

CHARTER SERVICE

NCDOT requires all subrecipients seeking Federal or State assistance to acquire or operate any public transportation equipment or facilities to enter into a "Charter Service Agreement," which states: "The subrecipient agrees that it, and each of its subcontractors at any level who use FTA- or NCDOT-funded vehicles, may provide charter service using equipment or facilities acquired with Federal/State assistance only in compliance with the regulations set out in [49 CFR 604](#)." Subrecipients must agree to comply with the charter service requirements in 49 CFR 604 in their annual FTA/NCDOT Certifications and Assurances and comply with the recordkeeping and reporting requirements in this plan and the grant agreement with NCDOT.

The regulations define **charter service** as follows:

1. Transportation provided 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 characteristics of charter service:
 - a. A third party pays a negotiated price for the group;
 - b. Any fares charged to individual members of the group are collected by a third party;
 - c. The service is not part of the regularly scheduled service, or is offered for a limited period of time; or
 - d. A third party determines the origin and destination of the trip as well as scheduling
2. Transportation provided to the public for events or functions that occur on an irregular basis or for a limited duration and:
 - a. A premium fare is charged that is greater than the usual or customary fixed route fare; or
 - b. The service is paid for in whole or in part by a third party.

The charter service regulation **exempts** the following community-based charter services (49 CFR 604.2):

1. **Transportation of Employees, Contractors and Government Officials:** Grantees are allowed to transport their employees, other transit systems' employees, transit management officials, transit contractors and bidders, government officials and their contractors, and official guests to or from transit facilities or projects within its geographic service area or proposed geographic service area **for the purpose of conducting oversight functions such as inspection, evaluation, or review.**
2. **Private Charter Operators:** Private charter operators that receive, directly or indirectly, federal financial assistance under section 3038 of TEA 21, as amended, or to non-FTA funded activities of private charter operators that receive, directly or indirectly, FTA financial assistance under any of the following programs: Sections 5307, 5309, 5310, 5311, 5316, or 5317.
3. **Emergency Preparedness Planning and Operation:** Grantees are allowed to transport their employees, other transit system employees, transit management officials, transit contractors and bidders, government officials and their contractors and official guests, **for emergency preparedness planning and operations.**

4. Section 5310, 5311, 5316 and 5317 Recipients: Grantees that use federal financial assistance from FTA for program purposes, that is, transportation that serves the needs of either human service agencies or targeted populations (elderly, individuals with disabilities), under Section 5310, 5311, 5316, or 5317. "Program purposes" does not include exclusive service for other groups formed for purposes unrelated to the special needs of the identified targeted populations.
5. Emergency Response: Grantees are allowed to provide service for up to 45 days for actions directly responding to an emergency declared by the President, governor, or mayor or in an emergency requiring immediate action prior to a formal declaration.
6. Recipients/Subrecipients in Non-Urbanized Areas: Grantees in non-urbanized areas for transporting their employees, other transit systems' employees, transit management officials, and transit contractors and bidders to or from transit training outside its geographic service area.

As shown in the following table, the **exemptions** require no notification to registered charter providers, recordkeeping, quarterly reporting, or other requirements.

CHARTER SERVICE EXEMPTIONS				
Exemption	Notification to Registered Charter Providers	Record-Keeping	Quarterly Reporting	Other Requirements
1. Transportation of Employees/Contractors/Government Officials	No	No	No	None
2. Private Charter Operators	No	No	No	None
3. Emergency Preparedness Planning and Operation	No	No	No	None
4. Recipients of Funds Under Sections 5310, 5311, 5316 and 5317	No	No	No	None
5. Emergency Response	No	No	No	None
6. Recipients in Non-Urbanized Areas	No	No	No	None

Examples of irregular or limited duration services that are exempt under the regulations are:

- Service provided by a nursing home using a Section 5310 funded van to take residents on a Christmas light tour.
- Service that is irregular or on a limited basis for an exclusive group of individuals and provides the service free of charge when a third party requests service. When the transit agency initiates service, it is allowed so long as the grantee does not charge a premium fare for the service and there is no third party paying for the service in whole or in part.
- Shuttle service for a one-time event if the service is open to the public; the itinerary is determined by the grantee; the grantee charges its customary fixed route fare; and there is no third party involvement.
- When a university pays the grantee a fixed charge to allow all faculty, staff, and students to ride the transit system for free. So long as the grantee provides the service on a regular basis, along a fixed route, and the service is open to the public.
- When the grantee sees a need and wants to provide service for a limited duration at the customary fixed route fare.

The charter regulation **excepts** the following community-based charter services:

1. **Government Officials**: A grantee is allowed to provide charter service (up to 80 service hours annually) to government officials (federal, state and local) for official government business, which can include non-transit related purposes, if the grantee:
 - a. Provides the service in its geographic service area;
 - b. Does not generate revenue from the charter service, except as required by law; and
 - c. Records the following information after providing such service:
 - 1) The government organization's name, address, phone number and e-mail address;
 - 2) The date and time of service;
 - 3) The number of government officials and other 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.

