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**FINAL RULE ADOPTED
GOVERNING CHARTER SERVICE**

As required by a recently-enacted federal statute, the Urban Mass Transportation Administration (UMTA) has issued a final rule allowing certain non-profit groups to use federally-funded charter bus service.

The final rule amends the current prohibition on charter service by allowing the use of UMTA-funded assets in direct charter contracting with non-profit social service agencies that:

- o serve elderly and handicapped persons, or receive funding under certain programs administered by the U.S. Department of Health and Human Services, and

- o are either governmental entities or certain tax-exempt organizations.

UMTA Administrator Alfred A. DelliBovi said the charter bus regulation will ensure that UMTA-funded equipment and facilities are used to meet mass transportation needs and are not used to unfairly compete against the private charter bus industry.

Under the rule, charter service will be available from public transit authorities for non-profit social service agencies with clear needs for affordable or handicapped-accessible equipment. UMTA has identified the groups and persons most likely to have such "clear needs" and developed a workable procedure allowing UMTA recipients to meet them, DelliBovi said.

Under the rule, UMTA recipients could provide charter service to eligible groups without federal concurrence. UMTA would only require that appropriate certification be submitted by the contracting agency before an UMTA recipient could provide service.

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