

MSA 2007 - Sec. 106

Limited Access Privilege Programs (LAPPs)



April 2007 Council Presentation

Note: This presentation summarizes provisions on Limited Access Privilege Programs. Refer to Bill language for details.



Administration Priority

- **White House:**
 - **Double number of LAPPs**

- **DOC Funding Request for 2008:**
 - **\$20 Million for MSA**
 - **~ 1/3 for LAPPs**



Definition

- **Limited Access Privilege (LAP)**
 - Federal permit
 - Part of a limited access system
 - Harvest a portion of the TAC
 - For exclusive use by a “person”
 - Includes IFQs



~ 10% of MSA Reauth.

- (a) General
- (b) No Right
- (c) Requirements
- (d) Auctions
- (e) Cost Recovery
- (f) Characteristics (renewal/revocation)
- (g) Assisted Purchase
- (h) Existing Programs
- (i) Transition Rules

(a) General

- **(a) General**

- (b) No Right

- (c) Requirements

- (d) Auctions

- (e) Cost Recovery

- (f) Characteristics (renewal/revocation)

- (g) Assisted Purchase

- (h) Existing Programs

- (i) Transition Rules



(a) General

- **Council may submit and Secretary may approve a LAPP**
- **For fisheries under limited access**
- **If the program meets “the requirements”**
 - **Plan/Council; shall/may**

(b) No Right

- (a) General
- **(b) No Right**
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(b) No Right

- **“Permit” in terms of enforcement**
- **May be revoked, limited, or modified**
 - **no compensation**
- **No right to fish before harvest**
- **“Grant of permission”**



(c) Requirements

- (a) General
- (b) No Right
- **(c) Requirements**
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(c) Requirements

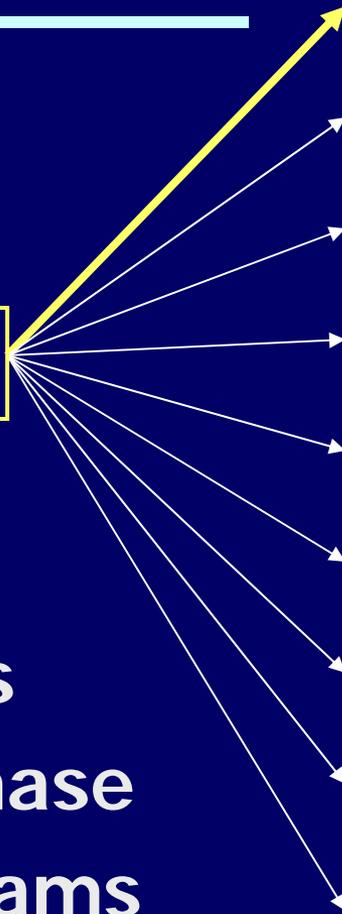
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- (1) General
- (2) Waiver
- (3) Fishing Communities
- (4) RFAs
- (5) Allocation
- (6) Program Initiation
- (7) Transferability
- (8) Secretarial Plans
- (9) Antitrust

(c) Requirements

- (a) General
- (b) No Right
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(1) General





(c) Req. (1): General

Program shall:

- Assist in rebuilding*
- Contribute to reducing capacity*
- Promote safety, cons, social/econ benefits
- Have domestic holders/processing
(waiver)



(c) Req. (1): General

Program shall:

- Include goals, monitoring, review
- Include an effective system for enforcement, monitoring, and management
 - including observers or electronic monitoring systems



(c) Req. (1): General

Program shall:

- **Include initial allocation appeals process**
- **Provide for anti-trust information, review, and related revocation.**

(c) Requirements

- (a) General
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(2) Waiver



(c) Req. (2): Waiver

- **Domestic processing requirement may be waived by Secretary**

(c) Requirements

- (a) General
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(3) Fishing Communities

(4) RFAs



(c) Req 3: FCs

■ **Fishing Community:**

- Harvest or processing
- Vessel owners, operators, crew, and US processors

■ **Eligibility of Community**

■ **Participation Criteria**

- Potential for improving econ conditions in *remote coastal communities*.



