Risk Policy Working Group

Development of
A Risk Policy for Council-Managed FMPs

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NEFMC Meeting
November 2014

New England
Fishery Management Council

Presentation Outline

- Background/Context – Why is the Council developing a Risk Policy?
- RPWG Membership
- Risk Policy Goals/Objectives
- Risk Policy Development – RPWG Approach
- Draft Risk Policy Statement
- Next Steps

Background/Context

Council agreed to develop risk policy as a 2014 management priority

- Council met legal requirements, but lack of Risk Policy leaves process/standards for setting ABC and ACLs ambiguous
- SSC expressed concerns about lack of clarity regarding the Council's risk tolerance and guidance for specifying ABC
- RPWG met several times during 2013 and 2014; recommended step-wise approach to developing/applying Risk Policy (Nov 2013)

Background/Context

Risk Policy will serve as guidance to the SSC and Council for specifying ABC and ACLs for all Council-managed species

- Umbrella policy guidance to apply across all NE Council FMPs
- Addresses both scientific uncertainty (ABCs) and management uncertainty (ACLs)
- Umbrella Risk Policy vs. umbrella ABC Control Rule Framework

RPWG Membership

- Mary Beth Tooley, Chair (NEFMC)
- Mike Sissenwine (NEFMC)
- Matt McKenzie (NEFMC)
- David Pierce (NEFMC)
- Demet Haksever, Lori Steele (NEFMC Staff)
- Sarah Heil, Moira Kelly (GARFO Staff)
- Jon Deroba (NEFSC)
- Steve Cadrin (SSC)
- Jason McNamee (SSC)
- Dan Georgianna (SSC)
- Patricia Pinto da Silva (SSC)

Risk Policy: GOALS

1. Provide clear guidance to the SSC and the Council for specifying risk-based ABC and ACL levels for all fisheries managed by the Council
2. Provide structure for accounting for risk that can be understood, interpreted, and applied
3. Improve consistency and clarity in the process for setting ABCs and ACLs across fisheries

Risk Policy: OBJECTIVES

A. Clearly identify the Council's risk tolerance – articulate bounds for risk tolerance/risk aversion
B. Respond to different levels of uncertainty and stock condition
C. Improve scientific analysis and improve transparency associated with the interpretation of risk
D. Start simple, and be adaptable – evaluate performance and build in flexibility to revise/update risk policy based on new information, new additional metrics (ex., stability, other social and economic factors, and ecosystem considerations), and/or new risks

Three-Pronged Approach

1. Approve/adopt a Risk Policy Statement
2. Develop a strategy for applying Risk Policy Statement across each Council-managed FMP
3. Outline a process for addressing individual FMP issues

Step 1. Risk Policy Statement

- High-level, broad articulation of Council's general policy for addressing risk and uncertainty when setting ABC and ACLs
- Reflective of Goals and Objectives
- No technical details, not FMP-specific
- Once approved, can be added to Council Operations Handbook, similar to other policies (enforcement, sector, habitat)

Step 1. Risk Policy Statement

This approach differs from other Councils.

- Consistent Risk Policy Framework vs. Consistent ABC CR Framework
  - Allows for consideration of uniqueness of each assessment and fishery managed by the Council
  - Allows for different ABC CRs to adhere to a larger, common policy

Risk Policy Statement (Draft)

Recognizing that all fishery management is based on uncertain information and that all implementation is imperfect, it is the policy of the New England Fishery Management Council (Council) to weigh the risk of overfishing relative to the greatest expected overall net benefits to the Nation.*

*See August 2014 RPWG Report

Risk Policy Statement (Draft)

The purpose of the Council's risk policy is to:

1. Provide guidance to the Council and its subordinate bodies on taking account of risk and uncertainty in Fishery Management Plans and specification-setting;
2. Communicate the priorities and preferences of the Council regarding risk and uncertainty to NOAA Fisheries;
3. Make fishery management more transparent, understandable, and predictable while better achieving FMP objectives in the face of uncertain information and imperfect implementation.

Risk Policy Statement (Draft)

This risk policy will be supported by the following strategic approaches:

1. The Council's risk policy will take account of both the probability of an undesirable outcome and the negative impact of the outcome. The probability of outcomes that have a long-term negative impact on ecosystem function should be low.
2. The cumulative effects of addressing risk at all levels of the fishery management process (i.e., estimation of OFL, ABC, ACL, ACT, and setting accountability measures) will be taken into account.
3. Harvest control rules and management procedures will consider stability* in the face of uncertain information and inherent variability in ecosystems.
4. Implementation of the policy will be analysis-based, using methods commensurate with the importance of tradeoffs between conservation, ecosystem roles, and fishery benefits, as well as the tradeoffs between short-term and long-term benefits. The goal, recognizing that resources are limited, should be harvest control rules and management procedures that are formally evaluated* in the context of uncertainty and designed to extract signal from noise. This goal should allow for a dynamic process of implementation and review, and modification when warranted.

Next Steps

- Review/approve Risk Policy Statement (September 2014 Council Meeting)
- Develop strategy for applying Risk Policy Statement (RPWG October 2014 – 2015)
  - Technical evaluation of "baseline conditions" for each FMP/stock
  - Develop recommendations for modifying FMPs (ABC CRs, HCRs, other related measures)

RPWG – Next Steps

2. Develop a strategy for applying Risk Policy Statement across each Council-managed FMP
3. Outline a process for addressing individual FMP/stock issues

- Focus on strategic approaches in Risk Policy Statement (ex., are cumulative effects of addressing risk at all levels taken into account?)
- Develop technical recommendations using analytical approach that is commensurate with available data for each stock/fishery