

**Reducing Uncertainty: Intelligence and National Security  
Spies Collect Data, Analysts Provide Insight**

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Introduction

Thank you for coming this evening, especially those of you who attended the first lecture and decided to give me another hour of your time. The generosity of the family of Frank and Arthur Payne has enabled me to reflect upon my experiences in the Intelligence Community with the goal of using what I learned in Washington to inspire Stanford students to consider careers in public service and to help the broader Stanford community to understand and contribute to the national security enterprise. The lectures in this series are part of that broader effort.

My first Payne Lecture, which is available on the FSI website, addressed myths about, expectations for, and challenges facing the Intelligence Community. The third lecture, on October 21, will discuss how intelligence can be used to anticipate and shape future developments. This evening, I will focus on analysis and the roles and responsibilities of the men and women who determine what questions to address, where to look for answers, and how best to make sense of incomplete and inconsistent information. I will also describe the character and importance of relationships between analysts and the officials they support.

You need to know that I am a biased observer. Although I spent 38 years in and around the Intelligence Community, I am not now and never have been a spy. I'm an analyst. Spies do important, sometimes incredible work, but without skilled analysts, much of what spies and other collectors do would have little value. Spies collect information, but until that information is assessed and interpreted by an analyst, it's just data. During the next 40 minutes, I will provide an overview of how analysts assist decision makers, military commanders, and other "customers" in the national security enterprise by providing information and insights that reduce uncertainty about what is happening, what is likely to happen, and what can be done to ensure or prevent specific developments.

The Role of Analysis in the National Security Enterprise

The primary purpose of intelligence is to reduce uncertainty and clarify what we do not know about the issues confronting those who make decisions affecting our nation. Knowing more and having better understanding of the issues and drivers that shape events does not guarantee good decisions or successful policies, but it does improve the odds. The mission of intelligence analysis is to evaluate, integrate, and interpret information in order to provide warning, reduce uncertainty, and identify opportunities. Providing insight on trends, the political calculus of particular foreign leaders, or the way problems are perceived by people outside the United States is often more helpful to decision makers than the presentation of additional "facts" or speculation about "worst case" possibilities. Discovering that a country is cheating on a treaty commitment may be less important than providing insight into why it is doing so. Ferreting out

all details of an adversary's new weapon system may be less useful than finding a vulnerability that can be exploited. Prompting decision makers to rethink their own assumptions and preliminary judgments may be more beneficial to the national security enterprise than providing definitive answers to specific questions.

Of the senior officials with whom I was privileged to work, the one who was most knowledgeable about intelligence and the Intelligence Community was Colin Powell. In one of our first conversations after he became Secretary of State—at the time I was Acting Assistant Secretary for Intelligence and Research—he gave clear and succinct guidance when I asked what he wanted from his in-house intelligence unit. That was, “Give me insight, not news.” Later he met with everyone in the Bureau and provided equally pithy and valuable guidance: “Tell me what you know. Tell me what you don't know. And tell me what you think.” I would add, “And make clear which is which.”

Collectors provide input, often very valuable input, for the “what you know” basket. Analysts generally describe everything in the “what you don't know” basket as a “collection gap,” but blaming the collectors is not an acceptable way to deal with the problem. The “what you think” category subsumes a number of distinct and equally important elements. One is explication of the assumptions used to close information gaps. Taxpayers do not spend billions of dollars on intelligence in order to elicit “we don't know” as the definitive statement about national security issues. We have to do better than that, and we do. Explicit articulation of assumptions—often to include explication of why other assumptions (or hypotheses) were rejected—is part of the analytic process. “What you think” also subsumes analytic judgments about what is driving events, where they are headed, what might deflect the current trajectory, how others will respond, and so forth.

A judgment is not a fact. A third component of “what you think” is the articulation of confidence levels—telling customers how much or how little confidence you have in the information available to you and the judgments you have made. Sometimes clear statements about the level of confidence are as or even more important than the judgments themselves, especially if the confidence level is low. Confidence in the judgment logically should be lower if you know that other analysts, using the same information but perhaps different assumptions or weighing the evidence differently, have come to a different conclusion. Policymakers deserve to be—and now must be—told as soon as it becomes clear that analysts using good tradecraft have reached different judgments regarding important policy issues. The message policymakers should hear is, “Please note that the ice under this judgment is thin. Before you commit your prestige or the power of the United States to a course of action predicated on what intelligence analysts have determined to be the case, you need to remind yourself that available information and good tradecraft were inadequate to determine with confidence what has happened or what will occur.” The need to make absolutely clear the existence of such analytical differences, and why they exist, is one of the clearest lessons learned from the post mortem on the much criticized 2002 National Intelligence Estimate on Weapons of Mass Destruction in Iraq.

