

Strategic National-level Risk Assessment (SNRA): Terms of Reference

I. Policy Mandate

The Presidential Policy Directive - 8 (PPD-8) Implementation Plan mandates, as part of the development of the National Preparedness Goal (NPG), that “The Secretary of Homeland Security shall conduct a strategic, national-level risk assessment¹ to identify the relevant risk factors that guide where core capabilities are needed and develop a list of the capabilities and associated performance objectives for all threats and hazards that will measure progress toward their achievement.” This document describes how the PPD-8 Implementation Team intends to meet that requirement.

II. Decision Statement

The Strategic National-level Risk Assessment (SNRA) will support the identification of core capabilities necessary for National preparedness and decisions as to what level, and against what considerations, those capabilities are needed.

III. Scope

The SNRA will focus on those threats and hazards identified in PPD-8, considering the range of natural hazards (including (b)(5)), potential industrial accidents, and acts of terrorism, including (b)(5).² It will be designed to assess the risks of those events and incidents which create consequences that rise to a strategic, national level of impact.³

The assessment will focus on estimating risk⁴ over the next three to five years, in support of the overall need to take a future-oriented look at core capability development. In doing so, the assessment may also qualitatively identify future trends, drivers, and conditions that may impact homeland security preparedness needs beyond the five year period.

IV. Timeframe

The initial SNRA will be conducted over a four-week period. The results of the initial assessment will be used to help refine core capabilities for the publication of the NPG on September 25, 2011. The SNRA will be designed to support the follow-on execution of a more detailed national-level risk assessment to be conducted as part of the National Preparedness System (NPS) in FY 2012, and will also be designed to support integration with regional, State, and local risk assessments.

V. Execution Elements

The Secretary of Homeland Security has the lead for conducting the SNRA. The Federal Emergency Management Agency and National Protection and Programs Directorate will provide leadership on the execution of the assessment on the Secretary’s behalf, in coordination with DHS Office of Intelligence & Analysis (I&A) and DHS Office of Policy and other involved parties. The Director of National Intelligence will facilitate coordination across the intelligence community and, in coordination with the Attorney General, engage the law enforcement community to provide all relevant and appropriate terrorism-related intelligence information for the development of the risk assessment. The FBI will serve as the primary interface for purpose of conducting the risk assessment on behalf of the Attorney General. Other Departments and Agencies will provide information, analysis, and expertise to support the conduct of the SNRA as required. Additional members of the homeland security community (i.e appropriate State, local, tribal, territorial officials as well as private sector and non-governmental organizations) will be engaged during the conduct of the SNRA consistent with overall PPD-8

(b)(5)

Strategic National-level Risk Assessment (SNRA): Terms of Reference

I. Policy Mandate

The Presidential Policy Directive - 8 (PPD-8) Implementation Plan mandates, as part of the development of the National Preparedness Goal (NPG), that “The Secretary of Homeland Security shall conduct a strategic, national-level risk assessment¹ to identify the relevant risk factors that guide where core capabilities are needed and develop a list of the capabilities and associated performance objectives for all threats and hazards that will measure progress toward their achievement.” This document describes how the PPD-8 Implementation Team intends to meet that requirement.

II. Decision Statement

The Strategic National-level Risk Assessment (SNRA) will support the identification of core capabilities necessary for National preparedness and decisions as to what level, and against what considerations, those capabilities are needed.

III. Scope

The SNRA will focus on those threats and hazards identified in PPD-8, considering the range of natural hazards (including pandemics), potential industrial accidents, and acts of terrorism, including cyber acts with hostile intent.² It will be designed to assess the risks of those events and incidents which create consequences that rise to a strategic, national level of impact.³

The assessment will focus on estimating risk⁴ over the next three to five years, in support of the overall need to take a future-oriented look at core capability development. In doing so, the assessment may also qualitatively identify future trends, drivers, and conditions that may impact homeland security preparedness needs beyond the five year period.

IV. Timeframe

The initial SNRA will be conducted over a four-week period. The results of the initial assessment will be used to help refine core capabilities for the publication of the NPG on September 25, 2011. The SNRA will be designed to support the follow-on execution of a more detailed national-level risk assessment to be conducted as part of the National Preparedness System (NPS) in FY 2012, and will also be designed to support integration with regional, State, and local risk assessments.

