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## 480.100.P Charter Policy

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### Purpose

FTA's Charter Service Regulations (49 CFR Part 604), which implement 49 U.S.C. 5323(d), protect private charter operators from unauthorized competition from FTA grant recipients (such as Lawrence Transit). In essence, the charter regulations were implemented to ensure that transit agencies, subsidized with federal money, do not unfairly compete with privately owned bus companies. Under the charter rules, with limited exceptions, local transit agencies are restricted from operating chartered services.

### Scope

Charter service means, but does not include demand response service to individuals:

- Transportation provided by a recipient at the request of a third party for the exclusive use of a bus or van for a negotiated price. The following features may be characteristic of charter service:
  - A third party pays the transit provider a negotiated price for the group;
  - Any fares charged to individual members of the group are collected by a third party;
  - The service is not part of the transit provider's regularly scheduled service, or is offered for a limited period of time; or
  - A third party determines the origin and destination of the trip as well as scheduling; or
- Transportation provided by a recipient to the public for events or functions that occur on an irregular basis or for a limited duration and:
  - A premium fare is charged that is greater than the usual or customary fixed route fare; or
  - The service is paid for in whole or in part by a third party.

### Exceptions or Special Circumstances

There are limited exceptions when a grantee may provide charter service, including:

#### **Official government business**

- a) A recipient may provide charter service to government officials (Federal, State, and local) for official government business, which can include non-transit related purposes, if the recipient:
  1. Provides the service in its geographic service area;
  2. Does not generate revenue from the charter service, except as required by law; and
  3. After providing such service, record the following;
  4. The government organization's name, address, phone number, and email address;
  5. The date and time of service;
  6. The number of passengers (specifically noting the number of government officials on the trip);
  7. The origin, destination, and trip length (miles and hours);
  8. The fee collected, if any; and
  9. The vehicle number for the vehicle used to provide the service.
- b) A recipient that provides charter service under this section shall be limited annually to 80 charter service hours for providing trips to government officials for official government business.
- c) A recipient may petition the Administrator for additional charter service hours only if the petition contains the following information:

1. Date and description of the official government event and the number of charter service hours requested;
  2. Explanation of why registered charter providers in the geographic service area cannot perform the service (e.g., equipment, time constraints, or other extenuating circumstances); and
  3. Evidence that the recipient has sent the request for additional hours to registered charter providers in its geographic service area.
- d) FTA shall post the request for additional charter service hours under this exception in the Government Officials Exception docket, docket number FTA-2007-0020 at <http://www.regulations.gov>. Interested parties may review the contents of this docket and bring questions or concerns to the attention of the Ombudsman for Charter Services. The written decision of the Administrator regarding the request for additional charter service hours shall be posted in the Government Officials Exception docket and sent to the recipient.

**Qualified Human Service Organizations** (elderly, persons with disabilities, and low income individuals)

- a) A recipient may provide charter service to a qualified human service organization (QHSO) for the purpose of serving persons:
  1. With mobility limitations related to advanced age;
  2. With disabilities; or
  3. With low income.
- b) If an organization serving persons described in paragraph (a) of this section receives funding, directly or indirectly, from the programs listed in Appendix A of this part, the QHSO shall not be required to register on the FTA charter registration Web site.
- c) If a QHSO serving persons described in paragraph (a) of this section does not receive funding from any of the programs listed in Appendix A of this part, the QHSO shall register on the FTA charter registration Web site in accordance with §604.15.
- d) A recipient providing charter service under this exception, whether or not the QHSO receives funding from Appendix A programs, and after providing such charter service, shall record:
  1. The QHSO's name, address, phone number, and e-mail address;
  2. The date and time of service;
  3. The number of passengers;
  4. The origin, destination, and trip length (miles and hours);
  5. The fee collected, if any; and
  6. The vehicle number for the vehicle used to provide the service.

