

C2 CRAB CREW SHARES

TAYLOR HOLMAN, DECEMBER 2025



New content in analysis

- Items highlighted for Council consideration (Executive summary, page 5-6)
- Summary of substantive issues (Chapter 3)
 - Section 3.4.5 - Value of C shares
- Analysis of impacts (Chapter 4)
 - Alternative 2, modifying transfer eligibility requirements (Chapter 4.2)
 - Section 4.2.4 - Alignment and consistency with recent Council actions
 - Alternative 3, increasing use caps (Chapter 4.3)
 - Section 4.3.3 – Value of increased QS allocations
 - Section 4.3.4 – Market impacts
 - Section 4.3.5 – Impacts on consolidation of C share QS



INTRODUCTION AND BACKGROUND

CHAPTERS 1 AND 2



Introduction & Background: Purpose & Need for Action (1.1)

*The purpose of this action is to **increase opportunity for active crab fishermen** in the Bering Sea/Aleutian Islands Crab Rationalization (CR) Program by **increasing flexibility** around C-share requirements (also known as crew shares or CVC and CPC), as well as **to encourage new entrants**. The Council recently broadened eligibility requirements to maintain C-shares and this action is proposed to similarly broaden the eligibility requirements to receive C-shares by transfer. Changes to the eligibility criteria would broaden who could purchase C-shares and changes to the use caps would encourage more new entrants to invest in the crab fishery as well as allowing current C-share holders to acquire additional C-shares. This could **incentivize the transfer market** for C-shares given the low crab catch limits and **increase the marketability** of C-shares in general. This action is intended to **provide greater consistency** between the participation requirements to retain and transfer C-shares, and to **loosen restrictions on use caps**.*



Introduction & Background: Alternatives Selected for Analysis (Chapter 2)

Alternative 1 – No Action.

Alternative 2 – Revise eligibility requirements to purchase/receive c-shares by transfer.

Allow time tendering in any Federal or State commercial fishery off Alaska to count toward the 150-day eligibility and increase time to 3 years to participate in a CR fishery trip.

Alternative 3 – Increase c-share use caps for Bering Sea crab stocks

Consider increases within a range of up to 5-10% individually for each Bering Sea crab stock (BBR, BSS, EBT, VVBT, SMB, PIK).

The two action alternatives are not mutually exclusive. No preliminary preferred alternative has been identified at this time.



BACKGROUND RELEVANT TO SCOPE OF ACTION

CHAPTER 3



Description of Management: C Share Eligibility Requirements (Section 3.2.2)

Transfer Eligibility Requirements:

- C shares are transferrable ONLY to CR Program fishery crew
- Current regulations at § 680.41(c)(1) require that individuals receiving C share **QS OR IFQ** by transfer must be a U.S. citizen with:
 - (1) at least 150 days of sea time as part of a harvesting crew in any U.S. commercial fishery; and
 - (2) participation as crew in one of the CR Program fisheries in the 365 days prior to the date the transfer application is submitted to NMFS.

Retention Eligibility Requirements:

- C share QS will yield IFQ only if the individual holding that C share QS:
 - (A) Participated as crew in at least one fishing trip where a delivery of crab in a CR Program fishery occurred during the three preceding crab fishing years; or
 - (B) Participated as crew in at least 30 days of fishing, tendering, or both in combination in a commercial fishery managed by the State of Alaska or in a federal commercial fishery in that portion of the U.S. Exclusive Economic Zone off Alaska during the three preceding crab fishing years as specified in regulation.



