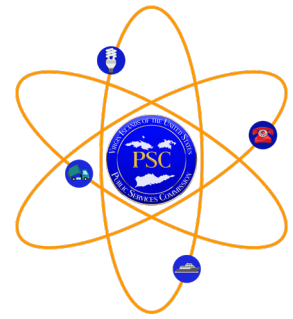




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Public Services Commission**

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**PSC Adopts Ferryboat Hearing Examiner Recommendations, Declines Emergency Fuel
Surcharge Extension**

ST. THOMAS, U.S. VIRGIN ISLANDS — The Virgin Islands Public Services Commission (PSC), during its regular meeting held Tuesday, October 13, 2026, took several actions concerning Docket No. 691, the ongoing ferryboat rate investigation involving franchised ferry services between St. Thomas and St. John. The Commission adopted portions of the hearing examiner's recommendations, addressed objections raised by the ferry franchisees, and declined to extend the temporary emergency fuel surcharge.

Ferryboat Rate Investigation

Following consideration of objections raised by the ferry franchisees, the Commission voted to adopt the hearing examiner's recommendations contained in Sections 9.1.1 through 9.1.9 of the report. The Commission also approved an amendment deferring consideration of the remaining recommendations until a future date to be determined.

During deliberations, the Commission dismissed several objections challenging the hearing examiner's impartiality, factual findings, and treatment of expert testimony; other objections were deferred for future consideration. The Commission reaffirmed that the hearing examiner's report serves as a recommendation and that final authority over ferry rates and rate structures rests with the PSC.

A significant portion of the discussion addressed whether government-owned vessels operated by the franchisees should be included as applied assets when determining an appropriate rate of return under Act No. 7893. The Commission rejected the argument that it was bound by the determinations of a previous Commission; however, the broader treatment of government-owned vessels and related rate-base issues remains subject to continued review.

The Commission also discussed operating costs and ridership associated with the Cruz Bay–downtown Charlotte Amalie ferry route. Consideration of the remaining recommendations and the proposed ferry rate structure was deferred. No new ferry fare structure was implemented during the meeting.

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Emergency Fuel Surcharge Not Extended

The Commission also considered a request from ferry company representatives for a 30-day extension of the temporary emergency fuel surcharge. Representatives indicated that additional time was needed to submit requested operational and financial information, including fuel costs, fuel consumption, and September ridership data.

Commissioners expressed concerns about extending the surcharge without sufficient supporting documentation to assess its continued necessity. The Commission did not approve an extension, and the temporary surcharge also expired.

Federal Subsidies and Ratepayer Considerations

The Commission further discussed the availability of federal transportation subsidies and their treatment in ferry rate calculations. Chairman David Hughes explained that the rate calculations under consideration account for approximately \$1 million in anticipated annual federal subsidies as a benefit to ratepayers.

Commissioners also emphasized the importance of accurate financial reporting, appropriate treatment of publicly funded assets, and ensuring that ferry rates reflect reasonable and supportable operating expenses.

Additional Commission Business

The Commission approved its consent agenda, which included staff-recommended regulatory assessments involving telecommunications and ferry transportation entities.

The PSC will continue its review of the outstanding recommendations and rate-related matters in Docket No. 691 at a future meeting.

The Virgin Islands Public Services Commission remains committed to ensuring fair and reasonable rates, regulatory accountability, and reliable transportation services for the residents of the Virgin Islands.

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