**When no registered charter provider responds to a notice sent by a recipient**

- a) A recipient may provide charter service, on its own initiative or at the request of a third party, if no registered charter provider responds to the notice issued in §604.14:
  1. Within 72 hours for charter service requested to be provided in less than 30 days; or
  2. Within 14 calendar days for charter service requested to be provided in 30 days or more.
- b) A recipient shall not provide charter service under this section if a registered charter provider indicates an interest in providing the charter service set out in the notice issued pursuant to §604.14 and the registered charter provider has informed the recipient of its interest in providing the service.
- c) After providing the service, a recipient shall record:
  1. The group's name, address, phone number, and e-mail address;
  2. The date and time of service;
  3. The number of passengers;
  4. The origin, destination, and trip length (miles and hours);
  5. The fee collected, if any; and
  6. The vehicle number for the vehicle used to provide the service.

**Leasing** (must exhaust all available vehicles first)

- a) A recipient may lease its FTA funded equipment and drivers to registered charter providers for charter service only if the following conditions exist:
  - 1. The private charter operator is registered on the FTA charter registration Web site;
  - 2. The registered charter provider owns and operates buses or vans in a charter service business;
  - 3. The registered charter provider received a request for charter service that exceeds its available capacity either of the number of vehicles operated by the registered charter provider or the number of accessible vehicles operated by the registered charter provider; and
  - 4. The registered charter provider has exhausted all of the available vehicles of all registered charter providers in the recipient's geographic service area.
- b) A recipient leasing vehicles and drivers to a registered charter provider under this provision shall record:
  - 1. The registered charter provider's name, address, telephone number, and e-mail address;
  - 2. The number of vehicles leased, types of vehicles leased, and vehicle identification numbers; and
  - 3. The documentation presented by the registered charter provider in support of paragraphs (a)(1) through (4) of this section.
- c) In accordance with §604.26, if a registered charter provider seeking to lease vehicles has filed a complaint requesting that another registered charter provider be removed from the FTA charter registration Web site, then the registered charter provider seeking to lease vehicles is not required to exhaust the vehicles from that registered charter provider while the complaint is pending before leasing vehicles from a recipient.

**By agreement with all registered charter providers**

- a) A recipient may provide charter service directly to a customer consistent with an agreement entered into with all registered charter providers in the recipient's geographic service area.
- b) If a new charter provider registers in the geographic service area subsequent to the initial agreement, the recipient may continue to provide charter service under the previous agreement with the other charter providers up to 90 days without an agreement with the newly registered charter provider.
- c) Any of the parties to an agreement may cancel the agreement at any time after providing the recipient a 90-day notice.

**Petitions to the Administrator:** Events of regional or national significance, or hardship.

- a) A recipient may petition the Administrator for an exception to the charter service regulations to provide charter service directly to a customer for:
  - 1. Events of regional or national significance;
  - 2. Hardship (only for non-urbanized areas under 50,000 in population or small urbanized areas under 200,000 in population); or
  - 3. Unique and time sensitive events (e.g., funerals of local, regional, or national significance) that are in the public's interest.
- b) The petition to the Administrator shall include the following information:
  - 1. The date and description of the event;
  - 2. The type of service requested and the type of equipment;
  - 3. The anticipated number of charter service hours needed for the event;
  - 4. The anticipated number of vehicles and duration of the event; and
    - i. For an event of regional or national significance, the petition shall include a description of how registered charter providers were consulted, how registered charter providers will be utilized in providing the charter service, a certification that the recipient has exhausted all of the registered charter providers in its geographic service area, and submit the petition at least 90 days before the first day of the event described in paragraph (b)(1) of this section;