C share use caps (Section 3.2.3)

Table 3-13 (page 42) CVC/CPC QS Use Caps and IFQ Use Caps for Individuals, 2025/2026

Fishery	Permanent Individual Use Cap, as a % of C share QS Pool	Total CVC and CPC QS Holders	CVC and CPC QS Holders at or above the Individual Use Cap	
			Count	Percent
BBR	2% cap	100	16	16%
BSS	2% cap	94	16	17%
EBT	2% cap	107	13	12%
VBWT	2% cap	107	13	12%
PIK	4% cap	39	5	13%
SMB	4% cap	60	2	3%
EAG	20% cap	10	3	30%
WAG	20% cap	8	2	25%
WAI	20% cap	4	2	50%



Trends: C Share Transfers (Section 3.4.4)

- Limited transfers are a result of uncertainty in the fishery. Persons holding harvest QS do not want to sell at a low price relative to historical rates and buyers do not want to pay more than they expect the quota to provide in future profit streams.
- Figure 3-6 (page 45) presents the number of harvest QS sales for all CR Program fisheries. Harvest QS sales have been slow in recent years; the issue is exacerbated for C share QS due to the additional constraints on the buyer pool.
- The most recent CR Program Review specifically noted the weak market and low demand for C shares as a particular challenge facing the CR Program.
- Table 3-17 (page 46) breaks out the number of CVC QS transfers on an annual basis, by CR Program fishery.



Trends: Value of C Shares (Section 3.4.5)

Owning C shares can provide monetary value to share holders through multiple channels:

1) If directly harvesting the raw crab pounds: ex-vessel value of raw crab

Does not account for operational costs.

Calculating true harvesting value can be complex, especially if the C share holder is not a vessel owner. Value may also be reflected through additional leverage in contract negotiation.


2) If leasing IFQ annually: proceeds from leasing C share IFQ

C share holders that lease their IFQ are paid a proportion of the total ex-vessel earnings of the harvest (proportion = lease rate).

Lessees must meet the C share QS transfer eligibility requirements, since they are receiving C share IFQ by transfer.

3) If opting to sell underlying QS units: sale price of QS transfer

Results in full or partial divestment from the fishery.

Sale prices are typically conducted on the basis of price per pound, though QS represents a share interest in the future stream of TAC allocations. Variation is indicative of the lease value, &  expectations of future returns.



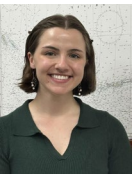
EXPECTED EFFECTS OF ALTERNATIVES

CHAPTER 4



Expected Effects of Alternative 1, No Action Alternative (Section 4.1)

- If challenges and problems facing the BSAI crab industry persist, challenges surrounding C share markets and participation would continue.
 - Low transfer volumes; current market has little to no demand
 - Buyer pool is limited, dampening demand; restrictions on buyer pool would remain in place
- If crab stocks improve, fisheries open, and TACs provide more opportunity, C share markets may somewhat stabilize.
 - Restrictions on buyer pool would remain in place; may continue to constrain value
 - Requirements to retain C shares may continue to dampen interest/demand for individuals in the buyer pool
- Additional flexibility granted in Amendment 54 (see Section 3.2.2) may impact demand & prices, magnitude of these impacts are unknown due to recency of amendment.



Expected Effects of Alternative 2, Revise Transfer Eligibility Requirements (Section 4.2)

Current Transfer Requirements

Individuals receiving C shares by transfer must be a U.S. citizen with:

- (1) at least 150 days of sea time **as part of a harvesting crew in any U.S. commercial fishery**; and
- (2) participation as crew in one of the CR Program fisheries in the **365 days prior to the date the transfer application is submitted to NMFS.**

Alternative 2

Individuals receiving C shares by transfer must be a U.S. citizen with:

- (1) at least 150 days of sea time **as part of a harvesting crew in any U.S. commercial fishery or tendering crew in any State or Federal commercial fishery in the EEZ off Alaska**; and
- (2) participation as crew in one of the CR Program fisheries in the **3 years prior to the date the transfer application is submitted to NMFS.**



Expected Effects of Alternative 2: Alignment & Consistency with Recent Council Actions (Section 4.2.4)

Current Transfer Requirements

Individuals receiving C share QS/IFQ by transfer must be a U.S. citizen with:

- (1) at least 150 days of sea time as part of a **harvesting crew in any U.S. commercial fishery**; and
- (2) participation as crew in one of the CR Program fisheries in the 365 days prior to the date the transfer application is submitted to NMFS.