V. Execution Elements

The Secretary of Homeland Security has the lead for conducting the SNRA. The Federal Emergency Management Agency and National Protection and Programs Directorate will provide leadership on the execution of the assessment on the Secretary's behalf, in coordination with DHS Office of Intelligence & Analysis (I&A) and DHS Office of Policy and other involved parties. The Director of National Intelligence will facilitate coordination across the intelligence community and, in coordination with the Attorney General, engage the law enforcement community to provide all relevant and appropriate terrorism-related intelligence information for the development of the risk assessment. The FBI will serve as the primary interface for purpose of conducting the risk assessment on behalf of the Attorney General. Other Departments and Agencies will provide information, analysis, and expertise to support the conduct of the SNRA as required. Additional members of the homeland security community (i.e appropriate State, local, tribal, territorial officials as well as private sector and non-governmental organizations) will be engaged during the conduct of the SNRA consistent with overall PPD-8

¹ Risk assessment is defined in the *DHS Risk Lexicon* as the “product or process which collects information and assigns values to risks for the purpose of informing priorities, developing or comparing courses of action, and informing decision making.”

² For the purposes of this assessment, terrorism and cyber attacks will be grouped into a single category referred to as Adversarial/ Human Caused threats.

³ One of the key initial stages of the SNRA will be to define thresholds and categories for what define a strategic, national level of impact. These events and incidents will be generally catastrophic in nature.

⁴ Risk is defined in the *DHS Risk Lexicon* as “potential for an unwanted outcome resulting from an incident, event, or occurrence, as determined by its likelihood and the associated consequences.”

DRAFT – PRE-DECISIONAL

implementation. To support execution of this risk assessment, threat- and hazard-specific sub-groups will be established to gather risk information and provide risk judgments as part of the overall assessment, consistent with the following figure.



Figure 1: Structure of SNRA Execution

A key requirement for execution is to leverage existing risk assessments as well as other relevant analysis. As such, all participating parties will provide results and details on the execution of relevant assessments.⁵

VI. Proposed Approach

The SNRA will likely be based on a methodology where risk is estimated as a function of the expected frequency of an incident occurring and the consequences associated with those incidents that do occur. In the case of terrorism, frequency will be estimated as a function of the known and anticipated intent and capability of adversaries as well as existing vulnerabilities. It will follow a seven-step approach:

- **Step 1 – Agree upon Terms of Reference (ToR) and Kickoff SNRA.** This ToR will be vetted and agreed upon by the leadership of key execution elements, identified herein.
- **Step 2 – Set Consequence Thresholds and Identify Threats and Hazards of Concern.** The SNRA will evaluate the risks of incidents that have the potential to cause national-level impacts. It will be important to define a threshold of consequences that rise to national-level impacts, and execute the SNRA only for those incidents that exceed the defined thresholds.
- **Step 3 – Develop “Units of Analysis,” and Risk Assessment Methodology/Model.** The “units of analysis” for which risk will be assessed (e.g., scenarios, capabilities, etc.) will be determined based on identified threats and hazards consistent with the scope of the NPG, as well as previously conducted risk assessments. An appropriate methodology/model for evaluating risk for the identified units of analysis will be developed.
- **Step 4 – Research Existing Analysis and Assessments and Produce Risk Summary Sheets.** Existing analysis and assessments will be reviewed around all threats and hazards that are within the assessment’s scope. Based on that analysis, the SNRA team will generate scenario “summary sheets” which provide common information on what is known about the potential incidents.
- **Step 5 – Populate and Execute the Methodology/Model Using the Gathered Data and Subject Matter Expertise.** The risk summary sheets, along with input from SMEs, will be used to populate and execute the model. The SNRA team will then analyze the outputs of the methodology and produce findings to inform the NPG.
- **Step 6 – Conduct Synthesis Sessions.** Using the outputs of the risk model, “synthesis” sessions will be conducted to allow for integration of the assessed risks across different threats and hazards and additional input from PPD-8 stakeholders. The aim of the synthesis sessions will be to produce defensible, comparative SNRA findings that reflect both model outputs, and perspectives from SMEs and key national preparedness leaders.
- **Step 7 – Document Assessment results.** The results will be included as part of the NPG.

