



## New England Fishery Management Council

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# FINAL MEETING SUMMARY

## Risk Policy Working Group

Mystic Hilton, Mystic CT

April 21, 2014

The Risk Policy Working Group (RPWG) met on April 21, 2014 in Mystic, CT to: begin the development of a risk policy to serve as guidance for ABC (acceptable biological catch) control rules for Council-managed species; discuss issues related to the development of the Council's risk policy, including but not limited to goals/objectives, umbrella approaches versus species-specific approaches, management strategy evaluation (MSE), and approaches utilized by other Councils; and discuss the timeline for developing a risk policy and identify milestones and Council decision points.

**MEETING ATTENDANCE:** Mary Beth Tooley (Chairman), Lori Steele, Demet Haksever (NEFMC staff); Sarah Heil, Moira Kelly (NMFS GARFO staff); Jon Deroba (NEFSC); Mike Sissenwine (NEFMC); Steve Cadrin, Jason McNamee, Dan Georgianna (SSC) (McKenzie, Pierce, Pinto da Silva absent); Erika Fuller (EarthJustice).

### **KEY OUTCOMES:**

- The RPWG agreed that the Council's risk policy should address both scientific uncertainty when setting ABC and management uncertainty when setting annual catch limits (ACLs). The group recognizes that developing and implementing a risk policy across all Council-managed FMPs will be an iterative process. Through the discussion, the RPWG made some edits to the proposed Risk Policy Goals and Objectives that reflect this consensus.
- The RPWG agreed that developing and implementing a risk policy across all New England Council-managed FMPs should be a three-pronged approach involving:
  1. Approval of a general risk policy statement
  2. Development of a strategy for applying the risk policy across FMPs
  3. Development of a process for addressing individual FMP issues
- The RPWG agreed to complete Step 1 (above) as soon as possible and anticipate that the Council could approve the risk policy statement at its September 2014 meeting.
- The RPWG agreed to update the Council regarding the development of the risk policy and the draft risk policy statement at the June 2014 meeting and request that the Council seek feedback from the Scientific and Statistical Committee (SSC) at that time.

A detailed summary of the April 21, 2014 RWPG meeting is provided on the following pages.

As the meeting began, the Risk Policy Working Group (RPWG) reviewed the report it produced for the Council in November 2013, which identifies procedural issues, approaches, and general timelines for developing a risk policy for the New England Council-managed species. The working group agreed that for the next report, it would expand on elements of the 2013 report, including clarifications to the definitions of the terms risk policy, ABC control rule, and harvest control rule (HCR). The ABC control rule (ABC CR) is defined in a relatively straightforward manner in the National Standard 1 Guidelines. The working group agreed that application of these terms (OFL, ABC CR, HCR, etc.) should not deviate significantly from widely-accepted uses of these terms in literature. The harvest control rule (HCR) should be defined more broadly to reflect its wide application throughout many Fishery Management Plans (FMPs). The group agreed that the HCR is a protocol for determining an output (catch) based on an input of recent data (ex., assessment, survey). In the Council's FMPs, HCRs are usually broader and more inclusive than ABC CRs and address rebuilding programs for stocks that become overfished. Complete HCRs also include accountability measures (AMs) and are an important element of management strategy evaluation (MSE), also discussed by the working group at this meeting.

The RPWG revisited the goals and objectives of a risk policy, developed in the November 2013 Report. **The RPWG agreed that the Council's risk policy should address both scientific uncertainty when setting ABC and management uncertainty when setting ACLs, and modifications to the risk policy goals/objectives were made to reflect this consensus.** The working group recognizes that developing and implementing a risk policy across all Council-managed FMPs will be an iterative process. Through the discussion, the RPWG agreed to make the following edits to the Risk Policy Goals and Objectives:

### **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
- E. ~~Focus initially on biological metrics (life history, stock status, etc.), but include flexibility to incorporate social, economic, and ecosystem metrics~~

The changes to the risk policy goals and objectives will be reflected in the next RPWG Report to the Council.

### ***MANAGEMENT STRATEGY EVALUATION/CONSIDERING MULTIPLE MODELS***

The RPWG discussed the concepts of management strategy evaluation (MSE, aka “management procedure”) and considering multiple models to develop catch recommendations. First, Jon Deroba presented an overview of MSE using a case study example from the Great Lakes (lake whitefish). Then, Steve Cadrin presented an overview of considerations related to using multiple models to develop catch recommendations. His presentation also summarized the outcome of the recent Marine Fisheries Institute (MFI) Workshop on Uncertainty and Reference Points.

Generally, MSE is a formally-accepted procedure to provide management advice (ex., ABC) where the inputs and methods are pre-specified. It was clear from the presentation that MSE can involve a significant workload up-front, i.e., technical resources, manpower, and time to identify specific objectives and uncertainties, develop multiple operating models, embed data collection, assessment, and management within the operating model, and produce a distribution of outcomes from which to consider and evaluate trade-offs. All of the baseline work for MSE is done through collaboration with stakeholders, thereby increasing the potential for buy-in at the outcome. While the initial development may be lengthy, once constructed, MSE can essentially run on “autopilot,” and flexibility can be incorporated into the process for future review/adjustments. The RPWG recognized the importance of MSE and acknowledged that the Northeast Fisheries Science Center (NEFSC) has the expertise and capability to conduct MSE for the Northeast Region fisheries. The working group also noted that MSE can be an important factor for evaluating the performance of a risk policy. The RPWG agreed to follow-up on considerations related to MSE and to provide additional information about the National application of MSE so that additional recommendations can be included in future reports. At its next meeting, the RPWG may consider requesting the Council to correspond with NOAA Fisheries regarding the status of MSE application at the National level.