Current Retention Requirements

To retain C share QS/IFQ, an individual must demonstrate:

- (1) 30 days of sea time as part of a **harvesting and/or tendering crew in any State or Federal commercial fishery in the EEZ off Alaska**; or
- (2) One fishing trip where a delivery of crab is made in any CR fishery.

Alternative 2 (Transfer Requirements Under Consideration)

Individuals receiving C share QS/IFQ by transfer must be a U.S. citizen with:

- (1) at least 150 days of sea time **as part of a harvesting crew in any U.S. commercial fishery and/or tendering crew in any State or Federal commercial fishery in the EEZ off Alaska**; and
- (2) participation as crew in one of the CR Program fisheries in the 3 years prior to the date the transfer application is submitted to NMFS.



Expected Effects of Alternative 2: Tendering (Section 4.2.1) and Expanding Participation Window (Section 4.2.2)

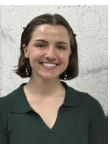
Both mechanisms may increase opportunity & flexibility for active CR program fishermen and encourage new entrants, relative to no action.

Tendering:

- Would provide an alternative outlet for a CR Program crewmember to achieve the 150-day threshold. Advantageous in multiple scenarios:
 - When harvesting crewmember opportunities are reduced
 - For crewmembers who have primarily/solely had tendering employment opportunities or experience
- Crab industry participants have noted that tendering experience has been a common way for CR Program fishermen to begin working on a crab vessel

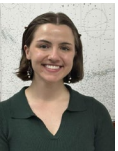
Expanded CR Program Participation Window:

- Would provide greater consistency between transfer and retention requirements
- Advantageous when CR program crewmember opportunities are reduced, and may act as a buffer during short-term periods of consolidation



Expected Effects of Alternative 2: Market Impacts (Section 4.2.3)

- Both mechanisms provide additional avenues & opportunities for C share markets to stabilize by increasing the pool of eligible buyers.
- Increases to buyer pool are difficult to quantify. Magnitude of increase depends on:
 - Vessel counts
 - Retention and attrition of crew members
 - # of CR crewmembers who do not have 150 days of harvesting experience, but meet the threshold if tendering days-at-sea can be included
- Eligible ≠ interested. Increasing the buyer pool *may* spur additional demand for C share IFQ/QS. Magnitude is impacted by:
 - Fishery conditions (particularly BBR and BSS)
 - Individual decision-making
 - Magnitude of eligible buyer pool expansion
 - Impacts from Amendment 54 (elimination of CR-Program-specific requirements for retaining C shares)
- Increased demand would increase the value of C shares. This may motivate or enable current C share QS holders to initiate the sale and transfer of their currently held QS, creating opportunities for new QS holders.



Effects of Alternative 3, Use Caps (Section 4.3)

- Under Alternative 3, C-share use caps for six Bering Sea crab stocks could be increased up to 5-10% individually.
 - BBR, BSS, EBT, and WBT fisheries are all subject to a 2% C share use cap. SMB and PIK fisheries are both subject to a 4% C share use cap.
 - The PIK fishery has remained closed for the duration of the CR Program, therefore the following analysis focuses on impacts of increasing use caps for the SMB fishery.
- Data suggest that many individuals are constrained by the current use caps.



Effects of Alternative 3, Use Caps: C share holders with holdings at or above use caps (Section 3.4.3)

Table 4-8, page 67: Holdings of individuals at or above C share use caps, by fishery, 2025/2026 crab year

	Number of Individuals at or Above Use Cap	QS Held by Individuals at or Above Use Cap	% of all C share QS issued
BBR	16	3,360,000	28%
BSS	16	8,400,000	30%
EBT	13	1,200,000	20%
WBT	13	1,200,000	20%
PIK	5	194,759	22%
SMB	2	72,000	8%
Total	37		

Table 3-16, page 44: Number of fisheries that “Capped” C share holders own maximum holdings in, 2025/2026 crab year

Number of Fisheries they hold the maximum C share QS in	“Capped” C Share Holders	
	Count	Percent
1 CR Fishery	17	46%
2 CR Fisheries	11	30%
3 CR Fisheries	4	11%
4 CR Fisheries	4	11%
5 CR Fisheries	1	3%



