



**Finance, Administration and Oversight Committee**

**Action Item III-A**

**November 6, 2008**

**Staff Report on Public Hearing to Increase  
Charter Fees**

Washington Metropolitan Area Transit Authority  
**Board Action/Information Summary**

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100156	Resolution: <input checked="" type="radio"/> Yes <input type="radio"/> No
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**TITLE:**

Bus Charter Fee Schedule

**PURPOSE:**

To request Board approval of the staff recommendations on new rates for charter bus services.

**DESCRIPTION:**

WMATA at times provides charter service to the Compact jurisdictions. New Federal Transit Administration (FTA) regulations governing charter bus service have severely restricted WMATA from providing charter service.

However, since the regulation has been in effect, circumstances have dictated that WMATA provide charter service in certain limited cases, after securing an FTA waiver.

Further, it is reasonable to expect that WMATA may at some future point be required to provide charter service.

On July 24, 2008, the Board of Directors reviewed the Washington Metropolitan Area Transit Authority's Subcontracting and Special Transit Service Tariff's rates for providing charter service in light of the new Federal Transit Administration's regulations that severely restricts WMATA from providing charter service.

The Board of Directors adopted Resolution No. 2008-43, which kept the current charter service rate of eighty-three dollars (\$83.00) per hour with a 3 - hour minimum of two hundred forty-nine dollars (\$249.00) for local jurisdictions and schools located within these jurisdictions.

In order to fully capture the cost of providing charter service, Resolution No. 2008-43 also proposed increasing the charter service rate for all other customers from eighty-three dollars (\$83.00) per hour with a 4 ½ - hour to the rate of one hundred fifty-nine dollars (\$159.00) per hour with a 4 ½ - hour minimum and maintaining the additional fourteen dollars and forty cents (\$14.40) per hour charge for service between the hours of 8:15 a.m. - 9:30 a.m. and/or 3:00 p.m. - 8:00 p.m.

To maintain consistency in rates and to fully capture the costs of providing lecture service, staff included in the docket and at the actual public hearing, a proposal to increase the lecture service rate from ninety dollars (\$90.00) per

hour with a 4 1/2 - hour minimum to one hundred seventy-two dollars (\$172.00) per hour with a 4 1/2 - hour minimum and maintain the additional fourteen dollars and forty cents (\$14.40) per hour charge for service between the hours of 8:15 a.m. - 9:30 a.m. and/or 3:00 p.m. - 8:00 p.m.

On September 15, 2008, in accordance with the WMATA Compact, Section 62, Staff held a public hearing in the District of Columbia on the proposed charter service rate increases and lecture service rate increases.

Staff now recommends the following:

a. That the Board of Directors increase the rate for providing charter service to one hundred fifty-nine dollars (\$159.00) per hour with a 4 1/2 - hour minimum and maintain the additional fourteen dollars and forty cents (\$14.40) per hour charge for service between the hours of 8:15 a.m. - 9:30 a.m. and/or 3:00 p.m. - 8:00 p.m. for all customers other than the jurisdictions listed in Section 14 of the Washington Metropolitan Area Transit Authority's Subcontracting and Special Transit Service Tariff along with schools located within those jurisdictions.

b. That Board of Directors increase the rate for providing lecture service to one hundred seventy-two dollars (\$172.00) per hour with a 4 1/2 - hour minimum and maintain the additional fourteen dollars and forty cents (\$14.40) per hour charge for service between the hours of 8:15 a.m. - 9:30 a.m. and/or 3:00 p.m. - 8:00 p.m.

**FUNDING IMPACT:**

WMATA's budget does not currently include any revenue or expense from the operation asked to amend the then current budget to include those revenues and expenses based

**RECOMMENDATION:**

Approval of the staff report and recommendations for bus charter service fees.

# Staff Report on Public Hearing to Increase Charter Bus Fees

*Presented to the Board of Directors:*

**Finance, Administration and Oversight  
Committee**

November 6, 2008



# PURPOSE

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- Present the staff report on results of the public hearing
- Request approval of recommendation to increase charter bus fees





# BACKGROUND

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- New Federal Transit Administration (FTA) regulations prohibit WMATA from operating charter bus service
- However, FTA has granted waivers
- It is reasonable to expect that WMATA may at some future point be required again to provide charter service
- WMATA should be able to recoup its full cost
- Increased charter fees would allow WMATA to recover its total actual cost to provide the service



# BACKGROUND

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- Resolution No. 2008-43 proposed increasing the charter fee from \$83 per hour to \$159 per hour
- That resolution was amended such that \$83 per hour was established as the charter fee for local jurisdictions
- A public hearing was required and conducted on September 15, 2008
- A total of 9 comments were received.