(c) Req 4: RFAs

■ **Regional Fishery Associations:**

- Formed for the mutual benefit of members
- To meet social/econ needs in a region/subregion
- Persons harvesting/processing who own/operate businesses substantially dependent upon fishery.

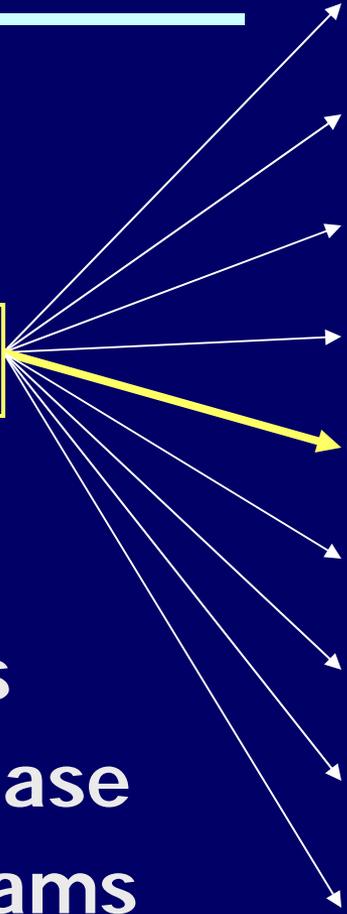
■ **Eligibility of RFA**

- Not eligible to receive initial quota
- RFA Plan

■ **Participation Criteria**

(c) Requirements

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- (d) Auctions
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(5) Allocation



(c) Req 5: Allocation

- Council shall establish procedures to ensure fair and equitable initial allocations...
- including consideration of:
 - Current and historical harvests
 - Employment
 - Investments/dependence
 - Fishing community participation
 - Cultural and social framework



(c) Req 5: Allocation

■ Cultural and social framework:

- policies* to promote small owner-operated vessel and dependent fishing community participation**
- requirements* for regional or port-specific landing or delivery**
- procedures* to address concerns about excessive consolidation**

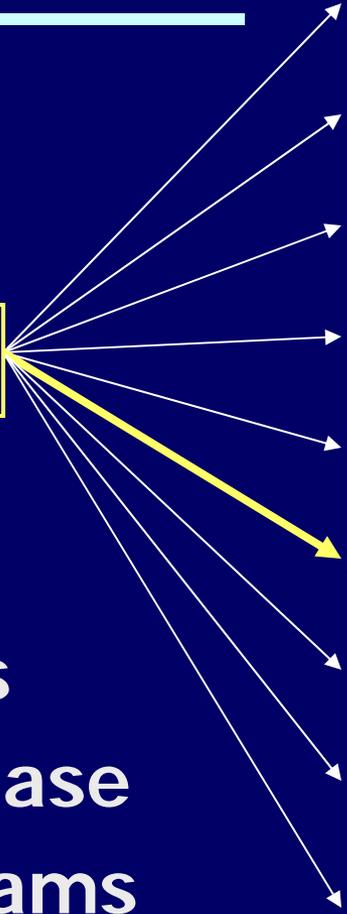
(c) Req 5: Allocation

■ Council Shall:

- Include measures to assist when necessary and appropriate entry-level/small entities
- Ensure against excessive share acquisition
 - Maximum share and other measures necessary
- Authorize to persons who substantially participate (including in a specific sector)

(c) Requirements

- (a) General
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(6) Program Initiation

