

## SUPPLEMENTAL ODFW REPORT ON THE “GREEN LIGHT FRAMEWORK”

This report provides comments on a mid-biennium harvest specification increase policy (“green light framework”). The “Strawman Alternatives” document, [Agenda Item F.7, Attachment 1](#), contains helpful information and ideas for analyzing and implementing a green light framework in the West Coast Groundfish Fishery Management Plan (FMP). This document offers an alternative perspective and approach to the process for Council consideration and the analysis needed to inform it, as well as additional rationale describing the background and need for this action. The intent of this report is to generate and/or facilitate Council discussion and action, not to preclude different approaches.

The green light issue can be viewed as having two distinct but related decision points:

- 1) **Development and approval of the policy framework.** This is the issue being considered by the Council at this time. It would result in an FMP amendment describing when and how the Council may consider a mid-biennium increase in harvest specifications. It would not result in automatic action at this time or in the future.
- 2) **Implementation of a green light action for an individual stock.** With a green light framework approved, the Council could choose to implement it in the future after any new assessment if the framework conditions are met and the Council deliberates and concludes that the benefits would outweigh the costs.

The issue before the Council at this meeting is to select a preliminary preferred alternative for a green light policy. Either action alternative would result in amending the FMP to allow Council consideration of a mid-biennium increase in harvest specifications for a stock coming out of an assessment with a substantial increase in available yield. Stocks assessed in 2017 would present the first potential opportunity for the Council to consider applying the policy framework and increasing harvest specifications mid-cycle.

This report is organized in two sections according to the distinction between development of the policy framework and future implementation of the framework.

## Green Light Policy Framework

### Purpose and Need

The following strawman statements of purpose and need are offered informally here to provide a common understanding of the underlying basis for this action. It is expected that purpose and need statements would be further developed by National Marine Fisheries Service (NMFS) staff, with Council guidance as appropriate, during further analysis of the issue.

The purpose of this action is to improve the Council's ability to meet the requirements of National Standard 1 to achieve optimum yield and National Standard 8 for sustained participation of fishing communities and minimization of adverse economic impacts by enabling a timely management response when new scientific information shows an increase in available yield of a constraining stock.

The need for this action is to reduce the risk of adverse impacts on fishing communities and fishery participants from maintaining existing harvest specifications when the conservation situation (current understanding of stock status, scale, or productivity) has changed enough that the severity of current restrictions are disproportionate to the conservation need.

The intent of this action is to allow the Council to have the option to consider increasing the ACL and other harvest specifications a year (roughly) ahead of the normal schedule, when a stock assessment shows a significant increase in available yield. The expectation is that increases in harvest specifications would be limited to levels previously analyzed whenever possible in order to minimize the burden of additional mid-cycle analysis.

#### Background and Additional Supporting Rationale

The Council moved to biennial management of groundfish fisheries beginning in 2005 in order to allow time to focus its work in alternate years on issues other than specifications and management measures, which had become increasingly complex and time-consuming. The primary tradeoff for this benefit is a delay in applying the best available science from stock assessments. During consideration of a multi-year approach, it was noted on multiple occasions that there may be a need to establish a process or trigger to adjust specifications "...when stock assessment information shows significant changes (higher or lower) in abundance from levels used to set management specifications" ([Exhibit F.6.b, DRAFT Supplemental GMPC Report, April 2001](#)).

In developing and implementing a multi-year management policy through [Amendment 17](#) to the groundfish FMP, the Council included a "red light policy" whereby a harvest specifications for overfished or co-occurring species may be revised for the second fishing year of a biennial management period when new information leads to a conclusion that existing ABCs or OYs are not adequately conservative to meet rebuilding plan goals. A green light framework would enable the Council to be similarly responsive in meeting social and economic needs of coastal communities when appropriate.

Magnuson Stevens Fishery Conservation and Management Act National Standard 8 (Communities) provides that conservation and management measures **shall provide for the sustained participation of fishing communities and, to the extent practicable, minimize adverse economic impacts on such communities.** "Sustained participation" means continued access to the fishery within the constraints of the condition of the resource. Stocks with a significant increase in available yield based on new assessments could present the Council with an opportunity to provide increased access to the fishery and minimize adverse economic impacts.

In addition, National Standard 6 (Variations and Contingencies) also provides guidance in line with a green light policy, stating that: "...the particular [management] regime chosen **must be flexible enough to allow timely response to resource, industry, and other national and regional needs**". Section (d) of this standard is particularly relevant:

“(d) Contingencies. Unpredictable events—such as unexpected resource **surges** or failures, fishing effort greater than anticipated, disruptive gear conflicts, climatic conditions, or environmental catastrophes—are best handled by **establishing a flexible management regime that contains a range of management options through which it is possible to act quickly** without amending the FMP or even its regulations.

