



Security Analysis and Risk Management Association

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The Risk Communicator: June-July 2008 Edition

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News

SARMA Urges Congress to Take the Lead in Developing Comprehensive Risk Management Approach

By Avi Klein

In what marks one of SARMA's most significant policy efforts to date, SARMA board member John Paczkowski testified before Congress in late June that the country had failed to develop "a consistent and well-integrated risk management framework," and he laid out a series of recommendations for moving forward.



"We are now at an important crossroads," said Paczkowski, the Director for Emergency Management and Security at The Port Authority of New York & New Jersey. "In the view of the Security Analysis and Risk Management Association, stronger and more unified federal leadership on this issue is urgently needed to lead and coordinate the numerous duplicative and conflicting efforts in DHS and across the federal government."

Paczowski's testimony before the House Subcommittee on Transportation Security and Infrastructure Protection followed recent news that the White House was preparing a Homeland Security Presidential Directive (HSPD) to

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begin the process of developing a common interagency risk management structure (see The Risk Communicator, March-May 2008). That effort, which was announced at SARMA's annual conference in May, has made risk management professionals optimistic that policymakers are coming around to SARMA's position that the risk management industry needs to be streamlined in a top-down fashion, with an interagency government body taking the lead.

The effort, however, will require more than just presidential guidance. "Absent interagency coordination, an industry-led advisory board and a recognized standards-setting body, there is no way to synchronize divergent methods, arbitrate disputes or resolve crosscutting issues," Paczkowski told the committee. In addition to the HSPD, he advised Congress to move affirmatively by creating Chief Security Risk Officer (CSRO) positions within all federal departments and agencies and by establishing a CSRO Council to serve as "the authoritative body" for federal security risk management strategy, policy and standards. In the longer term, SARMA hopes to support these efforts by building the necessary foundation and facilitating the creation of a common lexicon, as well as by training and certifying licensed risk management practitioners.

"The hearing was an important early step in defining what a national security risk management framework should be," said SARMA President Ed Jopeak. "Working together with professional associations, state and local governments and other federal agencies, the DHS could make great progress in meeting the nation's needs for security risk management. I believe what Congress is increasingly focusing on is the need for greater cooperation and leadership on the issue, and its involvement bodes well for the profession."

Avi Klein, a Washington DC-based freelance writer specializing in defense issues, is a frequent contributor to the Washington Monthly and previously served as senior writer at Homeland Security Daily Wire. He can be reached at avi.klein@mac.com.

SARMA Joins Forces with the Risk Management Institution of Australasia



SARMA is pleased to announce that it has entered into a joint memorandum of agreement with the Risk Management Institution of Australasia Limited (RMIA), establishing an international partnership to support the security analysis profession.

The agreement is based on the desire for collaboration and reciprocity between the two groups, and expresses the intent of each organization to provide its members with new information-sharing opportunities, as well as participation in the functions, seminars and projects of the other organization. Additional joint working groups may also be established to pursue specific research, projects and initiatives.

SARMA content now accessible to RMIA members will include the SARMApedia, a collaborative website that focuses on the methodologies,

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players and language of security risk management. Another example of shared projects may be SARMA's future contribution to RMIA's Security Risk Management Body of Knowledge (SRMBOK). Released in late February, the SRMBOK integrates knowledge, competency, methodologies and applications across the risk management discipline.

Future projects could also include promoting agreed-upon standards in risk management to a broader professional audience and contributing to the ongoing development of international standards for the profession. Another important area of cooperation will be the creation of educational and training materials, to ensure the profession has a shared common base of knowledge to sustain itself well into the future.

SARMA will provide its members information on additional benefits and opportunities resulting from the agreement in subsequent member communications.

[[Click here to learn more about RMIA.](#)]

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Key Reports and Reviews

Australia: Outcome of the 2008 Security Professionals' Congress

In May 2008, a Congress of Australian security association leaders convened to make further progress in establishing the security profession as a "recognised, respected profession that benefits society, security professionals, associations, and other stakeholders by enhancing standards and competencies within an appropriate ethical and registration framework."



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Addressing the 2009 Presidential Transition at DHS



With a forthcoming presidential change on the horizon and concern that a departure of significant members of the Department of Homeland Security's leadership team could further reduce the department's capabilities, congressional leaders thought it prudent to review DHS's senior staffing structure and composition, as well as assess and benchmark senior career training and development programs; these leaders are "concerned that the department and its components will not be able to function effectively when the change in administration occurs in 2009." This study has focused on DHS's senior leadership cadre -- political appointees and career civil servants -- and the department's existing and anticipated plans to make the transition go smoothly.

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Congress and DHS asked the National Academy of Public Administration to look at these issues and provide guidance. This report is the result of that request.

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Study Highlights US Cities at Greatest Risk for Terrorist Attack



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Jenni Hesterman of The Masy Group reviews a recent study entitled "Benchmark Analysis for Quantifying Urban Vulnerability to Terrorist Incidents," by Dr. Walter W. Piegorsch, a professor at the University of Arizona.

