



INDEPENDENT CONSUMER & COMPETITION COMMISSION

PUBLIC NOTICE UNDER SECTION 25B OF THE PRICES REGULATION ACT

Review of 2009 Urban PMV Fare Order

The Independent Consumer and Competition Commission ("the Commission") wishes to advise all urban PMV operators, stakeholders and the general public that the Commission has decided to conduct a review of the pricing order pursuant to section 25B(6) of the Prices Regulation Act (Chapter 320) to re-examine the pricing formula and service quality of urban PMVs.

The purpose of this Review is for the Commission to further assess the appropriateness of the PMV Fare Adjustment Formula and the level of service standards by urban PMV operators prior to making a decision on whether or not a price adjustment for Urban PMVs is necessary.

To assist the Commission in forming a view as to whether or not a fare adjustment for 2009 is warranted, we seek urgent assistance from interested stakeholders and the general public in providing a submission or comments on the following points;

- The pricing formula
 - The current price adjustment formula is as follows: $\text{Change in Price} = \text{Change in CPI} * 0.75 + \text{Change in Diesel Fuel Index} * 0.25$;
 - The formula for CPI and fuel price changes reflect the average of changes over a twelve month period ending 30 September 2008, and do not factor in more recent reductions in fuel prices;
 - The Commission seeks your comments and views on whether or not the weighting allocated to the two price adjustment indices used are appropriate;
 - The Commission also seeks your comments on whether or not the inclusion of fuel as an item in the CPI basket is appropriate;
 - The Commission is seeking your comments on whether the twelve month average of the CPI and fuel price index values is appropriate or whether a shorter period should be used; and
 - The Commission is seeking your comments on whether prices should be adjusted on a twelve month basis, or half yearly or quarterly.
- Service Quality of Urban PMVs
 - The Commission seeks your comments and views on whether or not Urban PMVs are completing their designated routes;
 - The Commission also seeks your comments on whether or not concession paying customers are not being discriminated against; and
 - The Commission also seeks your views on whether a lack of service quality should be used as a trigger to reduce, delay or eliminate a fare increase which is otherwise indicated by the pricing formula.
- Safety, Reliability and Condition of Urban PMVs
 - The Commission seeks your comments and views on whether the PMVs generally maintained and in good road road-worthy conditions;

- The Commission seeks your comments and views on whether drivers and off-siders treat commuters with respect with no harassment and intimidation; and
- The Commission seeks your comments and views on whether sufficient PMVs are available on each route for peak and off-peak commuter periods.

All comments will be taken into consideration in forming a view as to whether or not a fare adjustment is warranted for urban PMVs for 2009 and/or whether a detailed assessment of the service quality and pricing formula should be undertaken.

The Commission welcomes comments and submissions by the close of business on **Friday 23 January 2009**.

All written submissions should be addressed to:

Mr. Thomas Abe
Commissioner & CEO
Independent Consumer and Competition Commission
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BOROKO
National Capital District

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All enquiries to any aspects of this Review should be directed to Mr. Fego Ota Kiniafa, Acting Executive Manager - Prices, Regulatory Affairs & Special Project Division or Mr Joe Cajetan, Executive Manager Consumer Protection Division on the above phone number or email information@iccc.gov.pg

Authorised by:



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THOMAS ABE
Commissioner & CEO

January 14, 2008