



FEMA

07 MAR 2012

The Honorable Dean Heller  
United States Senate  
Washington, D.C. 20510

Dear Senator Heller:

Thank you for your letter, dated February 17, 2012, regarding the Las Vegas Urban Areas Security Initiative (UASI) Relative Risk Profile. As the Assistant Administrator for the Grant Programs Directorate (GPD), I am writing on behalf of Administrator Fugate to address your particular concerns related to changes in the national ranking for the Las Vegas Paradise Metropolitan Statistical Area's (MSA) risk profile from the previous year.

As you noted in your letter, the Las Vegas Paradise Nevada (NVPNV) MSA's risk profile ranking, when compared to other MSA's nationally, dropped from the 22<sup>nd</sup> spot in Fiscal Year (FY) 2011 to 30<sup>th</sup>, in FY 2012. The following information offers an explanation as to how these changes occurred.

In FY 2012, Congress reduced preparedness funding by \$1 billion below the FY 2011 level. This represented a nearly 40% decrease in total grant funding. Further, under the *Consolidated Appropriations Act, 2012* (Public Law 112-74), the Secretary was provided broad authority to determine which of the programs authorized under the *Implementing Recommendations of the 9/11 Commission Act of 2007* (Public Law 110-53) to fund and at what levels of funding. As a result, hard decisions were made based on an understanding of how best to allocate limited preparedness dollars. In reaching final funding decisions governing the FY 2012 appropriations, the Secretary considered a variety of potential options. As a result of those deliberations, the Secretary decided to fund the UASI grant program at \$490 million. Based on the UASI risk formula of threat, vulnerability, and consequence, Las Vegas' relative risk score resulted in a total FY 2012 allocation of \$1,826,923. The Department continues to work to identify, assess, and mitigate risks across the full threat spectrum, and the complex threat environment facing Las Vegas and other communities across the nation.

Regarding the methods and sources used to arrive at the Relative Risk Profile for Las Vegas-Paradise, NV (LVPNV) Metropolitan Statistical Area (MSA), the Federal Emergency Management Agency (FEMA) analyzed all relevant data that was submitted. Please note that data sources used to analyze risk related to terrorism threat, vulnerability, or consequence for the Homeland Security Grant Program (HSGP) is available at the national level for all States or MSA's. The data is derived from Federal data sources, and private sector data management sources. Both Federal and private sector data sources provide a consistent basis for these comparisons.

The following information should provide answers to your specific concerns.

**MSA Definition:**

As required by the “Implementing Recommendations of the 9/11 Commission Act of 2007,” also known as the 9/11 Act, the HSGP risk calculation uses geographical county-based boundaries as the established MSA’s, as defined by the Office of Management and Budget (OMB) and implemented by the U.S. Census Bureau. As a result, the U.S. Census Bureau defines the MSA for Las Vegas-Paradise to include all of Clark County, NV.

**Population Index:**

The “Population x Density” section of the risk profile represents the Homeland Security Grant Program (HSGP) Population Index, which is used in the Consequence Component of the HSGP risk formula. The calculations for the Population Index include an analysis of “census block groups.” For each block group, the index and the density of the block group is computed using census 2010 population data. These index values are summed up to arrive at the index for each county and, ultimately, for each MSA. Computation of the index may create situations where indices vary between MSAs having the same population totals. Differences in these computations can be attributed to population changes, particularly how these populations are distributed throughout the MSA. Since FY 2011, there have been two important changes, which can generate substantial variations in the FY 2012 index when compared to the FY 2011 index:

In FY 2012, the index uses the new 2010 census data, while the FY 2011 index utilized the 2000 census data, which was modified with 2009 census estimates. This FY 2011 index modification, using the 2000 census data with the 2009 census estimates, could not capture population shifts without making adjustments using the 2009 census estimates. As a result, the FY 2012 index for a particular MSA better represents the MSA’s composition. This representation, taking into account such things as the development of new residential communities within the MSA, may be substantially different from the data analyzed in FY 2011. This is due to the fact that the MSA population index is subject to population shifts as housing communities grow and develop within the same geographical area, year after year, which further explains the differences between the FY 2011 and 2012 population indices when these comparisons are made for any given MSA.

In FY 2012, DHS and FEMA decided to use “census block groups,” rather than “census blocks,” to compute the population index. The decision to use census block groups in FY 2012 as opposed to census blocks that were used in FY 2011, establishes a higher geographic level of comparison, which was necessitated by errors present in the census 2010 data at the census block level. Incorrect assignments of people to blocks by the U.S. Census Bureau makes computation of the index at this level extremely difficult due to the fact that these incorrect assignments of people to blocks in a relatively small geographic area introduce distortions as the population in the index shifts from one area to another within the census block.