Charter service hours include both time spent transporting passengers and time spent waiting for passengers. Charter service hours also include "deadhead" hours which is time spent getting from the garage to the origin of the trip and then the time spent from trip's ending destination back to the garage.

2. **Qualified Human Service Organization (QHSO)**: A grantee is allowed to provide charter service to a QHSO (as defined in [49 CFR 604.3](#)) for the purpose of serving persons:
 - a. With mobility limitations related to advanced age;
 - b. With disabilities; or
 - c. With low income.

If the QHSO receives funding, directly or indirectly, from the programs listed in [Appendix A to 49 CFR 604](#), the QHSO is not required to register on the FTA's charter registration website. Otherwise, the QHSO is required to register. The grantee may provide service only if the QHSO is registered at least 60 days before the date of the first request for charter service.

The grantee is required to record the following information after providing such service:

- a. The QHSO's name, address, phone number and e-mail address;
 - b. The date and time of service;
 - c. The number of passengers;
 - d. The origin, destination, and trip length (miles and hours);
 - e. The fee collected, if any; and
 - f. The vehicle number for the vehicle used to provide the service.
3. **Leasing of Equipment and Driver**: A grantee is allowed to lease its FTA-/NCDOT-funded equipment and drivers to registered charter providers for charter service only if the following conditions exist:
 - a. The private charter operator is registered on the FTA charter registration Web site;
 - b. The registered charter provider owns and operates buses or vans in a charter service business;
 - c. The registered charter provider received a request for charter service that exceeds its available capacity either of the number of vehicles operated or the number of accessible vehicles operated by the registered charter provider; and
 - d. The registered charter provider has exhausted all of the available vehicles of all registered charter providers in the grantee's geographic service area.

The grantee is required to record the following information after leasing equipment and drivers:

- a. The registered charter provider's name, address, telephone number, and e-mail address;
- b. The number of vehicles leased, type of vehicles leased, and vehicle identification numbers; and
- c. The documentation provided by the registered charter provider in support of the four conditions discussed above.

4. No Response by Registered Charter Provider: A grantee is allowed to 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:

- a. Within 72 hours for charter service requested to be provided in less than 30 days; or
- b. Within 14 calendar days for charter service requested to be provided in 30 days or more.

The grantee is not allowed to provide charter service under this exception if a registered charter provider indicates an interest in providing the charter service described in the notice and the registered charter provider has informed the grantee of its interest in providing the service. This is true even if the registered charter provider does not ultimately reach an agreement with the customer.

If the grantee is interested in providing charter service under this exception, the grantee must provide e-mail notice to registered charter providers in the grantee's geographic service area by the close of business on the day the grantee received the request unless the request was received after 2:00 PM, in which case the notice must be sent by the close of business the next business day. The e-mail notice sent to the list of registered charter providers must include:

- a. Customer name, address, phone number, and e-mail address (if available);
- b. Requested date of service;
- c. Approximate number of passengers
- d. Type of equipment requested, bus(es) or van(s);
- e. Trip itinerary and approximate duration; and
- f. The intended fare to be charged for the service.

The grantee shall retain an electronic copy of the e-mail notice and the list of registered charter providers that were sent e-mail notice of the requested charter service for a period of at least five (5) years from the date the e-mail notice was sent. If the grantee receives an "undeliverable" notice in response to its e-mail notice, the grantee shall send the notice via facsimile. The grantee shall maintain the record of the undeliverable e-mail notice and the facsimile sent confirmation for five (5) years.

The grantee is required to record the following information after providing the service:

- a. The group's name, address, phone number and e-mail address;
- b. The date and time of service;
- c. The number of passengers;
- d. The origin, destination, and trip length (miles and hours);
- e. The fee collected, if any; and
- f. The vehicle number for the vehicle used to provide the service.

If a registered charter provider indicates interest in providing charter service to a particular customer and fails to negotiate in good faith with the customer, and the grantee was willing to provide the service, then the grantee can file a complaint against the registered charter provider.

5. Agreement with All Registered Charter Providers: The grantee is allowed to provide charter service directly to a customer consistent with an agreement entered into with all registered charter providers in the grantee's service area. The grantee is allowed to provide charter service up to 90 days without an agreement with the newly registered charter provider in the geographic service area subsequent to the initial agreement. Any parties to an agreement may cancel the agreement after providing a 90-day notice to the grantee.

The grantee is required to record the following information after providing the service:

- a. The group's name, address, phone number and e-mail address;
- b. The date and time of service;
- c. The number of passengers;
- d. The origin, destination, and trip length (miles and hours);
- e. The fee collected, if any; and
- f. The vehicle number for the vehicle used to provide the service.

