

**GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES**

Public Services Commission

IN RE:)
) DOCKET NO. 534
RATE INVESTIGATION OF TRANSPORTATION)
SERVICES OF ST. JOHN, INC. AND)
VARLACK VENTURES, INC.) ORDER NO: 34 /2006
PURSUANT TO ACT NO. 6402)
_____)

ORDER

Whereas, the Public Services Commission has jurisdiction over the tariffs and services of ferries operating pursuant to franchise agreements within the United States Virgin Islands; and

Whereas, Transportation Services of St. John, Inc. and Varlack Ventures are the joint holders of an exclusive franchise for the operation of ferry services between St. Thomas and St. John; and

Whereas, the current fares were established more than 10 years ago; and

Whereas, the Commission commenced a rate investigation of ferries, and appointed Roy Jackson, C.P.A., as the Hearing Examiner in this matter; and

Whereas, the Commission has received the final report and recommendations of the Hearing Examiner, and heard comments and responses from the ferry operators;

Now, therefore, the Commission orders:

1. The temporary fees and surcharges previously approved shall remain in effect through May 31, 2006.
2. New rates (for one-way travel) are approved as recommended by the Hearing Examiner and accepted by the ferry operators, to be effective on June 1, 2006, as follows:

<u>Categories</u>	<u>Cruz Bay/Redhook</u>	<u>Cruz Bay/Downtown (Charlotte Amalie)</u>
Adults	\$5.00	\$10.00

Commuter	\$3.00	\$6.00
Student	\$1.50	\$3.50
Children	\$1.00	\$3.00
Bulk	\$2.50	\$8.00
Senior	\$1.25	\$5.00
Excess Baggage	\$2.00	\$2.00

3. The Recommendations of the Hearing Examiner contained on Page 7 of his report, and listed below, are adopted:
 - a. Transportation Services of St. John, Inc., a franchisee, should be a company separate and apart from the non-franchise operations.
 - b. Revisit these recommended rates within 24 months, especially if capital assets are acquired using public funds, or if capital assets are contributed to the franchisees.
 - c. Improve cash management procedures as recommended in the Esdaille Report, particularly relating to Downtown service.
 - d. Timely financial statements contribute to better management decisions. Have the annual financial statement audit completed within 6 months after the close of the fiscal year.
 - e. Reconcile bank accounts regularly and timely.
 - f. Prepare a plan to acquire new capital assets immediately.

4. Commencing with the end of the first quarter after the new fares are effective (September 30, 2006), the franchisees shall submit quarterly financial statements to the Public Services Commission within 30 days of the close of the quarter.

Dated: May 11, 2006

FOR THE COMMISSION

ALECIA M. WELLS
Chairwoman

cc: Keithley Joseph, Executive Director
Boyd L. Sprehn, Esquire
Claudette V. Ferron, Esq.
Roy D. Jackson, CPA

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PUBLIC SERVICES
COMMISSION