- ii. For a hardship request, a petition is only available if the registered charter provider has deadhead time that exceeds total trip time from initial pickup to final drop-off, including wait time. The petition shall describe how the registered charter provider's minimum duration would create a hardship on the group requesting the charter service; or
  - iii. For unique and time sensitive events, the petition shall describe why the event is unique or time sensitive and how providing the charter service would be in the public's interest.
- c) Upon receipt of a petition that meets the requirements set forth in paragraph (b) of this section, the Administrator shall review the materials and issue a written decision denying or granting the request in whole or in part. In making this decision, the Administrator may seek such additional information as the Administrator deems necessary. The Administrator's decision shall be filed in the Petitions to the Administrator docket, number FTA-2007-0022 at <http://www.regulations.gov> and sent to the recipient.
  - d) Any exception granted by the Administrator under this section shall be effective only for the event identified in paragraph (b)(1) of this section.
  - e) A recipient shall send its petition to the Administrator by facsimile to (202) 366-3809 or by e-mail to [ombudsman.charterservice@dot.gov](mailto:ombudsman.charterservice@dot.gov).
  - f) A recipient shall retain a copy of the Administrator's approval for a period of at least three years and shall include it in the recipient's quarterly report posted on the charter registration Web site.

### Reporting requirements for all exceptions

- a) A recipient that provides charter service in accordance with one or more of the exceptions contained in this subpart shall maintain the required notice and records in an electronic format for a period of at least three years from the date of the service or lease. A recipient may maintain the required records in other formats in addition to the electronic format.
- b) In addition to the requirements identified in paragraph (a) of this section, the records required under this subpart shall include a clear statement identifying which exception the recipient relied upon when it provided the charter service.
- c) Beginning on July 30, 2008, a recipient providing charter service under these exceptions shall post the records required under this subpart on the FTA charter registration Web site 30 days after the end of each calendar quarter (i.e., January 30th, April 30th, July 30th, and October 30th). A single document or charter log may include all charter service trips provided during the quarter.
- d) A recipient may exclude specific origin and destination information for safety and security reasons. If a recipient excludes such information, the record of the service shall describe the reason why such information was excluded and provide generalized information instead of providing specific origin and destination information.

### Relevant FAQs

- Can a transit agency provide transportation to transit employees for an event such as the funeral of a transit employee or the transit agency's annual picnic?
- Is sightseeing service considered to be charter?
- May a public transit agency provide "seasonal service" (e.g., service May through September for the summer beach season)?
- The definition of charter service does not include demand response services, but what happens if a group of individuals request demand response service?
- Is it charter if a demand response transit service carries a group of individuals with disabilities from a single origin to a single destination on a regular basis?
- If a third party requests charter service for the exclusive use of a bus or van, but the transit agency provides the service free of charge, is it charter?
- Is there any particular format for quarterly reports for exceptions?

- Are there examples of the likely remedies FTA may impose for a violation of the charter service regulations?
- If a grantee operates assets that are locally funded are such assets subject to the charter regulations?

All FAQ responses located at: <https://www.govinfo.gov/content/pkg/CFR-2011-title49-vol7/pdf/CFR-2011-title49-vol7-part604-appC.pdf>

## Exception Reports

Exception Type:	<input type="checkbox"/> Official government business;	
	<input type="checkbox"/> Qualified Human Service Organizations (elderly, persons with disabilities, and low income individuals);	
	<input type="checkbox"/> When no registered charter provider responds to a notice sent by a recipient;	
	<input type="checkbox"/> Leasing (must exhaust all available vehicles first);	
	<input type="checkbox"/> By agreement with all registered charter providers;	
	<input type="checkbox"/> Petitions to the Administrator: Events of regional or national significance, or hardship.	
<i>Fill out only the section below that corresponds with the Exception Type selected above.</i>		
<b>Official government business</b>		
Was the service provided in Lawrence Transit's geographical service area?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Did the service generate revenue?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Government organization information	Name	
	Address	
	Phone	
	Email	
Date of service		
Time of service		
Passengers	Total # of passengers	
	Total # of government officials	
Trip details	Origin	
	Destination	
	Trip distance	
	Trip time	
Fee collected		
Vehicle #(s) used to provide service		
Total YTD service hours for official government business		
<b>Qualified Human Service Organizations (QHSOs)</b>		
QHSO information	Name	
	Address	
	Phone	
	Email	
Which of the following populations does the QHSO serve?	<input type="checkbox"/> Persons with mobility limitations due to advanced age <input type="checkbox"/> Persons with disabilities <input type="checkbox"/> Persons with low income	
Does the QHSO receive funding from any source in Error! Reference source not found.?	<input type="checkbox"/> Yes (If yes, please list below) _____	