Effects of Alternative 3, Use Caps: IFQ allocations under current use caps, and Alt. 3 (Sections 4.3.1 and 4.3.2)

Table 4-3: Maximum IFQ Allocation (lbs) for a C share holder under current use caps

Year	BBR	BSS	EBT	WBT	SMB	PIK
2005	9,898	20,079	-	875	-	-
2006	8,385	19,746	1,013	591	-	-
2007	11,001	34,038	1,860	1,175	-	-
2008	10,997	31,617	1,492	830	-	-
2009	8,645	25,929	729	-	1,260	-
2010	8,013	29,312	-	-	1,728	-
2011	4,230	48,003	-	-	2,548	-
2012	4,241	35,829	-	-	1,760	-
2013	4,644	29,151	790	888	-	-
2014	5,392	36,693	4,579	3,578	707	-
2015	5,386	21,930	6,087	4,534	444	-
2016	4,573	11,648	-	-	-	-
2017	3,565	10,239	-	1,350	-	-
2018	2,326	14,894	-	1,317	-	-
2019	2,050	18,370	-	-	-	-
2020	1,430	24,300	-	1,268	-	-
2021	-	3,024	-	594	-	-
2022	-	-	628	459	-	-
2023	1,161	-	410	713	-	-
2024	1,386	2,832	1,062	2,700	-	-

Table 4-4: Additional IFQ Allocation (lbs) for a C share holder, per 1% increase in the use cap

Year	BBR	BSS	EBT	WBT	SMB	PIK
2005	4,949	10,040	-	437	-	-
2006	4,192	9,873	506	295	-	-
2007	5,500	17,019	930	588	-	-
2008	5,498	15,809	746	415	-	-
2009	4,322	12,965	365	-	315	-
2010	4,007	14,656	-	-	432	-
2011	2,115	24,001	-	-	637	-
2012	2,120	17,915	-	-	440	-
2013	2,322	14,575	395	444	-	-
2014	2,696	18,347	2,290	1,789	177	-
2015	2,693	10,965	3,043	2,267	111	-
2016	2,287	5,824	-	-	-	-
2017	1,782	5,119	-	675	-	-
2018	1,163	7,447	-	659	-	-
2019	1,025	9,185	-	-	-	-
2020	715	12,150	-	634	-	-
2021	-	1,512	-	297	-	-
2022	-	-	314	230	-	-
2023	581	-	205	356	-	-
2024	693	1,416	531	1,350	-	-

Effects of Alternative 3, Use Caps: Value of increased QS allocations (Section 4.3.3)

Summary of Table 4-7: Value of Max. C Share Holdings Considered by Alt. 3

BBR			
Ex-Vessel Value			
	2% Cap	5% Cap	10% cap
10-year average	\$40,000	\$100,000	\$200,000
Minimum (2020)	\$20,000	\$51,000	\$102,000
Maximum (2016)	\$61,000	\$153,000	\$305,000
Lease Value			
	2% Cap	5% Cap	10% cap
10-year average	\$26,000	\$64,000	\$128,000
Minimum (2020)	\$13,000	\$32,000	\$63,000
Maximum (2016)	\$38,000	\$95,000	\$189,000
QS Sale Value			
	2% Cap	5% Cap	10% cap
10-year average	\$199,000	\$497,000	\$995,000
Minimum (2020)	\$82,000	\$204,000	\$408,000
Maximum (2015)	\$264,000	\$660,000	\$1,320,000

BSS			
Ex-Vessel Value			
	2% Cap	5% Cap	10% cap
10-year average	\$71,000	\$178,000	\$355,000
Minimum (2021)	\$17,000	\$42,000	\$84,000
Maximum (2014)	\$115,000	\$287,000	\$574,000
Lease Value			
	2% Cap	5% Cap	10% cap
10-year average	\$35,000	\$87,000	\$174,000
Minimum (2021)	\$8,000	\$21,000	\$41,000
Maximum (2020)	\$55,000	\$138,000	\$275,000
QS Sale Value			
	2% Cap	5% Cap	10% cap
10-year average	\$377,000	\$941,000	\$1,883,000
Minimum (2018)	\$186,000	\$465,000	\$930,000
Maximum (2013)	\$678,000	\$1,695,000	\$3,390,000

