

**ATTACHMENT X**  
**ADDITIONAL CHARTER REQUIREMENTS**

## ATTACHMENT X: CHARTER REQUIREMENTS

Recipients of funds from 5310, 5311, 5316, and 5317 can only provide charter service that supports “program purposes.

- Charter service” means, but does not include demand response service to individuals:
  - (1) 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:
    - (i) A third party pays the transit provider a negotiated price for the group;
    - (ii) Any fares charged to individual members of the group are collected by a third party;
    - (iii) The service is not part of the transit provider’s regularly scheduled service, or is offered for a limited period of time; or
    - (iv) A third party determines the origin and destination of the trip as well as scheduling; or
  - (2) Transportation provided by a recipient to the public for events or functions that occur on an irregular basis or for a limited duration and:
    - (i) A premium fare is charged that is greater than the usual or customary fixed route fare; or
    - (ii) The service is paid for in whole or in part by a third party.

### NOTIFICATION REQUIREMENTS – PUBLIC TRANSIT AGENCIES

- A public transit agency must provide the following information via email:
  - (1) Email notice of the request shall be sent by the close of business on the day the recipient receives the request unless the recipient received the request after 2 p.m., in which case the recipient shall send the notice by the close of business the next business day;
  - (2) Email notice sent to the list of registered charter providers shall include:
    - (i) Customer name, address, phone number, and email address (if available);
    - (ii) Requested date of service;
    - (iii) Approximate number of passengers;
    - (iv) Whether the type of equipment requested is (are) bus(es) or van(s); and
    - (v) Trip itinerary and approximate duration; and

- (3) If the recipient intends to provide service that meets the definition of charter service under §604.3(c)(2), the email notice must include the fare the recipient intends to charge for the service.

## **REPORTING REQUIREMENTS**

Public transit agencies must report all charter service provided under the following exceptions:

- Government Officials ([49 CFR 604.6](#))
- Qualified Human Service Organizations ([49 CFR 604.7](#))
- Leasing Equipment ([49 CFR 604.8](#))
- When no Registered Charter Provider Responds to a Notice from the Recipient ([49 CFR 604.9](#))

**Quarterly Reports must be submitted to MDOT for any of the above charter exceptions by the 15<sup>th</sup> of following month. The reports are required to be submitted via the FTA TEAM System at [http://ftateamweb.fta.dot.gov/static/index\\_01.html](http://ftateamweb.fta.dot.gov/static/index_01.html).**

## **COMPLAINTS**

- A registered charter provider or a recipient may petition to have a registered charter provider or QHSO removed from the charter registration website
- Reasons for removal:
  - (1) Bad faith;
  - (2) Fraud;
  - (3) Lapse of insurance;
  - (4) Lapse of other documentation; or
  - (5) The filing of more than one complaint, which on its face, does not state a claim that warrants an investigation or further action by FTA
  - A registered charter provider may file a complaint alleging a violation of the new rule. A complaint must include:
    - (1) Be titled “Notice of Charter Service Complaint”;
    - (2) State the name and address of each recipient that is the subject of the complaint and, with respect to each recipient, the specific provisions of this part that the complainant believes were violated;
    - (3) Be served in accordance with §604.31, *along with all documents then available in the exercise of reasonable diligence, offered in support of the complaint*, upon all recipients

named in the complaint as being responsible for the alleged action(s) or omission(s) upon which the complaint is based;

- (4) Provide a concise but complete statement of the facts relied upon to substantiate each allegation (complainant must show by a preponderance of the evidence that the recipient provided charter service and that such service did not fall within one of the exemptions or exceptions set out in this part);
- (5) Describe how the complainant was directly and substantially affected by the things done or omitted by the recipients;
- (6) Identify each registered charter provider associated with the complaint; and
- (7) Be filed within 90 days after the alleged event giving rise to the complaint occurred.
- A complaint may be dismissed by the Chief Counsel because it is incomplete (without prejudice) or because FTA does not have jurisdiction (with prejudice)
- FTA has 110 days to investigate the basis of the complaint
- If complaint has merit, Chief Counsel may decide the complaint based on pleadings or assign the matter to a presiding official for a hearing
- Chief Counsel’s decision may be appealed to the Administrator or the Administrator may review the matter on his or her own initiative

## **REMEDIES**

- If the Chief Counsel finds a violation of the charter service regulation, he or she may determine a remedy to withhold funds, bar receipt of future funds, or suspend/debar.
- A pattern of violations can only be established for unauthorized charter service—not for reporting or paperwork.
- Matrix of dollar amounts per violation included in [Appendix D of the Charter Regulation 49 CFR 604](#) -gross proceeds consist with previous decisions.