Using block group assignments allows for adjustments that create stability in the computation process and because these are larger geographic areas, any distortions can be adjusted more easily to account for people assignments in the Population

Index. At the same time, the shift to block group's changes how real-world variations of population distributions occur and the affect this will have with Population Index variations. As a result, the decline in Las Vegas-Paradise, NV MSA's "Population x Density" ranking can be attributed to shifting populations within a defined census block group area.

**All Hazards:**

The 9/11 Act requires that the HSGP risk formula focus entirely on terrorism-related risk, which limits our ability to analyze the data on an all hazards basis.

**FY 2011 Risk Profile:**

In FY 2011, the Las Vegas-Paradise, NV MSA was ranked 22<sup>nd</sup> based on risk; in FY 2010 the MSA was ranked 21<sup>st</sup>. Classified copies of the FY 2011 LVPNV risk profile can be provided by submitting a request through your FEMA/GPD program analyst, Mr. Dale Finney at Dale.Finney@dhs.gov.

**Threat:**

The aggregate data that is used to establish the threat component for the Las Vegas-Paradise, NV MSA's risk profile is developed jointly by the DHS Offices of Intelligence and Analysis (I&A) and Infrastructure Protection (IP). FEMA collaborates with both DHS offices who assign individual MSA threat ratings.

**Targeted Infrastructure Index, National Infrastructure Index, and DIB Data:**

Subject matter expertise concerning specific targeted infrastructure related to the National Infrastructure Index, or the Defense Industrial Base (DIB) is assigned to DHS/IP. To discuss these issues further, FEMA/GPD would be happy to connect your office with the appropriate DHS/IP program official. Please contact your FEMA/GPD program analyst who can facilitate this discussion for you with DHS/IP.

**National Security Index:**

The FY 2012 military personnel data source is the most recent Department of Defense's (DoD) FY 2010 Base Structure Report (BSR), dated September of 2009. The data includes active duty, and reserves forces, the Nevada National Guard, employed civilian personnel, and full-time contractors. The BSR provides several lists including the total DoD inventory of sites for each State (including all branches of the military and the Washington Headquarters Service), and the total State/Territory Army National Guard inventory of sites. Furthermore, the facilities listed in the BSR are those that meet a predetermined size with associated costs for site and/or facility replacement, added as a value-based criterion in the BSR. Facilities that do not meet BSR criteria are aggregated as "Other" sites within each State or Territory.

**Consequence Weight:**

The weighting factor FEMA uses to analyze consequence in the risk formula changed in FY 2011. The rationale behind these changes resulted from the addition of a new Vulnerability component to the risk formula. This was done to better reflect risk in the MSA's, and in the States. In FY 2011, the Threat rating increased from 20% to 30%, and Vulnerability and Consequence were adjusted to reflect the 30% weighting for threat, with a 20% weight on Vulnerability which is new in FY 2011, and a 50% weight for Consequence, which

previously was combined with Vulnerability and weighted at 80%. As a result of these changes, the FY 2011 data gives more weight to threat and separates out both the vulnerability and consequence ratings in their risk profile.

In previous years, the border-related data, now found in the Vulnerability Index, was in the combined Consequence and Vulnerability rating under the National Security Index. To accommodate these changes, FEMA moved border-related data to the Vulnerability Index beginning in FY 2011. It should also be noted that the inclusion of International Borders and International Waters in the Vulnerability Index is statutorily required by the 9/11 Act, which helps to clarify how international borders and waters are integral to computing these comparisons in the Vulnerability Index.

I hope this information has been helpful and answers your questions regarding how our MSA Process Group arrived at the scores they did for the Las Vegas-Paradise MSA. FEMA/GPD would be able to facilitate further discussions for LVPNV concerning Threat, the Targeted Infrastructure Index, the National Infrastructure Index, or Defense Industrial data, with the subject matter experts at the DHS Offices of Intelligence and Analysis, and Infrastructure Protection. Also, please note that the relevant information for DHS I&A and IP is often classified, and unfortunately cannot be included with this letter, however, we stand ready to assist you with reaching out to the relevant DHS subject matter experts.

I appreciate your interest in the UASI Program and look forward to working with you on future homeland security issues. If you have any further questions or concerns, please have a member of your staff contact FEMA's Legislative Affairs Division at (202) 646-4500.

Regards,



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