# FINANCIAL IMPACT

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- Currently there is no financial impact
- WMATA's budget does not currently include any charter bus revenue or expense
- If charter bus service must be provided at some future date it will provide a favorable operating budget result by fully recovering total costs





# RECOMMENDATION

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- Increase the fee for non-jurisdictional customers to \$159 per hour
- Increase the fee for Lecture service to \$172 per hour



PRESENTED AND ADOPTED:

SUBJECT: ESTABLISHMENT OF NEW RATE FOR BUS CHARTER SERVICE

PROPOSED  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, On July 24, 2008, the Board of Directors reviewed the Washington Metropolitan Area Transit Authority's Subcontracting and Special Transit Service Tariff's rates for providing charter service in light of the new Federal Transit Administration's regulations governing charter bus service which severely restricted WMATA from providing charter service; and

WHEREAS, In order to fully capture the cost of providing charter service, staff proposed increasing the charter service rate for non-Compact jurisdiction customers from eighty-three dollars (\$83.00) per hour with a 4½ hour minimum to one hundred fifty-nine dollars (\$159.00) per hour with a 4½ hour minimum and maintaining the additional fourteen dollars and forty cents (\$14.40) per hour charge for service between the hours of 8:15 A.M. - 9:30 A.M. and/or 3:00 P.M. - 8:00 P.M., and the Board of Directors authorized staff to conduct a public hearing on the proposed increases; and

WHEREAS, To maintain consistency in rates and to fully capture the costs of providing lecture service, staff included in the notice of the public hearing, the docket and at the actual public hearing, the proposal to increase the lecture service rate from ninety dollars (\$90.00) per hour with a 4½ hour minimum to one hundred seventy-two dollars (\$172.00) per hour with a 4½ hour minimum and maintain the additional fourteen dollars and forty cents (\$14.40) per hour charge for service between the hours of 8:15 A.M. - 9:30 A.M. and/or 3:00 P.M. - 8:00 P.M.; and

WHEREAS, On September 15, 2008, in accordance with the WMATA Compact, Section 62, staff held a public hearing in the District of Columbia on the proposed charter service rate and lecture service rate increases; and

WHEREAS, Staff now recommends that in order to fully capture the cost of providing charter service and lecture service, the Board of Directors adopt the increases proposed at the public hearing; now, therefore be it

**RESOLVED**, That the Board of Directors increase the rate for providing charter service to one hundred fifty-nine dollars (\$159.00) per hour with a 4½ hour minimum and maintain

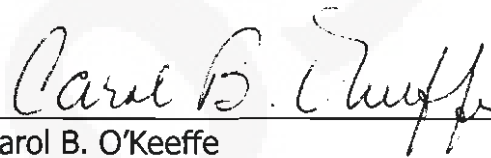
the additional fourteen dollars and forty cents (\$14.40) per hour charge for service between the hours of 8:15 A.M. - 9:30 A.M. and/or 3:00 P.M. - 8:00 P.M. for all customers other than the jurisdictions listed in Section 14 of the Washington Metropolitan Area Transit Authority's Subcontracting and Special Transit Service Tariff along with schools located within those jurisdictions; and be it further

*RESOLVED*, That Board of Directors increase the rate for providing lecture service to one hundred seventy-two dollars (\$172.00) per hour with a 4½ hour minimum and maintain the additional fourteen dollars and forty cents (\$14.40) per hour charge for service between the hours of 8:15 A.M. - 9:30 A.M. and/or 3:00 P.M. - 8:00 P.M.; and be it further

*RESOLVED*, All other rates not described herein are not changed; and be it finally

*RESOLVED*, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



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Carol B. O'Keeffe  
General Counsel

## **STAFF REPORT AND RECOMMENDATIONS ON PROPOSED CHANGES TO CHARTER BUS FEES**

### **I. BACKGROUND**

Federal Transit Administration (FTA) regulations governing charter bus service have severely restricted WMATA from providing charter bus service. However, since the regulations have been in effect circumstances have dictated that WMATA provide charter service in certain limited cases after securing an FTA waiver. Further, it is reasonable to expect that WMATA may at some future point be required to provide charter service.

