



Charter Service Process

Technical Assistance, Monitoring and Reporting

Document Revisions		
Document Section	Revision Date	Information Updated
Original Document	3/13/2023	Original Document
Full Document	2/6/2026	Full Document Review. Made change to due dates to reflect the 30 th of the month.

Purpose

The Federal Transit Administration’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. 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. The full rule and associated information can be found on [FTA’s Charter website](#).

This process outlines the roles and responsibilities of the Central Office, District Offices, and subrecipients. This process ensures that subrecipients are not using federally funded equipment and facilities to provide Charter Service if a registered private charter operator expresses interest in providing the service. It also documents how subrecipients will report on community-based Charter Services under the regulations. Sub-recipients are encouraged to familiarize themselves with the controlling regulations at [49 CFR part 604](#), as well as the comprehensive [Questions and Answers](#) appendix.

**Technical Assistance Process**

1. The Central Office will monitor Federal Transit Administration (FTA) guidance on Charter Service regulations and provide training to the District Offices and subrecipients as necessary. The Central Office developed the Charter Service Scenarios document as a training tool (see Attachment A).
2. The District Offices will assist subrecipients upon request with determining if a service request falls under the definition of Charter Service.
3. If the District Office needs assistance with making the determination, it will enlist the assistance of the Central Office.
4. If the Central Office needs assistance with determining whether the service request meets the charter service definition, it will enlist the assistance of FTA.

Monitoring Process

1. Subrecipients will confirm their interest in responding to Charter Service requests prior to execution of grant awards. The District Office will provide subrecipients with the [Charter Service Quick Reference Tool](#) and the "What to do When You Get a Charter Service Request" guidance document (see Attachment B).
2. The District Office will keep a record of all subrecipients interested in responding to Charter Service Requests.
3. District Offices will provide the [Charter Service Reporting form](#) and [instructions](#) to all interested subrecipients.

Reporting Process

1. Subrecipients will submit required Charter Service reports to their respective District Office by the following dates: January 10, April 10, July 10, and October 10.
2. District Offices will submit the subrecipient Charter Service reports to the Central Office by the following dates: January 20, April 20, July 20, and October 20.
3. The Central Office will file the Charter Service reports in FTA's [Charter Reporting website](#) no later than January 30, April 30, July 30, and October 30.



ATTACHMENT A

Charter Service Scenarios

Definition of Charter service:

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.

If a group requests charter service for an event and the public agency provides it free of charge, then it is not considered charter.

Demand response service may also include certain trips that are exclusive, for a group, from a single origin to a single destination, and that reoccur on a less-frequent basis than once per month, so long as these trips are arranged and operated under the same terms and conditions as the demand response system for individuals. These terms and conditions include advance notice requirements, service windows for pick-up and drop-off, and price. Service carried out by the demand response units of transit providers that are exclusive, for a group, from a single origin to a single destination, for a single event, and not under the usual terms and conditions of the demand response system for individuals should be considered to be charter service. Transit providers should report these services to the charter registration web site (5311 sub-recipients need to report quarterly to FDOT who reports services in TEAM).

TRANSPORTATION SCENARIOS

Sunnybrook nursing home would like to take its clients (100% elderly) on a fall leaf tour, stopping at a local café for pie and coffee. The nursing home would pay for and schedule the trip. The trip would be a quality of life benefit for each individual patient.

This is transportation provided by the transit agency at the request of a nursing home for exclusive use of a vehicle for a negotiated price to be paid for by the nursing home. Because a third party (Sunnybrook) is paying for and directing the service rather than the individuals, it is charter service.



However, because all the clients are elderly, if the vehicle used for transportation is funded with FTA Section 5310 funds, then this is charter service for program purposes under 5310 and exempt from the charter rule. If the vehicles are not funded with 5310 funds, such a trip may not be provided unless (a) the transit agency has given appropriate notice to all registered charter providers and none expresses interest, (b) the transit agency provides the service for free, or (c) the nursing home can qualify as a Qualified Human Services Organization (QHSO).

Service from an assisted living residence where the seniors live to a concert hall for an event for which they individually purchased tickets. A social worker may call the demand response service from the assisted living residence and say we have 10 people who need to go to the concert hall. There is no exclusive use of the vehicle, a regular fee is paid, and no special treatment.

This is demand response service to individuals and is not considered charter service according to 49 CFR Section 604.3(c).

Service from a residential group home to take five neighborhood children to the public swimming pool and then return them to the group home.