Intelligence, especially analytic support, is useful to decision makers in direct proportion to the degree to which it is timely, targeted, and trusted by those who receive it. Another way to say this is that in addition to being factually accurate, intelligence analysis must be—and be seen to

be—both objective and germane to the needs of those for whom it is intended. Thorough examination of all relevant factors and how they interact is seldom possible within the real-world decision timelines of US officials and “getting it completely right” is often less important than “providing useful information and insights to the right people at the right time.” Even data rich and methodologically brilliant analytic products may contribute little to the national security enterprise they are supposed to support if they are prepared without understanding of the knowledge, timelines, and objectives of officials working the issue.

The Intelligence Community supports “all” of the agencies and individuals responsible for protecting our nation, our citizens, and our interests. Those expecting support cover a spectrum that runs from the President to the people who design equipment, tactics, and countermeasures for the Navy, formulate diplomatic strategy, or respond to humanitarian emergencies. The specific needs of individual and institutional “customers” depend on their bureaucratic responsibilities. For example, the Pentagon focuses primarily on military matters but Treasury concentrates on economic issues and the State Department is responsible for diplomacy and Americans living or traveling abroad. The intelligence needs of these and other US Government organizations are very different. The desk officer responsible for Venezuela or Thailand needs qualitatively different intelligence support than does the Secretary of State or the Assistant Secretary for Africa. As a result, intelligence support is a retail activity that must be tailored to the specific needs and timelines of individual customers. One-size-fits-all solutions are not very helpful to anyone.

Time constraints preclude in-depth discussion of the many types of tailored support demanded of--and provided by--intelligence analysts, but I hope the importance of the challenge is largely self-evident and would be happy to provide additional examples during the question and answer period. For ease of presentation, I will describe support to a generic “senior customer,” but most of what I will say applies to customers at all levels. The principal difference is that those lower in the bureaucratic hierarchy have narrower portfolios and require more detail than do those at the top.

Intelligence analysts support their primary customers by helping them to cope with the unrelenting stream of issues, demands, and opportunities that confronts them every day. No matter what the specific job or portfolio, things happen—or are reported to have happened--that require attention, information, and understanding sufficient to determine whether they require the immediate personal involvement of a particular official or can safely be delegated or ignored, at least for the time being. No official likes to be in the position of not knowing about a development cited by a counterpart or raised by a member of Congress or the media. At a minimum, customers expect to be informed—or alerted if the development seems to be within their bureaucratic purview—but they always want more than notification that something has occurred or is about to occur. Collectors—those who elicit, purchase, steal, or stumble upon information can provide the “heads up,” but analysts are needed to provide context, assess implications, and anticipate how events will unfold.

A portion of every analyst’s job involves answering questions. Sometimes the questions are posed in the course of a meeting and may require both an immediate answer and a longer and more considered response. Questions can be factual (e.g., When was the last time that a

particular country staged military exercises as large as those now taking place?), analytic (Why did Iraqi President Maliki decide to move against insurgents in Basra without informing the US?), or estimative (What is likely to happen in Afghanistan over the next six months?). Factual questions are answered as quickly as possible, often on the spot. The ability of an analyst to provide confident answers with adequate levels of detail is a function of both expertise and ability to anticipate what the customer is likely to require. The adequacy of the response depends, in part, on the confidence those present have in the analyst.