The current charter tariff establishes fees of eighty-three dollars (\$83.00) per hour with a 3-hour minimum plus 1½ hours travel time for a minimum total of 4½ hours for three hundred seventy-three dollars and fifty cents (\$373.50) and an extra fourteen dollars and forty cents (\$14.40) per hour during rush hour.

On July 24, 2008, the Board of Directors reviewed the Washington Metropolitan Area Transit Authority's Subcontracting and Special Transit Service Tariff fees and adopted Resolution No. 2008-43, which kept the current charter service fee for local jurisdictions and schools located within these jurisdictions. The Board of Directors also proposed increasing the charter service fee for all other customers to one hundred fifty-nine dollars (\$159.00) per hour with a 4½-hour minimum and an extra fourteen dollars and forty cents (\$14.40) per hour during rush hour.

On September 15, 2008, in accordance with the Washington Metropolitan Area Transit Authority Compact, Section 62, staff held a public hearing in the District of Columbia on the proposed charter service fee increases.

### **II. PROPOSAL**

The fee advertised in public hearing Docket No. B08-3 are described below:

- a. No changes are proposed to the minimum contracting time.
- b. No changes are proposed to the unused vehicle fee policy.
- c. Increase the hourly fee for non-lecture service from \$83.00 per hour to \$159.00 per hour. This represents a 92 percent increase in this fee. The minimum charge for non-lecture service is proposed to be \$715.50.

- d. Increase the hourly fee for lecture service from \$90.00 per hour to \$172.00 per hour. This represents a 91 percent increase in this fee. The minimum charge for lecture service is proposed to be \$774.00.
- e. No change is requested in the additional fee for service performed between the hours of 5:00 a.m. - 9:30 a.m. and/or 3:00 p.m. - 7:00 p.m.
- f. No change to the fees for service originating and/or terminating at Dulles Airport, B.W.I. Airport or outlying hotels (i.e., Fair Oaks, VA; Sterling, VA; Chantilly, VA; Gaithersburg, MD; Clinton, MD, etc.), which will be assessed an additional one hour charge to cover the travel/garage time.
- g. It is proposed that the rates for jurisdictions reserved by WMATA for governmental entities located entirely within the Transit Zone, excluding Loudoun County, Virginia, remain at current levels. Specifically, those entities are the District of Columbia; the cities of Alexandria, Falls Church and Fairfax and the counties of Arlington and Fairfax, and other political subdivisions within the Commonwealth of Virginia located within these counties; and the counties of Montgomery and Prince George's and other political subdivisions within those counties, all of which are in the State of Maryland. Those governmental entities described above, along with local public, parochial and day schools located within the Metropolitan area when used on school days only, for school-related functions, between the hours of 9:30 a.m. and 3:00 p.m., for service wholly within the transit zone are defined as "local jurisdictions".

### **III. REVIEW OF THE PUBLIC HEARING RECORD**

The public hearing record consists of the notice of public hearing, the staff statement describing the proposals, transcripts of the proceedings, and written statements submitted for the record.

#### Public Notification

The official notice of the public hearings was published in the *Washington Post* and *Washington Business Journal* newspapers, sent to area libraries in the Compact jurisdictions, and posted on WMATA.com.

#### Review of Transcripts

Public hearing No. 534 was convened at 6:30 p.m. on Monday, September 15, 2008 at Metro's Headquarters at 600 Fifth Street, NW, Washington, DC. Two individuals testified.

#### Additional Material Submitted for the Record

The record for the public hearing was held open until 5 p.m. September 22, 2008 to receive additional comments and materials from interested parties. Seven individuals submitted written testimony for the record.

#### **IV. DISCUSSION OF THE PUBLIC HEARING RECORD**

The individuals who testified at the public hearing were generally opposed to Metro being involved in charter bus activities. Written comments were consistent with the verbal comments that expressed concern that this proposal undermines the intent of the FTA charter service rule, and that the rate change will be used as an argument for Metro to do charter service work. If Metro is involved in charter operations, it creates an unfair advantage, because Metro has the benefit of receiving public funds.

Other objections/comments involved the safety of students being transported to and from school on transit buses rather than school buses, because transit buses lack the structural integrity, occupant protection features and the traffic control devices of school buses, especially since the NTSB has said that children should be transported in vehicles that meet the federal safety standards for school buses.

#### **V. RECOMMENDATIONS**

After reviewing the public hearing testimony and comments for the public record, staff recommends that the Tariff on Subcontracting and Special Transit Service be amended and fees be established as advertised in Metrobus Public Hearing No. 534 and defined in Docket No. B08-3 Proposed Changes to the Metrobus Charter Service Fare.