The risk for terrorist attack is plotted using data from the study. Red identifies urban areas of highest risk, yellow is medium risk and green is lowest risk. (Credit: Walter W. Piegorsch)

A leading statistician and environmental risk expert has published a landmark report that rates 132 US cities on their vulnerability to terrorist attack using a newly developed statistical method. In the study, entitled "Benchmark Analysis for Quantifying Urban Vulnerability to Terrorist Incidents", Dr. Walter W. Piegorsch, a professor at the University of Arizona, calculated the susceptibility of urban areas to attack by assessing socio-economic factors, natural and environmental hazards and the city's infrastructure. Critical industries, ports, railroads, bridges, tunnels, water/sewage systems and the age and fragility of the existing infrastructure were also considerations. Demographics were evaluated, as a way to predict the impact of an attack on the populace, and to assess the likely response of residents.

Finally, the team analyzed and factored in historical data from the Terrorism Knowledge Base and the Global Terrorism Data Base. The research yielded over 1,000 unique terrorist-related incidents in the targeted cities, spanning a 30-year period.

The study, sponsored by the Department of Homeland Security, yielded some unanticipated results. For instance, Boise, Idaho was ranked 10th, primarily due to its position near a major dam and its vulnerability to major forest fires. City officials acknowledged surprise at the rating, and initiated contact with both Piegorsch and the state's Homeland Security officials for clarification on the study and its results.

The overall results show that the eastern and southern seaboard of the US are at greatest risk, and also indicate a large swath of vulnerability from Texas to Ohio. The cities that scored highest overall were New Orleans LA, followed by Baton Rouge LA, Charleston SC, Norfolk VA, the New York/Newark area, and Washington DC.

As with all studies, particularly those engaged in predictive analysis, some

factors had greater weight than others. For instance, Piegorsch readily admits that: "Nuclear power plants and military facilities did not come up as high risk in our analysis". Although this assessment runs contrary to many other studies and theories on potential terrorist targets, the study's results are certainly worthy of further review and analysis. A follow-on study could assess whether federal funding is going to the right cities for the right programs, to maximize resource allocation. Local authorities in the cities identified might use the results as a springboard to initiate specialized training, or augment their Critical Infrastructure Protection programs. Business owners may want to reassess their insurance coverage; many large firms now offer specialized policies, such as AIG, which recommends Property Terrorism Insurance to cover owners in the event of loss or damage due to terrorist attacks.

In the concluding paragraph of the study, the author states that the bottom line is that "place matters". But Piegorsch wants the public to remember that the report doesn't try to predict where terrorists might attack. "It's not probability of being a target," he said, "it's vulnerability."

About the Author

Jenni Hesterman is a retired Air Force colonel and counterterrorism specialist. She is a senior analyst for The Masy Group, a global intelligence and risk management firm that supports both the US Government and leading corporations. She is also an adjunct professor at American Military University, teaching courses in homeland security and intelligence studies.

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Research and Analysis

Creating the 18th CI/KR Sector "By the Numbers": A Policy Innovation That Should be Applied to the Other 17 Sectors

By Michael E. Ebert, Principal Research Associate, Critical Infrastructure Protection Program, George Mason University School of Law, and Christine Pommerening, Research Assistant Professor, George Mason University School of Public Policy.



On 3 March 2008, Homeland Security Secretary Michael Chertoff signed an internal action memorandum entitled Identification and Establishment of the "Critical Manufacturing" Sector as a Critical Infrastructure/Key Resource (CI/KR) Sector. With Secretary Chertoff's signature, the 18th CI/KR sector, Critical Manufacturing, was launched.

As policy analysts and students of the development of CI/KR over the last decade, we have viewed the proliferation of CI/KR sectors and the manner in which they have been created with some skepticism. Accordingly, our initial reaction upon learning of the impending arrival of Sector 18 was less than enthusiastic. Seventeen CI/KR sectors already had been designated using the six broad criteria found in Homeland Security Presidential Directive (HSPD)

7, but with little attention to the scale and scope of these sectors. This raises concerns that the government, in attempting to "protect everything" in an all-hazards context, in reality might "protect" nothing very well. Even use of the term "protect" belies the fact that a far more achievable and affordable policy goal is to make CI/KR better hardened against threats, more resilient and quicker to recover from inevitable failures of imperfect protection.

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Conferences and Training

Annual Conference of the Association of Threat Assessment Professionals

ATAP is pleased to present the Eighteenth Annual Threat Management Conference, designed to address major issues surrounding stalking and threatening behavior. Once again a variety of nationally recognized speakers will present current information, research and techniques regarding the subject matter.



You can download the conference brochure here.

[\[Annual Conference of the Association of Threat Assessment Professionals\]](#)

NDIA's 2008 Homeland Security Symposium and Exhibition

The Homeland Security Division of the National Defense Industrial Association (NDIA) is sponsoring the 2008 Homeland Security Symposium & Exhibition from 9-10 September 2008 at the Marriott Crystal Gateway Hotel in Arlington VA. The theme of this year's symposium is "New Directions in Homeland Security" and focuses on the future of Homeland Security as we enter a period of transition in presidential administrations. Leading speakers from Congress, the Administration, both presidential campaigns and other opinion leaders will engage in a lively dialogue highlighting what the future holds for Homeland Security.

If you are attending the conference please be sure to drop by the SARMA booth in the Exhibit Hall. Mention this newsletter to receive a special gift.

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