Perhaps the best way to demonstrate the importance of reputation and trust is to provide a brief example from my years in the State Department's Bureau of Intelligence and Research (INR). The issue of the day was Haiti and preparations for an international force to restore order. The specific question concerned which countries would provide troops. The Under Secretary for Political Affairs had convened a meeting to integrate and assess information from US and foreign diplomats. Our embassy in Buenos Aires, our UN Mission in New York, the Assistant Secretary who had been in contact with the Argentine Ambassador to the United States, and two or three others assured the Under Secretary that Argentina would provide troops. There was only one dissent and, typically, it came from INR, which had said, in writing, that officials from President Menem on down would provide assurances of participation to solidify relations with the US but would not actually do so because domestic politics in Argentina made it impossible for Menem to send troops. The Under Secretary asked just one question, "Who did the INR analysis?" When told the name of the analyst, whom he knew well, the Under Secretary said, "Let's move on, Argentina isn't coming." That analyst's stock rose even higher when the multilateral force was formed and Argentina did not send troops.

Sometimes the most important "answers" are the ones that address questions customers should have asked but didn't. To be useful, analysts need to know what their customers know, what they are trying to accomplish, and the approach being used to formulate and evaluate policy options. Questions that are more difficult to address include those that come to an analyst indirectly with little or no information on why the question was asked. The objective in all cases is to provide more than "just the facts." Good tradecraft requires providing information on context, patterns, the quantity and character of intelligence germane to the subject, and other insights likely to help customers to understand the issues that prompted the query. Three keys to providing timely and useful answers are command of one's portfolio, knowledge of where to go for data and help to interpret what it means, and practicing good analytic tradecraft even on routine or quick turn-around matters.

Answering questions is, in certain respects, the easy part of the job. Tracking developments germane to the analyst's own accounts and the responsibilities of his or her customers is more difficult because it requires asking the right questions and knowing where to seek answers. Although both customers and analysts routinely lament the existence of "collection gaps" resulting in a paucity of information on specific subjects (when in doubt, blame the collectors!), on virtually every subject of any importance, there is a steady stream of information that might be relevant. One of the most important parts of an analyst's job is to formulate questions that will provide timely insight on key questions and can be answered with available or obtainable information.

Every analyst also has a responsibility to monitor developments and trends in his or her portfolio in order to determine where they seem to be headed and how they might affect American interests or the viability of approaches being considered or implemented by those they support. Analysts should also be alert to potential opportunities for policy intervention to mitigate or capitalize on what is taking place. For most analysts, most of the time, the focus should be on providing strategic warning, i.e., informing customers what appears likely to happen far enough in advance to allow deliberation and the formulation of policies to encourage what appears desirable and to thwart or mitigate unfavorable or dangerous developments.

Despite the “theoretical” focus on strategic warning, no official likes to be surprised by breaking developments or to appear “out of the loop,” even on matters outside his or her own portfolio of responsibilities. To avoid surprise—and embarrassment—they expect to be informed of new developments by multiple mechanisms, including their own staff or agency operations center, telephone calls from the field or a friend, or even TV and the Internet. But they assume, and expect, the Intelligence Community to function as a fail-safe alerting mechanism and, if they are not alerted to “breaking news,” blame is usually ascribed to the Intelligence Community. Knowing this, analysts who support a particular customer, and the IC as a whole, are conditioned and structured to monitor developments everywhere and to report events that make it over a relatively low threshold. Analysts also know that customers expect more than “just the facts.” They want to know what the facts mean.

The combination of customers who do not want to be surprised and IC analysts eager to satisfy the needs of their primary customers is perhaps the most significant cause of what many have criticized as an excessive preoccupation with “current intelligence.” Many analysts complain about, and many pundits decry, the amount of time and effort consumed by the preparation of duplicative quick turn-around assessments of inconsequential developments and erroneous information. The problem is more insidious than simply wasting the time of many analysts because assessing, explaining, and interpreting developments has a tendency to inflate their significance and thereby cause an individual, organization, or even the entire national security enterprise to become distracted by matters they cannot affect and do not matter all that much anyway, at least not to the security interests of the United States. Examples of such distractions include reports that an unsavory African rebel leader has moved across an international border from one ungoverned space to another, the fifth (or tenth or whatever) report that Venezuelan President Hugo Chavez is providing money to the same left wing candidates in South American countries, and reports in unreliable foreign media that something untoward has occurred or will occur in another country.