Effects of Alternative 3, Use Caps: Value of increased QS allocations (Section 4.3.3)

EBT

Ex-Vessel Value

	2% Cap	5% Cap	10% cap
10-year average	\$10,000	\$25,000	\$51,000
Minimum (2013)	\$3,000	\$7,000	\$13,000
Maximum (2015)	\$20,000	\$51,000	\$102,000

Lease Value

	2% Cap	5% Cap	10% cap
10-year average	\$2,000	\$6,000	\$12,000
Minimum (2013)	\$1,000	\$2,000	\$4,000
Maximum (2015)	\$6,000	\$14,000	\$28,000

QS Sale Value

	2% Cap	5% Cap	10% cap
10-year average	\$21,000	\$53,000	\$106,000
Minimum (2013)	\$7,000	\$18,000	\$36,000
Maximum (2015)	\$43,200	\$108,000	\$216,000

WBT

Ex-Vessel Value

	2% Cap	5% Cap	10% cap
10-year average	\$7,000	\$17,000	\$33,000
Minimum (2022)	\$2,000	\$6,000	\$12,000
Maximum (2015)	\$15,000	\$38,000	\$76,000

Lease Value

	2% Cap	5% Cap	10% cap
10-year average	\$2,000	\$4,000	\$9,000
Minimum (2022)	\$1,000	\$2,000	\$5,000
Maximum (2015)	\$4,000	\$10,000	\$21,000

QS Sale Value

	2% Cap	5% Cap	10% cap
10-year average	\$16,000	\$39,000	\$78,000
Minimum (2013)	\$6,000	\$15,000	\$30,000
Maximum (2015)	\$34,800	\$87,000	\$174,000

Effects of Alternative 3, Use Caps: Market Impacts (Section 4.3.4)

- Alt. 3 would increase the buyer pool for C share QS, which would potentially increase demand:
 - Would provide more opportunities for current C share QS holders looking to purchase additional quota shares, allowing them to re-enter the buyer pool
 - May also increase demand for C share QS by making these investments more attractive to individuals who are already eligible, relative to no action.
- Magnitude of any market impacts are unknown, and would be constrained by current fishery conditions.
 - Low TACs are likely to put downward pressure on any positive impacts that Alternative 3 would have on demand.
 - C share markets may stabilize under both Alternative 1 and 3 if crab stocks improve, fisheries open, and TACs provide more opportunity. Alternative 3 would increase demand and value for C shares beyond what was seen in prior TAC years by easing regulatory restrictions on the buyer pool.



Effects of Alternative 3, Use Caps: Impacts to C share QS Consolidation(Section 4.3.5)

- Likely result of this action would be increased consolidation. Particularly if crab stocks recovered, TAC and allocations grew, this consolidation may restrict entry opportunity.
- Table below summarizes the minimum number of QS holders allowable under current use caps, and under the use caps considered by Alternative 3.

Table 4-9, page 68: Minimum number of C share holders, by fishery, under Alternatives 1 and 3

	Total C share holders, 2025/2026	C share holders at cap	Alternative 1		Use caps considered under Alternative 3			
			Current use cap	Minimum # of C share holders	Smallest use cap considered	Minimum # of C share holders	Largest use cap considered	Minimum # of C share holders
BBR	100	16	2% cap	50	5% cap	20	10% cap	10
BSS	94	16	2% cap	50	5% cap	20	10% cap	10
EBT	107	13	2% cap	50	5% cap	20	10% cap	10
VVBT	107	13	2% cap	50	5% cap	20	10% cap	10
PIK	39	5	4% cap	25	5% cap	20	10% cap	10
SMB	60	2	4% cap	25	5% cap	20	10% cap	10

Effects of Alternative 3, Use Caps: Impacts to C share QS consolidation (Section 4.3.5)

