

## **PSC Approves 66-Cent Emergency Ferry Surcharge for 90 Days Amid Diesel Cost Pressure**

**Varlack Ventures and Transportation Services USVI requested a 75-cent surcharge, but the PSC approved 66 cents per ticket for 90 days after questioning the calculations and citing pending findings that the companies may already be over-collecting fares.**

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Ferry passengers in the territory will pay an additional 66 cents per ticket for at least 90 days after the Public Services Commission approved an emergency rate increase requested by the two ferry boat companies that serve the territory.

The surcharge was approved in response to rising diesel prices, which the companies attributed to ongoing instability in the Middle East.

Maria Hodge, attorney for Varlack Ventures and Transportation Services USVI, told the PSC that diesel prices increased by almost \$3 per gallon between January and March of this year.

“These numbers have carried a little, because the cost of diesel has fluctuated,” she said, “but the basic effect of the war in Iran and the effect of the closure of the Strait of Hormuz on the cost of diesel fuel to these two companies has been ongoing and obvious and unavoidable.”

The ferry companies had requested an emergency surcharge of 75 cents per ticket. However, PSC staff and commissioners questioned whether that amount was supported by the calculations presented.

PSC Chair David Hughes pointed to a pending report from a recently concluded rate investigation, which suggested that the companies may already be collecting more in fares than they should — potentially as much as \$2 million more per year.

“I’m wondering why you can’t absorb that additional fuel cost in what you’re currently over-collecting, according to the hearing examiner’s calculations,” Mr. Hughes said.

PSC General Counsel Boyd Sphren said that, based on his own calculations, any additional emergency fuel surcharge should fall between 54 cents and 66 cents per ticket, rather than the 75 cents requested by the companies.

Board member Raymond Williams moved to accept Mr. Sphren’s recommendation and approve a 66-cent surcharge for a 90-day period. After that window, the matter will return to the PSC for reconsideration.

“I think the companies would probably appreciate any help,” said Ms. Hodge. “They’re in a desperate situation.”

With the exception of Mr. Hughes, PSC commissioners voted to approve the emergency rate increase. Commissioners also waived the requirement for a 30-day public notice.