- (1) The FMP should describe the management options and their consequences in the necessary detail to guide the Secretary in responding to changed circumstances, so that the Council preserves its role as policy-setter for the fishery. The description should enable the public to understand what may happen under the flexible regime, and to comment on the options.
- (2) FMP’s should include criteria for the selection of management measures, directions for their application, and mechanisms for timely adjustment of management measures comprising the regime. For example, an FMP could include criteria that allow the Secretary to open and close seasons, close fishing grounds, or make other adjustments in management measures.”

Although many of the examples in the guidance for National Standard 6 refer to situations that would generally require more restrictive management measures (e.g., fishing effort greater than expected, environmental catastrophes), the specific reference to resource surges supports the concept of a green light policy that would allow a flexible and timely response to an unexpected and substantial increase in sustainable yield of a stock based on a new assessment outcome.

#### Range of Alternatives for a Green Light Policy

The Council adopted the following range of alternatives for a green light policy at the September 2016 meeting. Council action in November 2016 is to select a preliminary preferred alternative.

##### **No action**

This alternative would retain the current process and schedule of setting ACL’s for all species during the biennial harvest specifications cycle. Mid-biennium increases would not be allowed for any stock regardless of assessment outcomes.

##### **Alternative 1: Overfished stocks scheduled for assessment**

This alternative would allow consideration of mid-biennium ACL increases for overfished stocks only, when new information resulting from a stock assessment indicates a substantial increase in stock status or scale.

## **Alternative 2: Overfished stocks and species currently constraining fisheries scheduled for assessment**

This alternative would allow consideration of mid-biennium ACL increases for overfished stocks and stocks constraining fisheries at that time, when new information resulting from a stock assessment indicates a substantial increase in stock status or scale.

### Discussion of Green Light Policy Alternatives

The task before the Council at this time is to choose a preliminary preferred alternative and provide guidance to staff on proceeding with a full analysis (if an action alternative is chosen). The end result of either action alternative would mean that the Council may contemplate a mid-biennium increase in harvest specifications for a stock at some future time when certain criteria are met. Any decision on using the green light policy by considering a mid-biennium increase for a specific stock would occur in the future, under a set of circumstances that cannot be predicted in advance, and after Council deliberation and consideration of then-current benefits and costs.

#### *Benefits and Costs*

The benefits and costs of a green light policy would occur in the future, if/when a green light action is contemplated for a particular stock. Future costs and benefits will be tangible, but are difficult to accurately identify and quantify at this time. It is important to note that although marginal socioeconomic benefits can be reasonably expected to accrue from ACL increases for many stocks, it is anticipated that the Council would choose to implement a green light policy infrequently, when the benefit of relief or increased opportunity would be significant, in order to minimize costs associated with deviating from the normal management cycle.

In general, benefits of a green light policy would take the form of positive outcomes achieved (i.e., increased economic benefit associated with increased commercial or recreational harvest opportunity) and/or negative outcomes avoided (e.g., avoiding early closure or severe restrictions on sectors or participants). Socioeconomic benefits could include, but are not limited to, increased revenue to vessels, processors, port/marina facilities, recreational charter operations, recreational and commercial fishing supply businesses, etc.; increased number or duration of jobs; increased recreational fishing opportunity; and other factors. These benefits could occur for any stock that is constraining fisheries under current harvest specifications (e.g., sablefish), not just overfished stocks.

Future costs of implementing a green light policy would include the time required for Council deliberation about whether to initiate a green light action for stocks assessed in each biennium, and Council and NMFS staff workload associated with analysis and subsequent rulemaking. The impact of these costs would be potential negative socioeconomic outcomes related to reprioritization and/or delay of decisions and rulemaking on other items if the Council chooses to implement a green light policy. The magnitude of that impact would depend on the nature of the

specific item(s) that could be delayed, which cannot be predicted at this time. These impacts could affect any of the groundfish fisheries within Council/NMFS jurisdiction.

Regarding the difference between Alternative 1 (overfished stocks only) and Alternative 2 (overfished and constraining stocks), the former was intended to limit the potential scope in order to limit the burden of a green light policy, whereas the latter was intended to recognize that it is the constraints posed by allowable harvest levels of a stock, rather than a stock's designation as overfished, that result in adverse impacts and offer an opportunity to alleviate them via a green light action. While overfished stocks that are determined to be rebuilt may be more likely to present a green light opportunity due to the change in default harvest control rules associated with rebuilding in addition to an increased estimate of biomass and/or productivity, non-overfished stocks at or near full attainment (e.g., sablefish) could also present a valuable green light opportunity.