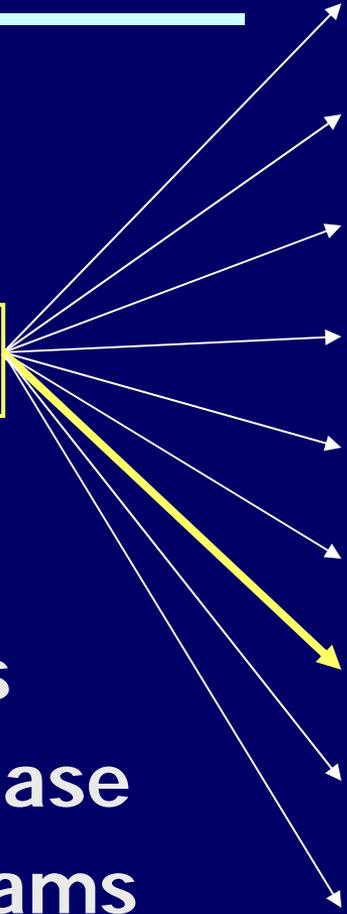


(c) Req 6: Program Initiation

- **Council may initiate:**
 - Council's own initiative
 - After petition to Secretary
 - 50% permit holders or 50% of allocation
- **New England/Gulf Referendums**
 - Do not apply to sector allocations

(c) Requirements

- (a) General
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- **(c) Requirements**
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(7) Transferability



(c) Req 7: Transferability

- **Council shall:**
 - **Establish policy/criteria**
 - **Be consistent with Allocation requirements**
 - **Establish transfer monitoring process**
 - **Sales & Leases**

(c) Requirements

- (a) General
- (b) No Right
- **(c) Requirements**
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(8) Secretarial Plans

(9) Antitrust



(c) Req 8/9: Secretarial Plans/Antitrust

- **(8) Requirements subsection applies to Secretarial/HMS Plans.**
 - Majority vote for fishery under Council authority for limited access/LAPP
- **(9) Nothing supersedes antitrust laws**



(d) Auctions

- (a) General
- (b) No Right
- (c) Requirements
- **(d) Auctions**
- (e) Cost Recovery
- (f) Characteristics (renewal/revocation)
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(d) Auctions

- **Council shall consider and may provide**
 - **If result meets requirements (section)**
 - **Revenues to Limited Access System Admin Fund**



(e) Cost Recovery

- (a) General
- (b) No Right
- (c) Requirements
- (d) Auctions
- **(e) Cost Recovery**
- (f) Characteristics (renewal/revocation)
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(e) Cost Recovery

- **Council Shall:**

- **ID/Assess programs “directly related to and in support of” LAPP**
 - **Management, data, enforcement**
- **Provide fee program to cover those costs**



(f) Characteristics

- (a) General
- (b) No Right
- (c) Requirements
- (d) Auctions
- (e) Cost Recovery
- **(f) Characteristics (renewal/revocation)**
- (g) Assisted Purchase
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(f) Characteristics

- **10 year permit, will be renewed unless revoked, limited, or modified.**
 - **After notice and hearing**
 - **For failure to comply with plan**
 - **Cause may include conservation or Section 307 (prohibited acts).**
 - **May be acquired or reacquired by participants in program if revoked, limited, or modified.**



(g) Assisted Purchase

- (a) General
- (b) No Right
- (c) Requirements
- (d) Auctions
- (e) Cost Recovery
- (f) Characteristics (renewal/revocation)
- **(g) Assisted Purchase**
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(g) Assisted Purchase

- **Council may submit program:**
 - **Use 25% of fees collected for program to help financing of LAPs by small vessels or new, entry-level fishermen.**
 - **Council develops eligibility criteria**

(h) Existing Programs

- (a) General
- (b) No Right
- (c) Requirements
- (d) Auctions
- (e) Cost Recovery
- (f) Characteristics (renewal/revocation)
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- **(h) Existing Programs**
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(h) Existing Programs

- **This act does not require a reallocation or reevaluation of quota programs in effect before Jan 12, 2007.**



(i) Transition Rules

- (a) General
- (b) No Right
- (c) Requirements
- (d) Auctions
- (e) Cost Recovery
- (f) Characteristics (renewal/revocation)
- (g) Assisted Purchase
- (h) Existing Programs
- **(i) Transition Rules**



(i) Transition Rules

- Generally exempts quota programs finalized within 6 months of Jan 12, 2007 from new MSA LAPP requirements.

Questions?