



U.S. Department of  
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## UMTA PROPOSES CHANGE IN CHARTER BUS RULE

As required by a recently-enacted federal statute, the Urban Mass Transportation Administration (UMTA) has proposed to allow the extension of the use of federally-funded charter bus service to certain non-profit groups.

Currently, there is a prohibition on the use of UMTA-funded equipment and facilities for charter bus service, but with some exceptions.

In a Notice of Proposed Rulemaking, UMTA Administrator Alfred A. Delli Bovi said the new exception would allow the use of UMTA-funded assets in direct charter contracting with non-profit social service agencies that:

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

- \* are either governmental entities or certain tax-exempt organizations.

"UMTA undertook this rulemaking in response to Congressional direction to allow certain non-profit social service agencies with clear needs for affordable or handicapped-accessible equipment to obtain charter service from public transit authorities," Delli Bovi said. "This step coincides with administration policy to provide maximum administrative discretion to states and local governments."

In the proposed rule, 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, Delli Bovi said.

(more)

UMTA believes that by targeting groups of potential charter service users, rather than reviewing on a case-by-case basis, the exemption can be fairly and simply administered. This approach is intended to ensure that the exemption is not so wide that it abrogates the fundamental purposes of the regulation, which are to ensure that federally-funded equipment and facilities are used for mass transit purposes only and that private operators are not placed at a competitive disadvantage.

Under the amendment, 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.

The proposed rule establishes a 60-day comment period, during which public hearings will be held in four cities: Washington, D.C.; Kansas City, Mo.; San Francisco, Calif.; and Cincinnati, Ohio.

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