#### *Examples of potential benefits*

A recent example illustrating one type of potential benefit can be seen with the F/V Seeker's "disaster tow" of canary rockfish in 2015 and resulting inability to participate in the IFQ fishery in 2016 due to the annual vessel limit on quota pounds. A hypothetical example of a future benefit can be imagined in the recreational groundfish fisheries – if an ACL was projected to be reached but a new assessment showed an increase in the potential yield, a green light policy could eliminate the need for severe restrictions or early closure, avoiding significant impacts on coastal communities. It should be noted that there could be other options for addressing these "avoiding negative outcomes" benefits.

Sablefish could be an example of a "positive outcome" benefit. Currently near full ACL attainment and constraining access to other commercially important species with low attainment (e.g., Dover sole), sablefish are likely to be a candidate for assessment in 2019 (last assessed in 2011). An increase in potential yield of sablefish could provide significant direct and indirect benefits to the trawl and non-trawl sectors. This example illustrates the value of allowing green light consideration for constraining stocks in addition to overfished stocks.

#### Suggested Approach to Analyzing Green Light Policy Alternatives

The purpose of the analysis is to enable the Council to make an informed choice when selecting a final preferred alternative. [Agenda Item F.7, Attachment 1](#) proposes an ACL-ranging approach to analysis of the policy alternatives, in order to illustrate their potential differences and support the Council in choosing between them. However, many variables beyond potential ACL values would contribute to the costs and benefits described above, including but not limited to: which stocks would be directly or indirectly affected; their conservation status and available harvest; future management measures in effect such as gear or area restrictions different than those in place today; economic factors; adverse impacts occurring at the time a green light action is considered; severity and scope of adverse economic impacts; other ongoing or upcoming rulemaking items at the time which could be delayed by a choice to prioritize a green light action; etc.

National Standard 7 and its guidelines address the type of analysis needed to compare management alternatives: “In determining the benefits and costs of management measures, each management strategy considered and its impacts on different user groups in the fishery should be evaluated. **This requirement need not produce an elaborate, formalistic cost/benefit analysis.** Rather, an evaluation of effects and costs, especially of differences among workable alternatives, including the status quo, is adequate. If quantitative estimates are not possible, qualitative estimates will suffice.” At this stage, a qualitative ranking and description of the relative types of benefits and costs associated with each alternative may best inform the Council and the public about the green light framework alternatives, rather than an approach evaluating ACL ranges.

Ranking would likely be straightforward: in terms of both benefits and costs, Alternative 1 (overfished stocks only) would have higher potential benefits as well as higher potential costs than No Action (status quo). Alternative 2 (overfished + constraining stocks) may have greater potential benefits and costs than Alternative 1, because it could offer more opportunities for a green light action, potentially incurring both benefits and costs more frequently, although the benefits or costs for any individual case of implementation of a green light policy would not necessarily differ based on whether it was for an overfished stock or a constraining stock.

Several potential scenarios in which an increase in an ACL could provide significant relief or economic benefit could be described in order to characterize the potential effects of the green light framework alternatives. These scenarios would serve only as examples to illustrate the types and magnitude of benefits that might be anticipated under a green light policy for overfished species only or one that also includes constraining species.

This type of qualitative cost-benefit analysis would avoid giving a false impression of precision in estimating the impacts, and may provide more understandable information to the Council and the public. It would likely also reduce the amount of analysis needed at this time. The analysis done for the *New Inseason Process for California Recreational and Commercial Fisheries* in the analysis of new management measures for the 2015-2016 biennium ([Agenda Item G.4, Attachment 5, June 2016](#)) offers a recent precedent for a qualitative approach such as this.

