



New England Fishery Management Council

50 WATER STREET | NEWBURYPORT, MASSACHUSETTS 01950 | PHONE 978 465 0492 | FAX 978 465 3116

E.F. "Terry" Stockwell III, *Chairman* | Thomas A. Nies, *Executive Director*

STATUS REPORT

Risk Policy Working Group

Summer 2015

The Risk Policy Working Group (RPWG) met on February 13 and May 15, 2015 to: develop a matrix to characterize baseline conditions regarding risk and uncertainty for Council-managed species, i.e., how risk is currently addressed; and review available information and begin to develop recommendations for a *Risk Policy Roadmap*, which will include the RPWG recommendations on how to operationalize the Risk Policy across all Council-managed fisheries.

RPWG PARTICIPATION IN 2015: Mary Beth Tooley (Chairman), Mike Sissenwine (NEFMC), Lori Steele, Demet Haksever (NEFMC staff); Moira Kelly and Sarah Heil (NMFS GARFO staff); Jon Deroba (NEFSC); Steve Cadrin, Dan Georgianna, Jason McNamee (SSC).

KEY OUTCOMES:

- The RPWG agreed that its next step will be to develop a *Risk Policy Roadmap*, which can serve as the working group's formal recommendations and guidance for operationalizing the Council's Risk Policy across all FMPs.
- In general, the working group agrees that the roadmap should provide guidance and clarify the steps necessary to: (1) identify the risks; (2) measure probabilities and severity of consequences associated with the risks; (3) communicate the risks and consequences to the Council in the context of the FMP objectives and the Risk Policy; (4) evaluate the risks in the context of the priorities/objectives identified by the Council; and (5) provide information necessary for the SSC to recommend catch levels based on the risks and the priorities identified by the Council.
- The RPWG discussed the various components of its *Risk Policy Matrix* and agreed to develop a template sheet for the matrix to include in the RPWG Roadmap. The template sheet will describe the kind of information that should be provided in each row of the Risk Policy Matrix. The intent is for the matrix to be a living document, updated when a stock assessment is conducted, and/or when new specifications for the fishery are considered by the Council. The template sheet and the discussion in the Risk Policy Roadmap will clarify that information should be provided by the PDTs in the matrix with specific consideration given to the risks associated with overfishing the resource.

More detailed information is provided on the following pages.

IMPLEMENTATION OF THE COUNCIL'S RISK POLICY – RPWG WORK PLAN

The Risk Policy Working Group (RPWG) has spent a considerable amount of time discussing how to move forward with the implementation/operationalization of the Council's Risk Policy across all of its FMPs and what the expected RPWG work products from 2015 may be. Specifically, the working group has considered:

- What steps can be taken to ensure that the Council's Risk Policy becomes operational?
- How can the RPWG move forward with developing guidance to the Council/SSC for setting acceptable biological catch (ABC) levels in all fisheries?
- What can the RPWG accomplish in 2015, and what work products/deliverables can be anticipated in the near future (by the end of 2015)?

In general, the RPWG agreed that implementing the Council's Risk Policy should begin at the technical team level, i.e., with the Plan Development Teams (PDTs), the Council's technical groups responsible for developing analysis to support decision-making. Ultimately, analytical approaches like management strategy evaluation (MSE) must begin at the data collection/stock assessment level, but for the time being, the RPWG agreed that the Council's PDTs can take the first steps to operationalize the Risk Policy. Moreover, the RPWG agreed that developing guidance for implementing the Risk Policy is something that could be accomplished by the end of the year (or early 2016) if the working group focuses initially on providing guidance to the PDTs for integrating risk-based decision-making into the Council process.

It will be important for the PDTs to provide the SSC and the Council with the appropriate information necessary to identify and evaluate risks during decision-making, and the RPWG can provide guidance on this. The RPWG agreed that its next step will be to develop a *Risk Policy Roadmap*, which can serve as the working group's formal recommendations and guidance for operationalizing the Council's Risk Policy across all FMPs. The *Roadmap* may include a checklist or sequence of steps for technical groups (ex., PDTs) to follow to identify risks and evaluate the probability and severity of consequences, and to help the Council weigh the risks associated with different management alternatives. The stepwise approach for identifying and addressing risk can be generalized across all FMPs, and the information to be evaluated can be somewhat standardized through a framework provided in the RPWG guidance document. The RPWG noted that working through some examples (i.e., Atlantic herring, sea scallops) may help the working group to illustrate the steps and formulate the recommendations to be included in the roadmap. In general, though, the working group agrees that the roadmap should provide guidance and clarify the steps necessary to: (1) identify the risks; (2) measure probabilities and severity of consequences associated with the risks; (3) communicate the risks and consequences to the Council in the context of the FMP objectives and the Risk Policy; (4) evaluate the risks in the context of the priorities/objectives identified by the Council; and (5) provide information necessary for the SSC to recommend catch levels based on the risks and the priorities identified by the Council.

The RPWG noted that because incorporating a risk-based rubric into the Council's technical team process will help to standardize information that the SSC considers when developing its recommendations for acceptable biological catch (ABC), this approach somewhat addresses the desire for more consistency and clarity in the ABC-setting process (which relates directly to the goals/objectives of the Risk Policy). This will also help to operationalize risk-based decision-making into the Council process over the long-term, despite the turnover of Council members and SSC members, which can be relatively frequent.

As the RPWG moves forward with developing the roadmap, Council staff who serve on the working group will continue to reach out to the PDT chairs (all Council staff members) to identify and discuss some of the timing and procedural considerations specific to individual FMPs that the RPWG should be aware of when developing its guidance.

RISK POLICY MATRIX (SPREADSHEET FOR BASELINE CONDITIONS)

The RPWG discussed the utility of the spreadsheet/matrix (*Risk Policy Matrix*) describing baseline conditions with respect to risk and agreed that the matrix should be included as part of the RPWG roadmap. The matrix serves as a useful tool for cataloging existing information and data that are important to evaluate risks on a stock-by-stock basis. The intent is that the matrix will serve as a source document and should characterize current conditions with the stock/fishery. The matrix should not represent a "wish list" of the information or conditions that are desired for a particular stock/fishery. This document can serve as a tool to help the PDTs identify risks and help the Council weigh them to communicate preferences to the SSC. It should be a living document, updated by the PDT every time a stock assessment is conducted or a major change in management or fishery conditions occurs.

The RPWG discussed the various components of its *Risk Policy Matrix* and agreed to develop a template sheet for the matrix to include in the RPWG Roadmap. The template sheet will describe the kind of information that should be provided in each row of the Risk Policy Matrix. The intent is for the matrix to be a living document, updated when a stock assessment is conducted, and/or when new specifications for the fishery are considered by the Council. The template sheet and the discussion in the Risk Policy Roadmap will clarify that information should be provided by the PDTs in the matrix with specific consideration given to the risks associated with overfishing the resource. The impacts on the fishery, the ecosystem, and other impacts that are characterized by the available information represent the consequences of managing the risks to the resource. The consequences are important to identify in the matrix because they provide the Council a basis for evaluating net benefits to the Nation and comparing alternative management approaches based on the severity of consequences.