



Washington Reports



Dec. 28, 2010

Hello all,

The following is this week's edition of the Dell Services Weekly Washington Report. Information and updates in this report include:

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- [My 40 Predictions for 2011](#) – *It's that time of year so I thought I would weigh in...*
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Quote of the Week

"I never make predictions, especially about the future."

Yogi Berra, New York Yankees baseball player and American icon.

Indicium Brevis XLIX

Ongoing snippets of information for your consideration...

Disappearing Languages – There are roughly 6,000 unique languages spoken around the world, but as many as 5,000 of these could disappear over the next 50 years. The decline in the diversity of languages is attributed to the globalization of communications. As an example, 85 percent of all messages on the Internet are communicated using only ten different languages. At the same time, the plethora of new texting phrases, such as "LOL" (laugh out loud), are rapidly becoming a part of all languages. So it seems that languages are increasingly common among all of us, including condensed technospeak.

Veggies or Investments – If you're following your portfolio, you know that returns on standard savings and certificates of deposit are pretty much nothing. But what hasn't been noticed is that certain commodities are up quite a bit this year. Butter is up 25 percent, along with peas, hot dogs and other goodies. Just know that food prices – like the stock market – are very, very volatile.

Eco-Friendly Urban Opportunities – While there seems to be a plethora of eco-friendly opportunities for creating new sustainability in rural areas, urban areas are also getting into the act. Witness Brooklyn, New York, where 27 billion gallons of untreated overflow from the sewer system flows into the harbor each year. In fact, the demise of America's decrepit sewer system may have to be the next big national infrastructure project. It is estimated that we need to invest about \$300 billion over the next 20 years to update and replace

existing sewer systems. Brooklyn decided to get ahead of the curve and has invested in “green infrastructure” where the runoff flows into vegetation gardens, porous pavements and curbside gardens. So instead having the rainfall simply become waste, it is reused – in a sustainable way on the flow – for purposes that bring green and beauty to the city. Kansas City, Milwaukee, Portland, and Washington, DC are also adopting similar projects.

The Hypertension Dilemma – About one-third of adults in the U.S. have hypertension, or high blood pressure. Hypertension is the underlying cause for one of every six deaths in the U.S.. Even more important, 37 percent of adults are pre-hypertensive, which was only identified as a syndrome in 2003. Now, stats show that it takes 17 years from the recognition of a problem in literature (e.g., “pre-hypertension”) to wide understanding of the problem and its effective treatment among the population. That means that widespread treatment of “pre-hypertension” will not become a practice norm until around 2020. Finally, the biggest changes that alter the course of “pre-hypertension” are not medical interventions, but lifestyle changes like weight loss, controlling high salt intake, quitting smoking, altering a sedentary lifestyle, and limiting caffeine and alcohol use. So, identifying these individuals sooner rather than later could contribute billions in savings to the American healthcare system.

Linde Klein’s Decision – Linde is the wife of a very good friend of mine and she is dying from an aggressive squamous cell carcinoma. David penned an article, [My Wife’s Cancer Yields Lessons for Health Care](#). I strongly encourage everyone to read it. David is a senior executive in healthcare who is now experiencing the other side. My best goes to Linde and David.

My 40 Predictions for 2011

It’s that time of year so I thought I would weigh in...

Since Washington, DC is on hiatus, with the Senators and Representatives back home and the Obamas in Hawaii, I decided to do something a little different this week. Rather than make a report, I decided to offer some 2011 predictions. Philip Tetlock, Ph.D., a psychologist at the University of California, has studied “pundits” and “opinion makers” for the last 25 years. He has focused on 284 prominent economists, foreign policy specialists, and journalists and evaluated more than 82,000 predictions. For the record, I’m not among them. His finding? The vast majority of experts perform “worse than random” on their predictions with an accuracy rate of less than 50 percent. Liberals, moderates, and conservatives were “equally ineffective” in their predictions. His conclusion? *“Our political discourse is driven in large part by people whose opinions are less accurate than a coin toss.”* So while recognizing my probable limits, I submit my predictions for 2011 for your consideration. I promise to come back and check them out next December to see how accurate I am... Based on Tetlock’s analysis, I predict I will be “less than a coin toss,” but who knows?

So here are the predictions derived from all my readings over the last several months. I intended to offer ten predictions but the list got longer. The predictions then seemed to lump into natural categories. I offer you 40 predictions for the coming year. If you have particular interests you can forego the obscure thoughts or hallucinations, and go (like the web) to your favorite area...

