

Limited Access Privilege Programs (LAPPs)

LAPPs are programs whereby limited access privileges to harvest a quantity of total allowable catch (TAC) in a fishery are issued in the form of a federal permit. Simply said, a limited access privilege is the privilege to harvest part of a TAC and a LAPP is the program that administers limited access privileges. The term “limited access privilege” is fully defined in the Magnuson-Stevens Conservation and Management (Magnuson-Stevens) Reauthorization Act of 2006.

Limited access privileges may consist of: individual fishing quota (IFQ), community quota, and quota held by regional fishery associations (RFAs). LAPPs can consist of one, two, or all three types of limited access privileges. Terminology for these programs has been confusing, since the reauthorized Magnuson-Stevens Act uses the term “limited access privilege,” but the original Magnuson-Stevens Act used the terms “individual transferable quota (ITQ)” and “IFQ.” (An ITQ is a transferable IFQ).

The Magnuson-Stevens Act further describes the use of limited access privileges by stating that they:

1. shall be considered a permit for the purposes of certain sections of the Act;
2. may be revoked, limited, or modified at any time;
3. shall not confer any right of compensation if it is revoked, limited, or modified;
4. shall not create any right, title, interest in or to any fish before the fish is harvested by the holder;
5. shall be considered a grant of permission to the holder to engage in activities permitted by limited access privileges; and
6. may be issued for a period of not more than ten years, and will be renewed, unless revoked, limited, or modified as specified in the Magnuson-Stevens Act.

Among other things, the Magnuson-Stevens Act states that a limited access privilege program must do the following: 1) assist in rebuilding a fishery, if the fishery is overfished and/or under a rebuilding plan; 2) contribute to reducing overcapacity, if the fishery is overcapitalized; and 3) promote safety, fishery conservation and management, and social and economic benefits.

This document was adapted from Sea Grant Limited Access Privilege fact sheets available on the South Atlantic Fishery Management Council webpage at <http://www.safmc.net/SocioEconomic/LimitedAccessPrivileges/tabid/486/Default.aspx> and Gulf of Mexico Red Snapper IFQ Program Frequently Asked Questions available on the NMFS Southeast Regional Office webpage at <http://sero.nmfs.noaa.gov/>.

For additional information, please see:

Anderson, L.G. and M.C. Holliday (eds.). 2007. The design and use of limited access privilege programs. NOAA Technical Memorandum NMFS-F/SPO-86.

Characteristics of LAPPs

- LAPPs may vary considerably due to the distinct characteristics of each fishery. The careful design of an LAPP for a particular fishery may achieve the majority of LAP benefits while avoiding or mitigating the potential drawbacks.
- The applicability of a LAPP for a fishery depends on the objectives of the fishery management plan for that fishery.
- Most LAPPs enable the exclusive harvest privilege to be bought and sold in the marketplace.
- By ensuring each program participant the opportunity to harvest a specific amount of the TAC each year, LAPPs can eliminate the need to compete for the TAC under derby-style fishing conditions and, consequently, the incentive to over-invest in fishing capacity.
- In some cases, LAPPs are required to be approved by voting in a referendum of eligible permit holders in a fishery.
- Quota share in a LAPP is generally based on historical participation and amount of landings in a fishery during a specified time period.
- The amount of quota allocation assigned to each shareholder at the start of each calendar year is often determined by the amount of his or her share and the amount of the annual quota.
- To prevent monopolization of the fishery by one or more permit holders, the Secretary must ensure that limited access privilege holders do not acquire an excessive share of the total limited access privileges.

Potential Benefits of LAPPs

Conservation:

- Possible Reduction of regulatory discard mortality if “full retention” is implemented and/or size limits are decreased or eliminated as part of a LAPP.
- Decrease in the likelihood of commercial quota overages.
- Improvement in data quality.

Economic:

- General reduction in fishing restrictions could result in increased operational flexibility, harvest timing flexibility, and fishing efficiency.
- Increased flexibility due to divisibility of harvest privileges compared to permits. This would enable leasing of privileges due to hardship, etc.
- Possible long-term increase in access to capital (through banking facilities) due to increased profitability and financial and management stability.
- Possible improved operational efficiency of vessels.
- Improved profitability of the fleet as a whole.
- Simplification of management complexity in the long-term.
- Increased economic stability which creates an incentive for fishermen to become vested in the fishery.

Social:

- Possible consolidation of harvest and processing activities in certain communities.
- Possibility to ensure community sustainability over time

Potential Drawbacks of LAPPs

Conservation:

- Elimination or reduction of size limits may decrease reproductive capacity of some stocks.

Economic:

- Possible decrease in reward for hard work due to elimination of trip limits which allows fishermen to make as many trips as they want until the commercial quota is met.
- Possible increase in short-term management complexity.
- Increased costs of monitoring and enforcement.
- Possible impacts to fishermen of initial allocation if historical landings were hindered by adverse circumstances.
- Inability to increase landings when needed without purchasing more share or pounds.

Social:

- Possible decrease in crew employment.
- Possible consolidation of harvest and processing activities in certain communities.