

Charter Regulations Information for 5310, 5311, 5316, and 5317 Providers

This information sheet is designed to help grant recipients understand new charter regulations that went into effect April 30, 2008. Following is a summary of certain aspects of the charter regulations from 49 CFR Part 604. This document is intended as an aid only: please read the charter regulations.

The regulation potentially pertains to recipients, subrecipients and their contractors (called “recipients”) receiving grants financed by USDOT Federal Transit Administration Sections 5310 (Elderly Individuals and Individuals with Disabilities Program), 5311 (Nonurbanized Area Program), 5316 (Job Access and Reverse Commute Program), and 5317 (New Freedom Program).

The most notable feature of the new regulation is that it does not apply to a recipient that uses the Federal financial assistance for “program purposes” only.

For the purpose of the Charter regulations, “program purpose” is defined as, *“transportation that serves the needs of either human service agencies or targeted populations (elderly, individuals with disabilities, and or low income individuals).”*

This means if a recipient is providing service for program purposes only, the charter regulations do not apply to that service. In other words, the recipient may provide the service if it chooses to do so, and the charter regulations are not a factor. There is no need for an exception to the regulations and there is no requirement to provide notice to private charter providers prior to providing service.

The chart below shows some of the types of services a recipient might provide. It starts with services that are not subject to the charter regulations. If the service you are providing falls into one of these categories, you do not need to read any further. The chart then shows services that are subject to the regulations and may require an exception under the regulations.

Key:

Service Type	A brief summary of the type of service provided. Where a number follows an entry, it refers to the applicable location in 49 CFR Part 604, where you can read the full text of the regulation.
Charter Regs Apply?	This column specifies whether the charter regulations under 49 CFR Part 604 apply to the service. “No” means provisions of the regulations do not apply; “Yes” means provisions of the regulations do apply.
Requires Exception?	This column specifies whether the service provided requires an exception under 49 CFR 604. “N/A” (not applicable) means where the service is not subject to the provisions of the regulations; “Yes” means the service requires an exception under provisions of the regulations.

The charter service regulations do not apply to the following services:

Service Type	Charter Regs Apply?	Requires Exception?
Regular dial-a-ride (demand response) service (604.31(c))	No	N/A
Service for program purposes (604.2). "Program purposes" is transportation serving needs of either human service agencies or targeted populations (elderly, individuals with disabilities, and or low income individuals) (604.3(o)).	No	N/A
Recipient transporting its employees, other transit system 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 for the purpose of conducting oversight functions such as inspection, evaluation, or review (604.2(b)) or for emergency preparedness planning and operations (604.2(d)) or to or from transit training outside geographic service area. (604.2(g))	No	N/A
Actions responding to an emergency declared by the President, governor, or mayor. (604.2(f))	No	N/A (first 45 days)
Actions responding to an emergency that is NOT later declared as an emergency by the President, governor, or mayor.	No	N/A (first 45 days)
Service requested by a third party that is irregular or limited basis for an exclusive group of individuals provided free of charge and no third party is paying for the service in whole or part. (Appendix C (18))	No	N/A
Recipient initiates shuttle service to and from football games (i.e., no third party requests the service). Service partially follows existing routes, open to public, regular fare is charged. (Appendix C (23))	No	N/A
Recipient initiates shuttle service for one-time event (i.e., no third party requests the service). Service open to public, itinerary determined by transit operator, regular fare charged. (Appendix C (24))	No	N/A

The following services are considered charter services under the regulations and require an exception under the regulations:

Service Type	Charter Regs Apply?	Requires Exception?
Exclusive service for groups formed for purposes unrelated to special needs of targeted populations. (604.3(o)) Example: boy scouts	Yes	Yes
Service provided to qualified human service organization (QHSEO) as listed in charter regulations or registered on FTA registration site. (604.7)	Yes – if not provided for program purposes	Yes – if not provided for program purposes
Recipient provides charter service to government officials, including non-transit purposes. (604.6)	Yes	Yes Subject to limitations in regulations for up to 80 hours. Requires petition for more than 80 hours.
Recipient leases FTA-funded equipment to registered charter provider. (604.89)	Yes	Yes
Recipient provides charter service after no registered charter providers respond to notice from recipient. (604.9)	Yes	Yes
Recipient provides charter service after entering agreement with all registered charter providers in service area. (604.10)	Yes	Yes
Service that is irregular or limited basis for an exclusive group of individuals provided free of charge and a third party is paying for the service in whole or part. (Appendix C (20))	Yes	Yes