6. Petition to the Administrator: The grantee may petition the Administrator for an exception to the charter service regulations to provide charter service directly to a customer for:
 - a. Events of regional or national significance;
 - b. Hardship (only for non-urbanized areas under 50,000 in population or small urbanized areas under 200,000 in population); or
 - c. Unique and time sensitive events (e.g., funerals of local, regional or national significance) that are in the public's interest.

For a hardship request, a petition is only available if the registered charter providers had deadhead time that exceeds total trip time from initial pick-up 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.

The grantee is required to record the following information after providing the service:

- a. The group's name, address, phone number and e-mail address;
- b. The date and time of service;
- c. The number of passengers;
- d. The origin, destination, and trip length (miles and hours);
- e. The fee collected, if any; and
- f. The vehicle number for the vehicle used to provide the service.

The following table summarizes the notification, recordkeeping, quarterly reporting and other requirements applicable to each exception.

CHARTER SERVICE EXCEPTIONS				
Exception	Notification to Registered Charter Providers	Record Keeping	Quarterly Reporting	Other Requirements
1. Government Officials	No	Yes	Yes	None
2. Qualified Human Service Organization (QHSO)	No	Yes	Yes	Evidence that QHSO receives funding, directly or indirectly, from the programs listed in Appendix A to 49CFR604
3. Leasing of Equipment and Driver	No	Yes	Yes	Evidence that registered charter provider has exhausted all of the available vehicles of all registered charter providers in the grantee's geographic service area
4. No Response by Registered Charter Provider	Yes	Yes	Yes	None
5. Agreement with All Charter Providers	No	Yes	Yes	Properly executed agreements with all registered charter providers in grantee's geographic service area
6. Petition to the Administrator	Yes	Yes	Yes	Grantee must demonstrate how it contacted registered charter providers and how the grantee will use the registered charter providers in providing service to the event. Grantee must also certify that it has exhausted available registered charter providers' vehicles in the area.

Beginning July 30, 2008, for subrecipients providing charter service under the **exceptions**, NCDOT is required to post the required records on the FTA charter Web site using TEAM within 30 days of the end of each calendar quarter. Subrecipients (except Section 5307 direct FTA recipients) must complete their quarterly reports (using reporting forms provided by NCDOT/PTD) and submit to PTD via e-mail by the dates listed below for each quarter:

Quarter	Due to NCDOT by
October 1 to December 31	15 January
January 1 to March 31	15 April
April 1 to June 30	15 July
July 1 to September 30	15 October

Subrecipients that are direct FTA grantees for Section 5307 formula funds must enter their quarterly reports in TEAM by the end of the month following each quarter.

Subrecipients must maintain notices and records in an electronic format for a period of at least five (5) years from the date of service or lease. The grantee may maintain the required records in other formats in addition to the electronic format.

The records must include a clear statement identifying which exception the grantee relied upon when it provided the charter service. A single document or charter log may include all charter service trips provided during the quarter. The grantee may exclude specific origin to destination information for safety and security reasons. If such information is excluded, the record of the service shall describe the reason why such information was excluded and provide generalized information.

All subrecipients must complete a charter service reporting form each quarter even if no charter service was provided. If no charter service was provided, complete the yellow highlighted portion of the form and submit to PTD.

Use of Locally Owned Vehicles for Charter Service

The charter regulations do not apply to equipment that is fully funded with **local funds** and is stored in a **locally funded** facility and is maintained with only local funds. A **complete segregation** is necessary to avoid the application of these requirements to charter services operated with **locally owned** vehicles. “**Local funds**” means non-federal (non-FTA) **and** non-state (non-NCDOT) funds.

As part of the quarterly reporting process, NCDOT requires subrecipients to identify any charter activity completed with locally funded equipment. Also, NCDOT staff will review charter service as part of periodic site visits and during NCDOT’s federal and state compliance review process.

All subrecipients must also complete a charter service reporting form on the use of locally funded vehicles each quarter even if no charter service was provided with locally funded vehicles. If no charter service was provided with locally funded vehicles, complete the yellow highlighted portion of the form by selecting “No” for Question 1 and submit to PTD.

Charter Registration Web Site

[http://ftawebprod.fta.dot.gov/CharterRegistration/\(S\(do3g3d55sdom1i2lefyzf55\)\)/Default.aspx](http://ftawebprod.fta.dot.gov/CharterRegistration/(S(do3g3d55sdom1i2lefyzf55))/Default.aspx)

Subrecipients are required to become familiar with the **Charter Registration Web Site** and ensure that they understand how to use it. The **Registration Web Site Help Manual** is available at: http://www.fta.dot.gov/laws/leg_reg_8530.html. Subrecipients that need additional assistance should contact their regional mobility development specialist. PTD will provide training on an as-needed basis.