#### What Policymakers Want and What They Need.

As a group, policymakers—and their counterparts in the military and law enforcement arenas—are both smart and knowledgeable about the issues in their portfolios. Not all fit this characterization, but most do. Officials who have not had prior experience working with the Intelligence Community often begin their tenure by saying something like, “Just bring me the raw intelligence and I’ll figure it out myself.” “Raw intelligence” or “traffic” is Washington jargon for information provided by collectors. Analytic products are referred to as “finished intelligence.” The distinction significantly understates the difficulty and importance of what collectors do. Many decision makers doubtless are—or could be—good analysts, especially

those with decades of experience, but most quickly discover that they simply do not have time to wade through the reams of information that pour in every day, and that they have no real option except to let the analysts with whom they work serve as their eyes and ears on matters in their portfolio and do most of the heavy lifting to validate, evaluate, explain, and interpret the information that comes in “automatically” or in response to their own queries and analysts’ instructions to collectors.

Some officials are refreshingly honest. When he was Deputy Secretary of State, Strobe Talbott asked me to stay behind when others left a briefing by analysts from an agency that shall remain nameless on developments in one of the Central Asian states that had been part of the Soviet Union. Before asking for a paper on a few aspects of what had been briefed, Strobe said, “I know people think I know all this stuff but I really don’t. I didn’t want to hurt their feelings, but I had no idea what they were talking about.” The analysts involved had violated one of the first rules of customer support: know your customer. Know what he knows, what he wants to know, and what he doesn’t seem to know that the analyst thinks he should understand. Such knowledge requires frequent contact and mutual trust.

To earn the trust of those they support, analysts must demonstrate substantive expertise, objectivity, understanding of the mission and objectives of their customer, and discretion. All four of these elements are essential. Unless an analyst demonstrates mastery—or at least a good understanding—of the subjects in his or her portfolio, policymakers are unlikely to pay much attention to proffered insights or suggestions to think about an issue somewhat differently. Carrying “secrets” in a locked pouch enables an analyst to gain access, but unless the analyst can hold a sophisticated conversation on subjects germane to the responsibilities of the customer, he or she doesn’t contribute much to the decision making process. Objectivity is even more important because an analyst who is perceived to have an agenda will be assumed to be cherry-picking information and skewing analytic judgments. Failure to understand what the customer needs and is trying to accomplish degrades the utility of the information and insights provided by the Intelligence Community. Simply stated, if what is provided isn’t relevant, it isn’t useful. Working sufficiently closely with the customer to understand his or her requirements exposes the analyst to issues, options, and political strategies subsumed under the rubric of “the deliberative process.” It requires both good judgment and discretion to distinguish what must be shared with others in the Intelligence Community in order to provide appropriate support to the national security enterprise as a whole from what must be treated as privileged information.

Confidence and trust are essential because without them analysts can only guess at what their customers need and policymakers will have scant basis for determining whether insights provided by IC analysts are better or worse than those from their own staff, foreign counterparts, interest groups, the media, or other sources of information. Intelligence judgments should not automatically trump others, but they should be—and be seen to be—informed by as much or more information than other assessments, the product of rigorous tradecraft, and as objective as possible. This is especially true of what may be the most important judgments of all: those conveyed on the spot by trusted analysts who have the confidence of those they support. Reputation and integrity matter.

Many who write about the Intelligence Community with little understanding of how it actually functions insist that analysts must avoid becoming “too close” or “captured” by the officials they support. That admonition is right, but it is too vague to be helpful. As I have tried to make clear throughout this talk, it is imperative that analysts be sufficiently close to their customers to understand their needs and gain their trust. How close is “close enough” and how close is “too close?” The answer depends on the personalities involved, their awareness of the role that each plays in the national security enterprise, and the professionalism of the analyst. I have high confidence in the professionalism of IC analysts. We tend to be fiercely protective of our integrity, objectivity, and independence, and I trust most analysts to do the right thing, seek guidance when unsure, and report any attempt to “politicize” their work. The legislation that established the Office of the Director of National Intelligence mandated the creation of an ombudsman for analytic integrity and an annual report to the Congress on instances of attempted politicization. I’m happy to be able to report that the annual survey of all analysts that we conducted each year produced very few cases of perceived attempts at politicization, and that in most cases analysts also reported that they and/or their agency had taken appropriate steps to ensure that the attempts were unsuccessful.

