

Development of the New England Council's Risk Policy

Lori Steele, NEFMC Staff



FLSF East Coast Forum
May 7-8, 2015

Presentation Outline

- Background
- Risk Policy Goals/Objectives
- Risk Policy Development – RPWG Approach
- NE Council Risk Policy Statement (November 2014)
- RPWG Next Steps
- Risk Policy “*Food For Thought*”



Background

Council formed **Risk Policy Working Group (RPWG)** in 2013 and prioritized development of Risk Policy in 2014

- Council met MSA requirements, but lack of Risk Policy leaves process/standards for setting ABCs and ACLs ambiguous
- SSC expressed concerns about lack of clarity regarding the Council's risk tolerance/guidance for setting ABCs
- RPWG formed in 2013 as cross-cutting working group to develop Risk Policy (NEFMC, NMFS, NEFSC, SSC)



What are the goals of the Risk Policy?

1. **Provide clear guidance** to the SSC and the Council for specifying risk-based ABC and ACL levels for all Council-managed fisheries
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



What are the objectives of the Risk Policy?

- A. Clearly **identify** the Council's risk tolerance
- 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



Risk Policy Development/Implementation

RPWVG recommended a stepwise approach:

1. Approve/adopt a Risk Policy Statement
2. Develop a strategy for applying Risk Policy Statement across each 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 for all stocks/fisheries
- Reflective of Goals and Objectives (RPWG)
- No technical details, not FMP-specific
- Approved in November 2014 and added to Council Operations Handbook, similar to other policies (enforcement, sector, habitat)



Risk Policy Statement

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.***



Risk Policy Statement

Purpose of the Risk Policy:

1. Provide **guidance** to the Council and its subordinate bodies;
2. Communicate the **priorities and preferences** of the Council;
3. Make fishery management more **transparent, understandable, and predictable**;

Risk Policy Statement

Risk Policy Strategic Approaches:

1. Consider **probability** of outcomes and **severity** of consequences.
2. Account for the **cumulative effects** of addressing risk at all levels of the fishery management process.
3. Consider **stability** in the face of uncertain information and inherent variability in ecosystems.
4. Implement the risk policy based on analysis - **evaluate management procedures** in the context of uncertainty and designed to extract signal from noise.

RPWG: Next Steps

Develop Strategy to Operationalize Risk Policy

I. Identify Risk Policy “baseline conditions” for each FMP/stock

- What are the current management procedures?
- What are the current risks/consequences?
- How are net benefits to the Nation evaluated?
- How well do the current management procedures extract signal from noise?

RPWG developing a “Risk Policy Matrix”



RPWG: Next Steps

Outline a Process for Addressing Individual Stock/FMP Issues

2. Develop *Risk Policy Guidance Document*

- Process to explicitly account for risk when making management decisions
- Checklist for Plan Development Teams
- RPWG “Final” Recommendations
- Revisit in x years (3-5?)

Work in Progress



Risk Policy “Food for Thought”

Addressing risk is more than just getting from OFL to ABC

- How to integrate risk-based decision-making into all aspects of the fisheries management process?
(Data collection, stock assessments, ABC, other specifications and management measures)
- How to get from here to MSE (or MSE-like)?
(Operational and institutional changes?)



Risk Policy “*Food for Thought*”

Risk Policy Framework vs. ABC Control Rule Framework

- What are the Pros/Cons?
- How can the uniqueness of each assessment and fishery managed by the Council be addressed?
- How can the Council ensure that ABC CRs adhere to a larger, common policy that applies to all FMPs?



Risk Policy “Food for Thought”

Integrating risk-based decision-making over the long-term

- How can the Council ensure that the Risk Policy is more than just words?
(Relatively frequent Council member and SSC turnover)
- Moving forward, what are the roles and responsibilities of the Council, SSC, PDTs, and the RPWG?



Risk Policy “Food for Thought”

Providing flexibility while avoiding legal challenge

- How to avoid legal challenge based on Risk Policy
- Is risk-based fisheries management:

A way of thinking based on a common set of principles?

OR...

A regulatory requirement based on a common set of formulas?

