Pilot Program: Transfers of DMF Owner-Operator Limited-Entry Permits and/or Endorsements to Non-Profit Organizations to Support Local Fishing Fleets

Purpose:
This policy allows 501(c)(3) non-profit corporations – dedicated to the preservation of local fishing fleets, communities, and economies – to temporarily obtain and hold DMF owner-operator limited-entry permits and/or endorsements with the understanding that the permits and/or endorsements will be subsequently transferred to qualified fishermen, consistent with the DMF goal of supporting local fishing fleets.

Statement of Problem:
Some owner-operator limited-entry state waters fisheries, including lobster and fish-pot fisheries, are a vital part of the fishing heritage and economy in smaller ports. Many of these smaller ports have undertaken action at the municipal level to maintain and enhance working waterfronts and associated infrastructure. Without the continued presence of active commercial fishermen, efforts to preserve infrastructure become futile. To this end, 501(c)(3) non-profit organizations have been established with the goal of supporting local fishing fleets, communities, and economies. However, the Division’s owner-operator limited-entry permit and/or endorsement transfer regulations preclude corporate permit holders (322 CMR 7.03 and 7.06).

It is in the interest of the Commonwealth and local communities to facilitate non-profit involvement by allowing – on a temporary basis – the acquisition of the permit through a DMF-approved transfer with the eventual transfer of the permit to a recipient having the necessary experience and being named owner/operator of the permit. This will allow these organizations the time to find a local recipient.

The permit transfer process requires the holder of a limited-entry permit and/or endorsement to confirm transfer eligibility with the Division. Additionally, the recipient must be pre-approved by the Division based upon experience criteria. The full transfer application is then submitted to the Division requesting final approval to transfer an eligible permit or endorsement to a qualified transferee. Of note and special importance, the Coastal Lobster permit and many fishery endorsements have an “owner-operator” requirement.

The Division recognizes: (1) the difficulty current transfer rules present for organizations seeking to keep limited entry permits and/or endorsements in communities; and (2) the historic and economic importance of maintaining commercial fishing fleets and working waterfronts in ports across the state. Therefore, the following policy is adopted.

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1 Owner-operator means that the named individual listed on the limited entry regulated fishery permit endorsement must be onboard the vessel when commercial fishing is being conducted under the authority of that limited entry regulated fishery permit endorsement.
Policy:
The Director may waive transferee eligibility criteria found at 322 CMR 7.03 and 7.06(4)(b) and the owner-operator requirements found at 322 CMR 7.03(6)(c) and 7.06(5) in order to allow a 501(c)(3) non-profit corporation to temporarily receive the transfer of an eligible owner-operator limited-entry permit and/or endorsement(s), subject to annual review by the Director. While the permit and/or endorsement is held by the non-profit, it may not be fished and it need not be fished to maintain its status as transferable. The non-profit may then transfer said owner-operator limited-entry permit and/or endorsement to a qualified transferee (recipient) who must first meet all eligibility criteria found at 322 CMR 7.03 and 7.06(4)(b).

Moreover, the Director will waive the requirement, found at 322 CMR 7.03(6)(a) and 7.06(4)(d)(1), that business assets be included as part of these transfers.

During this pilot program:
- The Director may limit a non-profit organization to holding one owner-operator limited-entry permit and/or endorsement(s) per fishery at any one time.
- Permit and/or endorsement packages and associated trap allocations cannot be split.