



U.S. Department  
of Transportation  
**Federal Transit  
Administration**

REGION V  
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Michigan, Minnesota,  
Ohio, Wisconsin

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**OCT 11 2001**

Joseph A. Calabrese, CEO  
General Manager/Secretary-Treasurer  
Greater Cleveland Regional Transit Authority  
1240 W. Sixth Street  
Cleveland, OH 44113

RE: Charter Service

Dear Mr. Calabrese:

The Federal Transit Administration (FTA) is aware that on August 5, 2001, the Greater Cleveland Regional Transit Authority (GCRTA) transported a group of American Public Transportation Association (APTA) participants from Cleveland, OH to Pittsburgh, PA. The purpose of the trip was to view Pittsburgh's various transportation facilities. The trip was in conjunction with APTA's 2001 Intermodal Operations Planning Workshop which was in Cleveland, OH from August 6-August 8, 2001. GCRTA has indicated that it did not charge the participants for the trip, and no regular GCRTA service was impacted by the use of the buses.

The question of what type of service was provided turns on whether the service provided qualifies as charter service or mass transportation. The definition of charter service under 49 C.F.R. § 604.5(e) is "transportation using buses... funded under the [FTA Act and those parts of 23 U.S.C. 103 and 142 that provide for assistance to public bodies for purchasing buses] Acts of a group of persons who pursuant to a common purpose, under a single contract, at a fixed charge... for the vehicle or service, have acquired the exclusive use of the vehicle or service to travel together under an itinerary..." The service provided by GCRTA was not open to the public. GCRTA used federally funded equipment to provide transportation for a specific group of individuals to travel from Cleveland to Pittsburgh.

Although GCRTA did not charge for this service, FTA has interpreted cost as being irrelevant. In 1987, UMTA (FTA's precursor agency the Urban Mass Transportation Administration) issued a series of charter questions and answers. Question 27(a) was whether service provided for free, but otherwise meets the criteria in the definition of charter would fall within the definition of charter. The answer was as follows:

"Cost is irrelevant in determining whether service is mass transportation or charter service. Thus, service which meets the criteria set by UMTA, i.e., service controlled by the user, not designed to benefit the public at large, and which is provided under a single contract, will be charter regardless of the fact that it is provided for free.

As a general rule, free charter service would be "non-incident" since it does not recover its fully allocated cost, and could not be performed by an UMTA recipient, even under one of the exceptions to the charter regulations." (52 Fed. Reg. 42252 (Nov. 3, 1987))

Based on the information GCRTA has provided regarding this trip, FTA views this trip as unauthorized charter service. GCRTA controlled the service, and it was not for the benefit of the public at large. It was provided on a one time basis for transportation between two destinations.

Since GCRTA provided unauthorized charter service, it should extend the useful life of the vehicles in question by the amount of mileage that was used for the trip from Cleveland to Pittsburgh. In future, GCRTA should cease and desist from the practice of providing unauthorized charter service.

Should you have any questions regarding this matter, please feel free to contact me. I can be reached at (312) 353-2789.

Sincerely,

Louise Carter, Director  
Office of Operations and Program Management

