



Federal Charter Rules Backgrounder

For the last 30 years, federal law has required that organizations chartering buses must first look to the private sector for charters. This was done to prevent taxpayer-funded transit agencies from competing with the private bus companies -- in effect, using the bus companies' tax dollars against them. If there is no private bus company available to take the charter, any publicly funded transit agency may do so.

In the last year a congressionally mandated negotiating team comprised of transit agencies, private bus companies, unions and the Federal Transit Administration (FTA) worked out the details of a revised charter bus regulation to more fully protect both the private sector and the transit agencies from illegally assuming charters. This negotiated agreement led to the rule that took effect May 1, 2008. The broad agreement among all parties involved is reflected by the fact that 80 percent of the issues before the rulemaking committee were resolved by a unanimous vote of the members. The process was open and transparent.

The new rule does not jeopardize service to baseball games, golf tournaments or weddings. Each of those events, and many like them, are charter opportunities and should never have been served by publicly funded transit agencies at all. For this reason, it is inaccurate to portray the new rule as the reason transit agencies could lose money because of their inability to charter buses -- it was illegal for the agency to have provided the charter in the first place.

There are many private bus and motorcoach companies who can and will step in and accommodate the charter services needed. ABA is unaware of any organization that has been unable to find a suitable motorcoach for a charter. More important, the publicly funded transit agencies at the negotiated rulemaking sessions were also unable to name even one disappointed organization. The idea of a Boy Scout troop left without transportation is belied by the fact that the new rule expands on a list of social service agencies who may ask for reduced-rate service by reason of its ability to pay.

The private motorcoach industry, while comprised largely of small businesses, provides transportation for more than 600 million passengers each year. ABA members move people safely, efficiently and cost-effectively, delivering exceptional customer service. Game day service is safe with ABA members.