This might be the place for a few more anecdotes to give you a flavor for the way things actually work. When I was Chief of the China Division—way back in the Reagan administration—many people speculated about the difficulty I was likely to have when Gaston Sigur moved from the National Security Council to the position of Assistant Secretary for East Asia and the Pacific. They did so because I was thought to be further to the left than I am and Gaston was considered by some to be extremely conservative. What actually happened is that we quickly developed an exceptionally close working relationship with a high level of mutual trust and affection. Gaston gave me tremendous access to his meetings and his thinking, and regularly asked me to comment on papers prepared by his staff or ideas that he was thinking of proposing. I’m confident that he was looking for more than a “liberal” perspective; he wanted a sanity check to ensure that what was proposed was not wildly inconsistent with available intelligence and IC judgments, and he wanted to know what I thought about the region we both knew well. The highest priority for both of us was to protect and advance the interests of our country. I never thought I was in danger of violating my responsibilities as an analyst and am certain that the Intelligence Community was able to provide better, more focused support because of the optic into his thinking afforded by our relationship of trust and respect.

The second illustration is an exchange I had with Secretary Albright after I had briefed her on new information regarding a country in the Middle East. When I finished, and after she had asked a few factual and analytic questions, she said, “What should I do about this?” I replied, “Madame Secretary, I’m an analyst; you know I don’t do policy.” She said, “Right, and I don’t do analysis. Now, what should I do?” I demurred a second time, saying that I didn’t think I knew enough about her objectives and the broader policy context to provide an informed answer. Her response: “Tom, I asked your opinion because I respect your judgment. That doesn’t mean that I am going to do what you suggest, but I do want to know what you think.” In response, I framed the problem as I thought it should be considered and suggested a course of action to deal with the problem. Having given a recommendation, I resolved to be even more careful to ensure that I did not select or interpret information obtained thereafter with the goal of validating or

reinforcing my answer. I hope and expect that every analyst would do the same under similar circumstances.

### Describing the Process: How Sausage is Made

If the discussion thus far seems complicated, chaotic, and frenetic, you have been paying attention. What you should have absorbed so far is that literally hundreds of customers spread across most components of the US Government are working thousands of issues simultaneously and levying an unrelenting stream of requirements on the Intelligence Community. Analysts turn for help to collectors who use overt, covert, and clandestine methods to obtain information that might help analysts to understand what is going on so they can provide insight to policymakers, military commanders, and other customers. The process does not work as efficiently as it should and we can and will make it better, but rationalizing the process is more challenging than you might expect, not just for reasons of bureaucratic inertia, truculence, and the like, but also because, despite the chaotic elements, the system actually works pretty well.

How do analysts discern the needs of their customers and provide insights useful to their roles and responsibilities? To answer that question properly would require far more time than you want to give me so I will reduce my description to a very simple schematic that focuses on two modes of interaction that occur simultaneously and are not mutually exclusive. The descriptive labels were invented for this talk but the phenomena they describe are real.

*Formal or “coordinated”* support encompasses the products and procedures used to ensure that the most senior officials working national security issues have access to a common set of assessments and insights produced by Intelligence Community analysts. Though it is an oversimplification, you can think of this group as the White House and Cabinet-level participants in National Security Council-led endeavors. Each member of this group gets both a common set of products and briefings plus tailored analytic support from his or her in-house intelligence component (such as INR in the State Department) and from analysts at the CIA (and sometimes other agencies) who support NSC “Principals.” “Principal” is Washington jargon for the senior official in any of several settings. This “core” of common information consists almost entirely of analytic assessments but sometimes includes selected pieces of “raw” intelligence that analysts think it important to call to the attention of senior customers.

This information is provided through the *President’s Daily Brief*, which is a process as well as a product, National Intelligence Council products, and certain commissioned or independently generated analytic products germane to the subjects under consideration. These products have been subjected to rigorous quality control reviews and “coordinated,” either formally or informally, among all appropriate elements of the IC. When analysts employing good tradecraft reach different conclusions, the process ensures that all—in reality seldom more than two—alternative judgments are presented in a balanced way. This was not always the case in the past but it was built into the process after the sad experience of the 2002 Estimate on Weapons of Mass Destruction in Iraq. Knowing that senior officials are busy, travel, and have more to read than they can manage, the process provides three (or more) shots at the judgments, arguments, and insights of IC analysts. Key materials are presented (briefed orally and/or made available in hardcopy) through the *PDB* process, in briefing books prepared for meetings at which the issues

will be discussed, and in a brief oral summary of Intelligence Community views presented during the meeting by the Director of National Intelligence or another IC “Principal.”