Table 4-10, page 69: CVO/CPO and CVC/CPC use caps, expressed as QS units, under Alternative 1 and Alternative 3

		BBR	BSS	EBT	WBT	PIK	SMB
CVO/CPO	Total QS Units	388,000,000	970,000,000	194,000,000	194,000,000	29,100,000	29,100,000
	Current Use Cap, %	1%	1%	1%	1%	2%	2%
	QS Units	3,880,000	9,700,000	1,940,000	1,940,000	582,000	582,000
CVC/CPC	Total QS Units	12,000,000	30,000,000	6,000,000	6,000,000	900,000	900,000
	Current Use Cap, %	2%	2%	2%	2%	4%	4%
	QS Units	240,000	600,000	120,000	120,000	36,000	36,000
	5% Use Cap	5%	5%	5%	5%	5%	5%
	QS Units	600,000	1,500,000	300,000	300,000	45,000	45,000
	10% Use Cap	10%	10%	10%	10%	10%	10%
QS Units	1,200,000	3,000,000	600,000	600,000	90,000	90,000	



Effects of Action Alternatives: Management, Monitoring, and Enforcement Considerations (Section 4.4)

Alternative 2

- Would modify the verification process used by NMFS RAM when processing applications
- Verification process for transfer applications would be more aligned and consistent with the active participation requirements to retain C share QS

Alternative 3

- Monitoring and enforcement of C share use caps occur when a QS transfer takes place. Use cap %s are linked to the original QS units (rather than raw crab lbs), so that as the TAC fluctuates QS holders are still in compliance with the use caps without needing to divest
- Alternative 3 would use the same process and methodology already established for current C share use caps



Comparison of Alternatives for Decision-Making (ES, pg. 7)

	Alternative 1	Alternative 2: Transfer Eligibility	Alternative 3: Use Caps
C share provisions	Status quo regulations.	Transfer eligibility requirements for C share QS modified to 1) allow tendering experience, and 2) expand window for CR program participation to 3 years	C share use caps would be increased for the BBR, BSS, EBT, WBT, SMB, and PIK fisheries, up to 5-10%, individually.
C share markets	No impacts, status quo conditions. Weak market and low demand persist, so long as challenges in the fisheries persist. Markets may stabilize if crab stocks improve and fisheries open.	Buyer pool increases, which may impact demand. By doing so, Alt. 2 provides more avenues and opportunities for C share market to stabilize, compared to Alt 1. Any impacts on market stability could provide increased value and prices for C shares. Magnitude constrained by current fishery conditions.	Buyer pool increases, which may impact demand. Additional flexibility may motivate new individuals to invest in C share QS, and may motivate current C share QS holders to increase their investments. Could provide increased value and prices for C shares. Magnitude constrained by current fishery conditions.
C share holders	No impacts, status quo conditions. Low value and demand for C share QS have negative impacts on current C share holders.	Any impacts to value and demand for C share QS would add value to current C share holder investments. Potential increases to demand and prices could motivate C share holders to initiate transfers, which would create opportunities for new QS holders.	Any impacts to value and demand for C share QS would add value to current C share holder investments. Provides opportunities for C share holders to increase their investments in the fisheries. If so, a likely result would be increased consolidation, which could restrict entry opportunity.
Mgmt.	No impacts, status quo conditions.	Verification process for transfer applications would become more aligned and consistent w/ active participation requirements.	Monitoring and administration processes for use caps would remain the same as those currently established.

Considerations and Next Steps

The following information may be helpful for consideration during decision-making at final action:

- Specific items for Council attention (Exec. Summary, page 5-6)
 - Alt 2: combining harvesting & tendering experience
 - Alt 2: allowing tendering experience to come from commercial fisheries off Alaska, versus from any U.S. commercial fishery
- MSA and FMP considerations (Chapter 5, page 72-75)



Thank you!

Next Steps:

- This is a document for final action.
- The Council could identify a preferred alternative and adopt a final recommendation, or request additional analysis.

For further questions contact:

Taylor Holman

tholman@npfmc.org