This is demand response service to the general public. This is not considered charter service so long as each child pays his or her own individual fare and the service is arranged under the normal demand response system terms and conditions.

A Council on Aging contacts a transit system with the request to transport elderly clients from the COA to the cruise ship terminal for a cruise planned by the COA. The COA pays the transit system on behalf of the elderly clients.

If this service is provided with a 5310 vehicle it is considered program purpose transportation and is exempt from the charter regulation. If the individual clients paid their own fare, then it would not meet the definition of charter service.

Service from a nursing home to take some of the residents shopping every Friday morning. The nursing home would pay for the trip (3rd party pay) and if anyone else called in and needed a ride, and seats were available on the vehicle during that trip, the transit system would put those other individuals on the bus.

This is a subset of demand response service called special transportation and is not considered charter service. According to 49CFR Section 604.3(u), "Special transportation" means demand response or paratransit service that is regular and continuous and is a type of public transportation.

A demand response service system decides to schedule a trip to and from the State fair for residents in its community. The trip is advertised in the community, open to the public, and the regular fare is charged.

The proposed service would be initiated and scheduled by the transit agency rather than scheduled by the individual customer. As long as the transit agency is initiating and scheduling the service in response to community demand, rather than in response to a third party group



request, and none of the other characteristics of charter service such as premium fares or exclusive use of the vehicle by a group are present, this type of service is acceptable and would not be considered charter service under FTA's current regulations. Furthermore, the fare cannot be subsidized in whole or in part by a third party.

The Council on Aging plans an overnight trip, including hotel accommodations and meals, and asks the transit system to provide the transportation. All the individuals are elderly, and the destination is in a neighboring state.

This is charter service or tour transportation. In addition, since this trip crosses state lines it is subject to the Federal Motor Carrier Safety Standards. The vehicle used for the trip must be registered with the Federal Motor Carrier office, have a USDOT number, and the driver must have passed the USDOT certification course. Federally funded vehicles cannot be used for this type of service.

A transit system provides federally funded vans to a private school to use in transporting children to and from school.

This is a violation of the school tripper rules. Federally funded vehicles cannot be used to specifically transport children to and from school. The service must be open to the general public and not designed specifically to meet school schedules.

If you are concerned about whether or not the service you are providing is in violation of Federal rules, please consult with your District transit staff. Should you advertise the opportunity to provide transportation that meets the definition of Charter Service, and no private provider responds, then the public transit system may provide the service. If they do so, the transit system must provide documentation of the advertisement, lack of response, and fill out the Charter Service reporting form and provide it to the District Office. Failure to do so will endanger your FTA funding.



ATTACHMENT B

What To Do When You Get a Charter Service Request

1. Determine if the service can be provided under an exemption in Subpart B. Use the Charter information provided by your District Office to make your determination. If you're still not sure, call your District Program Manager.
2. Go to [FTA Charter Registration Website](#) to search for registered charter providers within 100 miles of your service area. A [Charter Registration Tool Quick Reference Guide](#) is available with detailed instructions on how to perform a search.
3. Send an email notice to the registered charter providers that includes customer name, address, phone number, and email if available; requested date of service; approximate number of passengers; what type of equipment is requested (buses, cutaways, vans, etc.); trip itinerary and approximate duration; and if you intend to provide the service you must include the fare you would charge. A [sample email notice](#) is available on FTA's Charter website.
4. The email notice must be sent by the close of business on the day you receive the request unless the request comes in after 2:00pm. Then you must send the email by the close of business the next day.
5. You must retain an electronic copy of the email notice and the list of registered charter providers that were sent the email notice for a period of three years from the date the notice was sent.
6. If the trip is scheduled for less than 30 days from the notice, then registered charter providers must respond within 72 hours if they want to provide the trip.
7. If the trip is scheduled for more than 30 days in the future, then you must allow 14 calendar days for private charter providers to express interest in providing the trip.
8. If you provide a charter trip, you must fill out the [Charter Service reporting form](#) including: the group's name, address, phone number, and email address; the date and time of the service; the number of passengers; the origin, destination, and trip length (miles and hours); the fee collected, if any; and the vehicle number for the vehicle used to provide the service. [Instructions](#) for how to complete the form is available on FTA's Charter website.
9. Subrecipients must submit required Charter Service reports to their respective District Office by the following dates: January 10, April 10, July 10, and October 10.
10. Any fuel and maintenance costs associated with defined charter service must not be billed to any FTA or Department funded grants.