General

1. The media will go into a frenzy over the “confluence” as we approach November 11, 2011, or 11.11.11. By the way, that’s also Armistice Day. And from The Economist comes this data – “11” creates more palindromes than any other number! What’s a palindrome? Well, it’s not a “Palin” drome – whatever that might be. They’re hard to describe...and easier to show you. Here are some examples:
 $11 \times 11 = 121.$
 $111 \times 111 = 12,321.$
 $11,111 \times 11,111 = 123,454,321.$
 And, $111,111,111 \times 111,111,111 = 12,345,678,987,654,321.$
So that’s the palindrome. Now “Palin” dromes are another story...
2. E-reading devices go viral! With the cost of a fairly decent e-reader device now falling below \$100, the war will be on in the coming year. The number of “dedicated reading devices” went from 3 million to 11 million during the last year, according to Forrester Research. Paper will become superfluous for some stuff – but not all stuff...
3. The scandal over WikiLeaks will continue to captivate the international media as founder Julian Assange awaits his legal fate. As a result, more of Assange’s followers and detractors will continue to expose state and personal secrets. A hack into corporate databases will further escalate the recognition that we need to deploy and *manage* (the much bigger problem in the WikiLeaks releases) systems that offer privacy and security in technology.
4. After 20 NFL seasons, Brett Favre will finally call it quits ... for good. I look forward to the parade in Green Bay when he finally returns to the frozen tundra – in 2020!
5. The chasm between the “rich” and “poor” in the United States will continue to grow wider as those less fortunate continue to suffer through the worst economic downturn since The Great Depression. In 1970, the richest 1 percent of Americans made 9 percent of the nation’s income. Today, the top tier takes home almost 25 percent.
6. At least two more major U.S.-based newspapers will end operation this year as more Americans consume their news through free or [paywall](#) online outlets. Social media is also stalking the traditional print media and absorbing more and more of the advertising dollar. While online subscribers produce only one-third the revenue of more traditional subscribers, the move to online is ubiquitous. Keep an eye on the Detroit Free Press and perhaps the San Francisco Chronicle. Consolidation within the media industry will continue and accelerate.
7. Actually, “consolidation” of industries seems to be a common theme in the new, new world of globalization...
8. After stumbling into bankruptcy, the American automakers return with newer, more affordable, eco-friendly vehicles marketed toward a younger generation. The year will see the launch of many new models, similar to the electric Chevy Volt, and Detroit will have much better results than in years past.

9. The next *axial shift* occurs. [Karl Jaspers](#) – a noted psychiatrist and philosopher – coined the idea of the “axial age,” which was a period that extended from 800 B.C. to 200 B.C. It was a period of very dynamic cultural growth among people across the world where monotheism, Buddhism, Confucianism and the Greek humanistic philosophy all emerged. From that period, Europe and science came to dominate the world cultural mindset. It appears that we are now on the verge of the next *axial shift* with the convergence of global connectivity through air travel, accessibility to products and services from throughout the world, and the ubiquitous nature of cyberspace. The world will change in ways we cannot predict.
10. I will reach age 60! (One out of 40 predictions meets the Tetlock requirement but is still pretty good!). More importantly, my daughter reaches age 30, and my son, age 27 – all of us born on the very same day! It’s my one claim to fame...plus, I delivered them!

Technology and Healthcare

11. Twenty-five years ago, I was entering code to get on the Internet, my mobile phone was the size of a large brick and I went to Hawaii to “disconnect” from the world once a year. Now, everything has changed. The Internet is my access to the world – all of it – the phones keep getting smaller, and I go to Hawaii but have conference calls with people across the world. We should expect, however, that over the next five years, the Internet will be totally in our hand, our mobile phones will roll up or be held like a pen in our pocket or perhaps even embedded, and Hawaii will still be a wonderful place for rethinking life on an annual basis.
12. Health information exchange will become the dominate health information technology issue of 2011.
13. Hospitals and physician groups will face extraordinary financial pressures as the new requirements of healthcare reform come into full force. We will see a wave of consolidation in healthcare organizations throughout the U.S., primarily among hospitals, physician groups, and home care agencies – basically, those who are involved in the care delivery process.
14. Consolidation sweeps the UK National Health Service as well! Reducing costs and increasing efficiencies is deemed better through larger organizations with deeper managerial talents.
15. The wisdom of the Conservative-LibDem decision to “devolve” the British National Health System is called into question. Does simply extending responsibility to the primary care trusts solve the problem? I think...not!
16. The Republicans propose National Health Insurance (Hey – you’ve got to have one crazy prediction...)
17. The ability of the U.S. healthcare system to deliver primary care services under the new Obama healthcare plan is seriously questioned. The end result? We will finally begin to reconsider our physician-directed workforce/delivery model – which is long overdue.