## Future Implementation of a Green Light Action

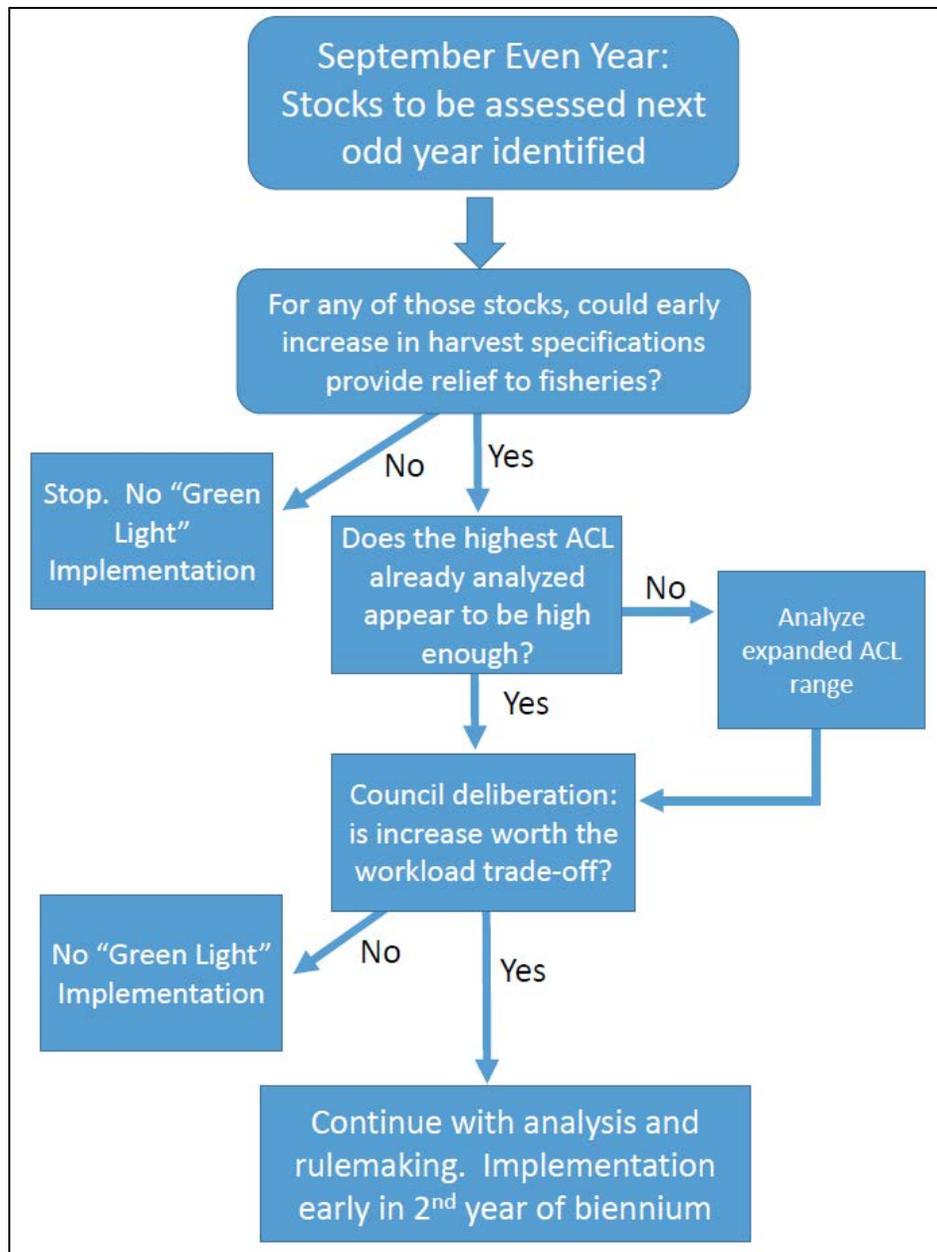
As the Council deliberates on a policy choice in November 2016, it is important to have a clear vision of what could happen when a green light action is contemplated in the future. A key point is that it will be imperative to minimize or avoid additional analysis in the middle of a biennial management cycle, therefore, a green light action rely on previously-analyzed harvest specifications as much as possible.

The possible steps described below build on the *Potential Schedule for Council Deliberation of a Mid-Biennium Increase of Harvest Specifications for a Newly Assessed Stock* in [Agenda Item F.7 Attachment 1](#) (p. 17) to illustrate a potential process and timeline with additional detail (also conceptually illustrated in flowchart form in Figure 1):

