government Learning Project

Fellow, World Academy of Art & Science

Policy Sciences Center

URL: www.policyscience.net

301-365-5241 (v); lloyd.etheredge@policyscience.net

lloyd.etheredge@aya.yale.edu (email)

[The Policy Sciences Center, Inc. is a public foundation that develops and integrates knowledge and practice to advance human dignity. Its headquarters are 127 Wall St., Room 322 PO Box 208215 in New Haven, CT 06520-8215. It may be contacted at the office of its Chair, Michael Reisman (michael.reisman@yale.edu), 203-432-1993. Further information about the Policy Sciences Center and its projects, Society, and journal is available at www.policysciences.org.]