*Less formal and more highly targeted* support is provided through regular interaction between subordinates of the “Principals” (e.g., Under Secretaries, Assistant Secretaries, and below) and their IC support teams. These teams typically consist of 1-2 individuals who are included in meetings, know agendas and deadlines, and know what their customers know, want, and need as well as how they want to receive information (orally, in writing, via their own subordinates, etc.). The support team also includes a small number of regular but not daily interlocutors from the CIA or another “external” component of the analytic community. Ideally, the internal members of the team keep the external participants up to speed but, frankly, that does not happen nearly as often or effectively as it should.

#### When it all comes together

At the conclusion of the old and rather bad TV show called the A-Team, George Peppard would always say, “I love it when a plan comes together.” That often was the way that I felt about the performance of the Intelligence Community. Disparaging the work of IC analysts by citing the same, short, list of “failures” is a game that anyone can play and many do, but the fact of the matter is that things go right, and we get it right, far more often than not. One data point you might find of interest is that of the roughly 14,000 analytic pieces that I sent to senior officials in the years after I became Deputy Secretary of State for Analysis in 1994, only a handful turned out to be seriously flawed. Most were not completely correct, but they were useful to those we supported. And remember, the IC doesn’t—or shouldn’t—work easy problems with abundant evidence and minimal time pressure. We exist to do the hard stuff, to figure out what the puzzle looks like when we have only a handful of pieces and are not even sure that they all came from the same puzzle.

My point here is not to defend accuracy or adequacy; it is to proclaim and defend the efficacy of the process I have outlined for you this evening. When the process works, which it does most of the time, it is far more elegant and important than the making of sausage analogy suggests.

When it works properly, the following things happen:

- Senior officials across the national security enterprise receive the same core set of information, most of which is analysis focused on the issues they are currently working or will have to address together. This essential core includes the most carefully prepared and coordinated analysis produced by the Intelligence Community. When analysts interpret information differently or reach different judgments, the existence of--and reasons for--the differences are made known to all senior officials.
- Seniors and subordinates across the national security establishment also receive information and analytic input tailored to their own agendas and responsibilities. Here, also, substantive analytic differences are made known as soon as they have been identified.
- Seniors obtain sufficient information from their IC support teams to judge whether characterizations and options sent to them by subordinates are consistent with intelligence judgments on the issues.
- Submissions from subordinates should be, and usually are, consistent with intelligence judgments because the process is designed to ensure that those lower in the chain receive

tailored intelligence support and have opportunities to query and task the analysts whose job it is to see that their customers have what is required to work a problem, and that they know what information is being provided to those higher in the system. As papers move upward through the system, there are numerous opportunities for more senior policy officials to assess the appropriateness and viability of proposed actions in light of their understanding of the situation, which, in turn, has been informed by their own interaction with IC analysts. They will also know what information has been shared with other policymakers and with the Congress.

- Papers and proposals are informed by intelligence input that makes very clear what is known, where gaps exist, the assumptions used to close those gaps, the confidence analysts have in both sourcing and specific judgments, and whether (and which) alternative hypotheses or explanations were explored and considered to be less persuasive.

When everything works, which, again, is most of the time, there are no surprises as ideas move through the system. There are repeated opportunities to check on both the nature of the analytic judgments and whether policy recommendations are consistent with those judgments, and decisions are better than they otherwise might be because of the input provided by IC analysts. If something makes it all the way to the top of the food chain before a Cabinet officer or NSC senior director spots a glaring inconsistency, something has gone badly wrong.

In closing let me underscore that it is policymakers, not intelligence professionals, who decide what to do with the information and insights derived from information collected and assessed by the Intelligence Community. Most of the time, decisions and actions are clearly or broadly consistent with the intelligence judgments, but that is not always the case and the discrepancies are not always bad. Policymakers are supposed to weigh factors in addition to intelligence and this sometimes leads them down paths different from those suggested by the logic of analytic input. Intelligence professionals need to understand and respect that this is the way our system is supposed to work.

Thank you.