		<input type="checkbox"/> No (If no, QHSO must register on <a href="#">FTA charter registration Web site</a> )	
Date of service			
Time of service			
Total # of passengers			
Trip details		Origin	
		Destination	
		Trip distance	
		Trip time	
Fee collected			
Vehicle #(s) used to provide service			
<b>When no registered charter provider responds to a notice</b>			
What date/time was the notice issued?			
What date/time was the charter service requested?			
Which response deadline was missed?		<input type="checkbox"/> Within 72 hours for charter service requested to be provided in less than 30 days <input type="checkbox"/> Within 14 calendar days for charter service requested to be provided in 30 days or more	
Group information	Name		
	Address		
	Phone		
	Email		
Date of service			
Time of service			
Passengers	Total # of passengers		
Trip details	Origin		
	Destination		
	Trip distance		
	Trip time		
Fee collected			
Vehicle #(s) used to provide service			
<b>Leasing</b>			
Is the charter operator registered on the FTA charter registration Web site?		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Does the registered charter provider own and operate buses or vans in a charter service business?		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Did the registered charter provider receive a request for charter service that exceeds its available capacity either of the number of vehicles operated by the registered charter provider or the number of accessible vehicles operated by the registered charter provider?		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Has the registered charter provider exhausted all of the available vehicles of all registered charter providers in the recipient's geographic service area?		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Charter operator information	Name		
	Address		
	Phone		
	Email		
Vehicle information	# of vehicles		
	Vehicle type		

	VIN numbers	
<b>By agreement with all registered charter providers</b>		
List of registered charter providers in Lawrence Transit's geographical area		
Does Lawrence Transit have an agreement to provide charter service with all charter providers listed above?		<input type="checkbox"/> Yes <input type="checkbox"/> No
Have any new charter provider registered in the geographic service area subsequent to the initial agreement in the last 90 days?		<input type="checkbox"/> Yes (If yes, Lawrence Transit may continue to provide charter service under the previous agreement with the other charter providers up to 90 days without an agreement with the newly registered charter provider. <input type="checkbox"/> No
<b>Petitions to the Administrator: Events of regional or national significance, or hardship.</b>		
Date of event		
Description of event		
Type of service requested		
Type of equipment		
Anticipated number of charter service hours needed		
Anticipated number of vehicles and duration of event		
Is this an event of regional or national significance?		<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes above, describe how registered charter providers were consulted, how registered charter providers will be utilized in providing the charter service, a certification that the recipient has exhausted all of the registered charter providers in its geographic service area, and submit the petition at least 90 days before the first day of the event.		
Is this a hardship event? (only for non-urbanized areas under 50,000 in population or small urbanized areas under 200,000 in population)		<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes above, a petition is only available if the registered charter provider has deadhead time that exceeds total trip time from initial pickup to final drop-off, including wait time. Describe how the registered charter provider's minimum duration would create a hardship on the group requesting the charter service.		
Is this a unique and time-sensitive event that is in the public's interest? (e.g., funerals of local, regional, or national significance)		<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes above, describe why the event is unique or time sensitive and how providing the charter service would be in the public's interest.		

### Approval and Version Control



[Director of Transit]

6/24/2024

Date

NAME	DATE	Changes to the previous version
Adam Weigel, Director of Transit	6/24/2024	Policy created and approved.