VII. End State

(b)(5)

~~FOR OFFICIAL USE ONLY~~

DRAFT – PRE-DECISIONAL

implementation. To support execution of this risk assessment, threat- and hazard-specific sub-groups will be established to gather risk information and provide risk judgments as part of the overall assessment, consistent with the following figure.

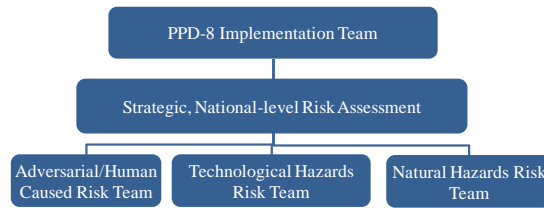


Figure 1: Structure of SNRA Execution

A key requirement for execution is to leverage existing risk assessments as well as other relevant analysis. As such, all participating parties will provide results and details on the execution of relevant assessments.⁵

VI. Proposed Approach

The SNRA will likely be based on a methodology where risk is estimated as a function of the expected frequency of an incident occurring and the consequences associated with those incidents that do occur. In the case of terrorism, frequency will be estimated as a function of the known and anticipated intent and capability of adversaries as well as existing vulnerabilities. It will follow a seven-step approach:

- **Step 1 – Agree upon Terms of Reference (ToR) and Kickoff SNRA.** This ToR will be vetted and agreed upon by the leadership of key execution elements, identified herein.
- **Step 2 – Set Consequence Thresholds and Identify Threats and Hazards of Concern.** The SNRA will evaluate the risks of incidents that have the potential to cause national-level impacts. It will be important to define a threshold of consequences that rise to national-level impacts, and execute the SNRA only for those incidents that exceed the defined thresholds.
- **Step 3 – Develop “Units of Analysis,” and Risk Assessment Methodology/Model.** The “units of analysis” for which risk will be assessed (e.g., scenarios, capabilities, etc.) will be determined based on identified threats and hazards consistent with the scope of the NPG, as well as previously conducted risk assessments. An appropriate methodology/model for evaluating risk for the identified units of analysis will be developed.
- **Step 4 – Research Existing Analysis and Assessments and Produce Risk Summary Sheets.** Existing analysis and assessments will be reviewed around all threats and hazards that are within the assessment’s scope. Based on that analysis, the SNRA team will generate scenario “summary sheets” which provide common information on what is known about the potential incidents.
- **Step 5 – Populate and Execute the Methodology/Model Using the Gathered Data and Subject Matter Expertise.** The risk summary sheets, along with input from SMEs, will be used to populate and execute the model. The SNRA team will then analyze the outputs of the methodology and produce findings to inform the NPG.
- **Step 6 – Conduct Synthesis Sessions.** Using the outputs of the risk model, “synthesis” sessions will be conducted to allow for integration of the assessed risks across different threats and hazards and additional input from PPD-8 stakeholders. The aim of the synthesis sessions will be to produce defensible, comparative SNRA findings that reflect both model outputs, and perspectives from SMEs and key national preparedness leaders.
- **Step 7 – Document Assessment results.** The results will be included as part of the NPG.

VII. End State

⁵ Examples of such assessments from within DHS are the National Risk Profile for CIKR, the Homeland Security Threat Assessment, the Homeland Security Grant Program risk assessment, HAZUS-MH, the Transportation Sector Security Risk Assessment, the integrated Chemical, Biological, Radiological and Nuclear Risk Assessment, and the Risk Assessment Process for Informed Decision Making.

DRAFT – PRE-DECISIONAL

The end state of the SNRA will be a comparative assessment of the risk of an identified set of high-consequence threat and hazard scenarios that supports analysis of the core capabilities necessary for National Preparedness to allow for a more robust NPG.

DRAFT

~~FOR OFFICIAL USE ONLY~~

DRAFT – PRE-DECISIONAL

The end state of the SNRA will be a comparative assessment of the risk of an identified set of high-consequence threat and hazard scenarios that supports analysis of the core capabilities necessary for National Preparedness to allow for a more robust NPG.

DRAFT