

Protecting Your Marketplace from Unfair Competition

When the charter service protections were renegotiated in 2008 a provision was included by negotiators that required any public transit desiring to perform specific charter service notify operators registered as a charter service provider in their area.

If the registered charter provider indicated interest, the public transit was immediately foreclosed from the service and the private charter service provider required to contact the prospective charter party and “negotiate in good faith.”

Prior to 2008, when operators gathered to discuss their issues, the number one problem was always public transits taking charter business from the private sector.

When the revised final rule was released, it was anticipated there would be well over 3,000 registrations. At the height of registration, the number of registrants represented approximately one-half of the private charter market.

The COVID pandemic has taken its toll with less than 1,600 for-hire, interstate/intrastate motorcoach companies in fifty states and the District of Columbia remaining in the U.S.

Today, only 235 of those companies are registered to receive charter notices from public transits. If no company implies interest in the charter, public transits are free to do the charter. With only 235 companies registered it could be interpreted that public transits performing local and intermediate charter service work is not a “big deal” and the industry is no longer concerned they are losing charter service to public transits.

“The charter service regulation requires a registered charter service provider to update their registration every two-years similar to the MCS-150,” said UMA’s Ken Presley. “Usually, we find operators just let the registration update slip through the cracks. Although the Federal Transit Administration may send an email notice, often it may be directed to someone that no longer works for the company or a seldom viewed address.”

Registration with the FTA takes just a few minutes online at <https://www.transit.dot.gov/regulations-and-guidance/access/charter-bus-service/charter-bus-service-registration>.

“Congress afforded these protections so charter service operators could protect their market against unfair Federally subsidized competition,” said Presley. “Don’t ignore it.”