1. When a PPA list of stocks for the next assessment is chosen (usually in June of even years), the Council requests staff to conduct an evaluation of those stocks against a set of criteria designed to determine the potential for benefit (see next subsection on green light candidate criteria).
2. When the list of stocks for the next assessment is finalized (usually in September of even years), the Council reviews results of the evaluation and identifies green light candidate stocks (i.e., those judged to have the potential to provide significant socioeconomic benefits from a green light action).
3. The Council considers (with advisory body and public input) whether the highest ACL already analyzed for any green light candidate stock(s) seems high enough to provide a meaningful benefit<sup>1</sup>?
  - If YES, no further action is needed at that time.
  - If NO, the Council requests staff/GMT determine an appropriate ACL range and begin analysis over the upcoming winter/spring.
4. Stock assessments are usually finalized in September of odd years, although this can occur as early as June or as late as November. When an assessment is finalized for any green light candidate stock(s), the Council could deliberate at that time on whether to implement a green light action to raise the harvest specifications to the overfishing limit (OFL) resulting from the new assessment and the optimum yield (OY), annual biological catch (ABC), and ACL that would result from application of default harvest control rules, if those levels have been analyzed, or if not, to the highest levels previously analyzed.
  - Note: This would be the time when the cost of a green light action in terms of any additional analysis needs and/or a possible delay of other rulemaking items relevant at that time would be known most precisely. The purpose of this Council deliberation would be to weigh this cost against the previously-identified benefits.
5. If the Council approves a green light action, rulemaking would begin as soon as possible. Ideally this could result in a final rule implementing an ACL increase in the first quarter of the following even year (i.e., the second year of a 2-year management cycle).

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<sup>1</sup> This need not be as high as a potential ACL based on the new assessment (which would not be known at that time). An intermediate ACL may provide enough of a benefit to be worth the cost associated with a mid-biennium increase. The intent is to avoid or minimize the need for new analysis in the middle of a management cycle, so that a green light action can occur in a timely manner so as to provide access to the benefits as soon as possible with minimal impact on other items in the rulemaking queue.



*Figure 1. Process and schedule for a green light action*

### Green Light Candidate Criteria

Describing draft criteria at this time to be used in the future to identify candidate stocks for a possible green light action in any biennial management cycle (as proposed above under step 1) can help further illuminate what may happen under a green light regime. This evaluation could occur between preliminary and final selection of stocks for the next assessment, and the primary question at that time would be whether there is likely to be any significant benefit. Identification

and consideration of costs should be conducted later, if/when an assessment actually shows an opportunity for a significant increase in harvest.

The following draft criteria are offered to help conceptualize how the process would work, and should be reviewed and revised if work on a green light framework proceeds:

- A. Risk of adverse economic impacts or constraining fishing opportunities under the existing ACL, ACTs, and/or harvest guidelines (HGs) and the management measures and other factors relevant at the time
- B. Probability of relieving or avoiding adverse economic impacts under the potential harvest specifications
- C. Fishery value under the existing and potential increased harvest specifications
- D. Reach of potential benefits (i.e., how many sectors/participants might benefit)

A quantitative description of the potential impacts and benefits identified during this screening step will be valuable later as the Council considers costs and tradeoffs, and deliberates on whether to approve a green light action (step 2 above).

#### Considerations for Potential Implementation in 2017-2018

Regardless of which green light policy alternative is chosen, guidance included in the September, 2016 Council motion was that “**...scoping of applying the framework in the upcoming assessment biennial cycle should be limited to the 4 overfished [stocks] scheduled for assessment [in 2017].**” These are: bocaccio south of 40°10’ N lat., darkblotched rockfish, Pacific ocean perch (POP) north of 40°10’ N lat., and yelloweye rockfish.

No decision is needed at this time on whether or not to implement a green light action in the 2017-2018 management cycle. However, based on workload and scheduling caveats discussed in [Agenda Item F.7 Attachment 1](#) (p. 19), there may be a shortened window for a green light action in 2018, if at all. This could reduce the relative benefit, which should be taken into account if/when the Council considers implementing any green light action based the 2017 assessments.

## Recommendations

The following preliminary recommendations are offered, with the expectation that additional perspectives and input from advisory bodies, the public, NMFS, and Council members and staff will aid in further refinement and development of framework alternatives and guidance:

1) **Consider selecting green light framework Alternative 2 (consideration of mid-biennium harvest specification increases for overfished plus constraining stocks) as a preliminary preferred alternative**, because it best addresses the goal of providing benefits when a new assessment shows the opportunity to relax constraints for a stock. This intent is silent on stock status. Regarding the desire to limit the negative aspects of a mid-cycle adjustment by restricting the framework scope to overfished species only, the appropriate point to weigh those tradeoffs

and make a decision is during future Council deliberation on whether to implement a green light action for a particular stock, rather than in the definition of a green light framework.

2) **Use a qualitative evaluation of effects and costs of the three green light framework alternatives** to inform Council selection of a final preferred alternative, rather than an intensive, quantitative ACL-ranging analysis.

3) **Request that Council staff and/or the GMT develop a description of the process and schedule for implementing a green light action in the future** prior to April 2017, in order to provide the Council with a more complete understanding of how it could work.