18. Google will only keep growing as the Internet search giant enters into computer hardware, web traffic, and innovative software with revenues between \$30 and \$40 billion. And Google displaces Microsoft as the emerging Gorilla in technology (I probably should have made this prediction last year).
19. The Blue Waters supercomputer being developed by the University of Illinois and IBM will debut, stunning audiences with its speed while pleasing environmentalists for the computer's sustainability – ushering in a new era of eco-friendly computing.
20. Corporate America moves from e-mail to vidmail! While e-mail will not disappear, the use of video email will improve and begin to take over communications. More than 75 percent of web traffic today is video in nature. Not only that, but we absorb about 10 percent of email communications, and 50 percent of video communications – so it's more effective. Corporate leaders will shift from back-room operators to charismatic performers, storytellers, and videophilic profilers.
21. The Beijing Genomics Institute, based in Shenzhen, sequences another 50 species (it's already done more than 50 in the past several years) and helps the International Cancer Genome Consortium – a collaborative group of national cancer programs throughout the world who are involved in comparing a person's cancerous tissue with their normal tissue with the purpose of finding the genes that cause cancer. New findings will allow scientists to begin solving the genomic issues surrounding cancer formation.
22. "Contagion" – the movie – gets everyone in a panic on the possibility of a global pandemic, and then we actually experience a viral pandemic on Earth in 2011, which strikes fear into the hearts of people throughout the world! We will then redouble our international collaborative efforts to establish a pandemic surveillance network.
23. As importantly, we will face a global "electronic pandemic" that causes as much – if not more – instability across the business and financial world.
24. Efficiency and effectiveness will not only become the mantras for healthcare but will also become the mantras for government and education.
25. Speech recognition technology gets to the point where we can speak into our mobile devices and have the interpretation delivered real time to the people we are talking with – sort of like having your own, personal interpreter.

Politics

26. A potential third-party candidate will emerge for President of the United States. Will it be Joe Scarborough? He says no. Will it be Mike Bloomberg? He demures. Oprah? She's too busy. Perhaps Ross Perot, Jr.? We could encourage him...
27. The 2012 run for President of the United States begins in earnest by March 2011. We're in for a very long campaign season. When all is said and done, we will cross the \$8 billion mark for an all-in Presidential Campaign. 2008 witnessed a \$5.3 billion expenditure. And, if it gets totally crazy, we could even cross the \$10 billion mark ...

28. The Bowles – the Simpson report for the Deficit Reduction Commission gets a very serious review by Congress so my retirement will be bumped up to age 67 instead of 66.
29. President Obama will continue his political lateral arabesque by shifting towards the *middle* in an effort to charge up his re-election effort, but his work with the Republicans will find more gridlock and unhappiness from his own party – the Democrats.
30. The Tea Party movement is recognized as *a reaction to the inaction* of Congressional gridlock rather than simply an extreme perspective. We will recognize that the extremes of both sides on the political discussion (e.g. Tea Party versus Move On) must dissipate their lock on our thinking if the middle is to retake the central dialogue and discussion for solving problems, which is what most Americans want.

International

31. The developed economies will continue to struggle, and the developing world (China, India, Brazil, and others) will gallop forward – in terms of economic growth.
32. China will overtake the U.S. in manufacturing in 2011.
33. Africa – the overlooked continent – emerges as the top economic development spot on the globe and the hot spot for investors and developers across the board. Watch for the “African GoGo Countries” of Algeria, Botswana, Libya, Mauritius, Morocco, South Africa, and Tunisia to emerge as “top of the top spots” for investment. FYI, these nations have a collective GDP per person that is equal to the BRIC (Brasil, Russia, India, China) nations.
34. The stock markets in the African GoGo Countries take off. As an example, between 2000 and 2008, the market value of the Egyptian stock market grew by 39 percent. As the developing countries start to flatten out a bit, expect the *new, new go-to markets* to arise.
35. The disruption of riots and work stoppages across Europe will expand as the recovery lengthens and social programs are cut even further.
36. The world’s population reaches 7 billion, and the kid that puts us over the top is born in Africa. Half of the world’s population will be living in nations where the fertility rate is below 2.1, which is considered the “replacement rate” – so, the demographic problems gets worse.
37. We recognize we are in one world together and perhaps we should learn to live together in harmony (Hey, another crazy prediction ...)

