



## FTA Authorization Fact Sheet Charter Bus



### Purpose

The purpose of this regulatory and policy program is to ensure that Federally financed assets such as buses owned by public transportation agencies do not adversely compete with services provided by private purveyors, such as charter transportation services.

### Statutory References

49 U.S.C. Section 5323(d)

### Features

Subsection 3023(c) regarding conditions on charter bus transportation service amends section 5323(d) by striking the existing law subsection (d)(2) regarding violations of agreements and inserting new language.

- The Secretary is directed to investigate all complaints about violations of the charter service agreement and decide whether a violation has occurred; if a violation has occurred, to correct the violation; and, if a pattern of violations is found, to bar the recipient from receiving funds in an amount the Secretary considers appropriate.
- The conferees are aware that both public transportation providers and private charter bus providers have expressed strong concerns about the 1987 FTA rule enforcing section 5323(d) regarding charter bus service. The conferees direct the FTA to initiate a negotiated rulemaking seeking public comment on the regulations implementing section 5323(d), and to consider the issues listed below:
  1. Are there potential limited conditions under which public transit agencies can provide community-based charter services directly to local governments and private non-profit agencies that would not otherwise be served in a cost-effective manner by private operators?
  2. How can the administration and enforcement of charter bus provisions be better communicated to the public, including use of internet technology?
  3. How can the enforcement of violations of the charter bus regulations be improved?
  4. How can the charter complaint and administrative appeals process be improved?