The RPWG discussed the concept of considering multiple models in risk-based decision making. Participants at the recent MFI Workshop on Uncertainty/Reference Points noted that reference points and uncertainty buffers have both scientific and policy aspects. Members felt that the Risk Policy Working Group could represent the active and iterative feedback loop between science and management that can help to coordinate scientific and policy decisions, especially as the Council’s risk policy is developed and applied across FMPs. The RPWG emphasized the importance of maintaining communication and collaboration with the NEFSC and the SSC as approaches to risk-based decision making are further considered.

### ***RISK POLICY: NEXT STEPS***

The RPWG identified the next steps that the working group will take to draft a risk policy, identified information/analytical needs, and discussed timelines, milestones, and Council decision points. The RPWG reviewed preliminary recommendations provided by the SSC in a white paper for the 2013 Risk Policy Workshop and briefly discussed a summary of comments provided by the NEFSC population dynamics branch. Many of the NEFSC comments appear to relate to the Mid-Atlantic Fishery Management Council’s recent experience with developing and implementing an “umbrella” risk policy across all of its FMPs; the working group agreed that it

will be helpful to revisit these comments as the New England Council moves forward, so that lessons learned can be applied.

The RPWG discussed the potential benefits/challenges associated with developing an umbrella risk policy for all FMPs versus species-specific risk policies within each FMP. Working group members acknowledged that the majority of Councils around the U.S. have adopted species-specific ABC CRs that already include risk tolerance and agreed that developing a universal risk policy to apply across all FMPs may be challenging. Many of the ABC CRs utilized by other Councils were developed in the same actions that established annual catch limits and accountability measures consistent with new requirements of the Magnuson-Stevens Act (MSA). Risk was not considered separately or addressed independently; therefore, there may not be a blueprint from which to draft a risk policy for the New England Council. The RPWG generally agreed that the most feasible approach may be to draft a broad policy statement first and then focus on developing a more detailed process to adopt and apply the risk policy within each Council-managed FMP. The group recognized that this approach may result in a different kind of risk policy than other Councils have adopted.

**The RPWG agreed that developing and implementing a risk policy across all New England Council-managed FMPs should be a three-pronged approach involving:**

- 1. Approval of a general risk policy statement**
- 2. Development of a strategy for applying the risk policy across FMPs**
- 3. Development of a process for addressing individual FMP issues**

The working group agreed to complete Step 1 (above) as soon as possible; Ms. Steele and Ms. Tooley will circulate an email to brainstorm ideas for a risk policy statement, which the working group can further discuss at its next meeting. The risk policy statement may only be a few sentences and bullet points, but is intended to be a high-level, broad articulation of the Council's general policy with respect to risk and uncertainty for setting ABCs and ACLs. The goals and objectives (see above) may be a substantial part of the risk policy statement.

**The RPWG agreed to update the Council regarding the development of the risk policy and the draft risk policy statement at the June 2014 meeting and request that the Council seek feedback from the Scientific and Statistical Committee (SSC) at that time.** The SSC is meeting in August and September 2014, so the Council could formally consider the RPWG recommendations and SSC input, and could approve the risk policy statement at its September 2014 meeting. Once the risk policy statement is approved, it could be incorporated into the Council's Operations Handbook as the Council continues to work on Steps 2 and 3.

The RPWG will continue to discuss and develop Steps 2 and 3 as the risk policy statement is developed. The details of applying the risk policy statement across the Council-managed FMPs would be part of the strategy developed during Step 2. It will be important to ensure that clear guidance is included to steer the SSC when recommending ABC. For example, the strategy could provide, at a minimum, a risk tolerance for p-star ( $p^*$ ) and a range within which tradeoffs (for example, precaution vs. foregone yield) could be considered. The strategy developed during Step 2 could include precursors for MSE as well. Factors related to evaluating tradeoffs and consequences could be incorporated into the strategy, technical/analytical needs relative to each

FMP could be specified, and management/regulatory needs could be identified, allowing for the transition to Step 3.

**To continue towards Steps 2 and 3, and to gain a better understanding of current conditions in each Council-managed FMP, the RPWG agreed to develop a matrix that summarizes baseline conditions associated with ABC CRs, HCRs, and risk tolerance for each FMP stock.** The matrix will provide information including (but not limited to):

- Is the stock/fishery data rich or data poor?
- What is the basis for OFL?
- What is the ABC Control Rule?
- What are the steps that were taken to get from OFL to ACL or ACT?
- What is hard-wired into the FMP versus what is determined case-by-case?
- Is risk tolerance incorporated? If so, where/how?

The RPWG agreed to focus on developing a draft risk policy statement for the SSC to review in August/September 2014 and for the Council to approve at the September 2014 meeting. Another RPWG Report will be prepared for the September 2014 Council meeting, which will include clarifications to terminology in the November 2013 Report, a draft risk policy statement, updated goals and objectives (if they are not included in the risk policy statement), the FMP-specific matrix/outline (discussed above), and discussion of other related issues.

The RPWG intends to schedule another meeting prior to the June 2014 Council meeting, but if scheduling does not permit, the working group will continue to develop a draft risk policy statement via email and will meet again prior to forwarding this draft statement to either the SSC or the Council.