Economics

38. The U.S. deficit will continue to loom large in the log-jammed Congress with bi-partisanship occurring around the edges.
39. The economic crisis of the states finally emerges and slashing of state budgets becomes a national obsession. While the initial focus will be on public sector unions, which will come under heavy scrutiny, healthcare will dominate the discussions in the latter part of the year because it consumes the largest piece of most state budgets.

40. The unleashing of more than \$3 trillion in capital reserves held by companies – roughly \$1 trillion by the banks and \$2 trillion by the non-financial companies – through tax incentives will create a second wave of economic stimulus for the U.S. So, follow the money. Where the companies invest will be the predictor of where future value will be created. And by the way, Japan has roughly an equivalent amount (\$2.4 trillion) held by its corporations so expect a lot of Japanese takeovers of common household names. Remember, Rockefeller Center and Pebble Beach were targets back in the 1990s. It's back to the future.

The Weekly Whisk

Musings from a foodie ...

So, if you're looking for a change of pace at next year's Christmas, I recommend the following. For a couple dozen years, I've been doing my "traditional" Thanksgiving dinner and then doing a repeat on Christmas Day. Why? Because it's so good. But, the heart of the dinner is not all the fixin's. The heart of the dinner is the turkey. And, here's the recipe: 1) buy a disposable tin pan for cooking the turkey; 2) **brine** the turkey overnight, which will make it succulent for the next day; 3) coat the turkey in chopped garlic. I usually take bottled garlic and spread it on the turkey with a knife. Make sure you cover the bird in garlic. 4) Melt one cube of butter into a bottle of soy sauce (via microwave); 5) set your Weber grill on "MOM" (Medium-Off-Medium); 6) place the garlic coated-turkey on the grill for 30 minutes so that the garlic "sticks" to the turkey skin; 7) baste the turkey with the soy-butter sauce every 15 minutes or so; 8) cook the turkey depending on size or until the skin starts to blacken; 9) take the bird off the grill and cover with aluminum to retain the heat; 10) retain the drippings; 11) melt a quarter pound of butter in a sauté pan, gently; 12) add the drippings and whisk to merge the two; 13) add pepper to taste – no salt because of the soy already has a ton – and bring the sauce to a soft boil. Then, add roux until the future gravy sauce falls off the spoon; 14) add salt and pepper to taste; 15) add cream or Silk (for those of us who are lactose intolerant). Stir until combined.

Serve the gravy over the turkey, potatoes, dressing, and whatever else. You'll be a hit, I promise. It's Kevin's magic, 15-step program to infamous holiday culinary magic. And, you don't even have to credit me!! Everyone I've ever served the above dinner to raves about it, including my family – who despite the fact that they've almost all gone vegetarian, still has fond memories of the dinner. Finally, make sure you pop an extra Lipitor.

Have a great holiday season!!

The Good, The Bad, and The Ugly

The ongoing saga...

The Good: The holiday season reminds us to step back from the pace of the usual life to reflect on family and friends.

The Good Plus: The START treaty was passed by the Senate and sets the U.S. on a new path towards cooperation with Russia. Finally, the Cold War dies the death it deserved.

The Bad: The ongoing weather changes are really beginning to be worrisome. Not only California, but Europe and much of the rest of the world are facing huge changes in traditional weather patterns. And, we don't think global warming is an issue?

The Ugly: We don't get the new connectivity of the world and globalization. It requires new thinking, or we could undo a lot of good things that are happening throughout the world.

For Past Updates and Twitter Thoughts

Keep connected...

For those who are sending in questions, please note that we are posting answers on the Washington Update website (see below). Keep those cards and letters coming. They are appreciated. For past editions of The Weekly Washington Report go to: <http://www.perotsystems.com/MediaRoom/WashingtonUpdate/default>. Also, follow me on Twitter at <http://www.twitter.com/MDkev>. To email me directly – go to Kevin_FickenscherMD@dell.com. As always, more later...

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