

DISTRICT OF COLUMBIA TAXICAB COMMISSION

NOTICE OF SECOND PROPOSED RULEMAKING

The District of Columbia Taxicab Commission (“Commission”), pursuant to the authority set forth in Sections 8(c)(2), (3), (4), (5), (7), (19), 14, 20, and 20a of the District of Columbia Taxicab Commission Establishment Act of 1985 (“Establishment Act”), effective March 25, 1986 (D.C. Law 6-97; D.C. Official Code §§ 50-307(c)(2) (3), (4), (5), (7), (19) (2012 Repl. & 2013 Supp.), § 50-313 (2012 Repl. & 2013 Supp.), § 50-319 (2012 Repl. & 2013 Supp.), and § 50-320 (2012 Repl. & 2013 Supp.)), and D.C. Official Code § 47-2829 (b), (d), (e), (e-1), and (i) (2012 Repl. & 2013 Supp.); hereby gives notice of its intent to create a new Chapter 17 (Private Sedan Service – Businesses, Operators, and Vehicles) of Title 31 (Taxicabs and Public Vehicles for Hire) of the District of Columbia Municipal Regulations (DCMR).

The proposed Chapter 17 would, in combination with proposed amendments to Chapters 99, 8, 12, 14, and 16, of Title 31, create a regulatory framework for the licensing and regulation of a new class of public vehicle-for-hire service to be called “private sedan service”, which is within the Commission’s jurisdiction to license or regulate, to address the unique issues raised by private sedan service, including rules to require adequate insurance, to ensure the safety of passengers, drivers, and the general public, to protect consumers, and to require payment to the District of a passenger surcharge, and for other lawful purposes within the authority of the Commission.

The proposed amendments in this chapter would, *inter alia*: (1) establish rules for the licensing of the drivers who provide service, setting criteria for criminal background checks and driving records; (2) establish rules for the licensing of the private vehicles used to provide service, setting criteria for safety inspections; (3) establish rules for the licensing of the businesses which provide private sedan services, setting criteria for screening drivers and inspecting vehicles, and requiring businesses to provide minimal training to new drivers and to limit non-professional drivers to part-time (a limit that would not apply to a driver who possesses a DCTC commercial operator’s license); and (4) establish rules for the operation of the private sedan business, requiring businesses to maintain adequate liability insurance to protect all participants in the service, as well as the general public, and to maintain an inventory of active private sedan drivers and vehicles with the Office of Taxicabs (“Office”) for enforcement, data reconciliation, and other lawful purposes. All definitions applicable to this chapter would appear in a new Chapter 99 that contains definitions for the entire title. The proposed rules amending Chapter 17 of DCMR Title 31 were originally approved by the Commission for publication on April 9, 2014, and published in the D.C. Register on May 16, 2014, at 61 DCR 5024. The Commission held a public hearing on the proposed rules on April 30, 2014 to receive oral comments from the public on the proposed rules. The Commission received valuable comments from the public at the hearing and throughout the comment period which expired on June 15, 2014. The comments received were carefully considered and necessitate a second publication.

Directions for submitting comments may be found at the end of this notice. The Commission also hereby gives notice of the intent to take final rulemaking action to adopt these proposed

rules in not less than thirty (30) days after the publication of this notice of second proposed rulemaking in the *D.C. Register*.

The Commission intends to add Chapter 17, PRIVATE SEDAN SERVICE – BUSINESSES, OPERATORS, AND VEHICLES, of Title 31, TAXICABS AND PUBLIC VEHICLES FOR HIRE, of the DCMR to read as follows:

CHAPTER 17 PRIVATE SEDAN SERVICE – BUSINESSES, OPERATORS, AND VEHICLES

1700 APPLICATION AND SCOPE

- 1700.1 This chapter establishes licensing and operating requirements applicable to all persons that participate in providing private sedan service in the District of Columbia, to ensure the safety of passengers and operators, to protect consumers, to require payment to the District of a passenger surcharge, and for other lawful purposes within the authority of the Commission.
- 1700.2 The provisions of this chapter shall be interpreted to comply with the language and intent of the Act, as amended.
- 1700.3 Additional requirements applicable to the drivers and vehicles that participate in private sedan service are contained in Chapter 14.
- 1700.4 Additional requirements applicable to digital dispatch services that participate in private sedan service are contained in Chapter 16.
- 1700.5 This chapter shall not apply to “ridesharing”, as defined in this title.
- 1700.6 This chapter shall be effective on _____ 2014 (“private sedan implementation date”).
- 1700.7 In the event of a conflict between a provision of this chapter and a provision of another chapter of this title, the more restrictive provision shall control.

1701 GENERAL PROVISIONS

- 1701.1 Beginning on the implementation date, all persons participating in providing private sedan service in the District shall meet the requirements of this chapter, including without limitation, the following:
- (a) Each private sedan business (“business”) shall be licensed under and in compliance with the other applicable provisions of this chapter;

- (b) Each digital dispatch service (“DDS”) shall be registered under and in compliance with the applicable provisions of Chapter 16;
- (c) Each operator shall possess a DCTC operator’s license issued under another chapter of this title, or a private sedan operator’s license issued under this chapter;
- (d) Each vehicle shall be licensed under this chapter and display a valid DCTC private sedan vehicle decal or S-tag; and
- (e) Private sedan operators and vehicles shall operate in accordance with the applicable provisions of Chapter 14 and this chapter.

1701.2 An individual who provides private sedan service without a current and valid DCTC operator’s license or a private sedan operator’s license and a current and valid DCTC private sedan vehicle decal or S-tag, issued under this chapter, shall be subject to the penalties provided by D.C. Official Code § 47-2846, including imprisonment and a civil fine, and impoundment of the vehicle under the Impoundment Act, and other penalties as provided by applicable law.

1701.3 A private sedan business which operates without a current and valid DCTC private sedan business license issued under this chapter, shall be assessed a civil fine of five hundred dollars (\$500) per day, pursuant to D.C. Official Code § 50-313 (c), in addition to any other penalties available under this title or other applicable law.

1701.4 Confidential filings. Where a provision of this chapter allows or requires a business to submit a filing to the Office which may contain material exempt from FOIA release pursuant to D.C. Official Code § 2-534 (a) (1) (trade secrets and commercial or financial information obtained from outside the government, to the extent that disclosure would result in substantial harm to the competitive position of the person from whom the information was obtained), and the provision expressly allows the filing to be made pursuant to this subsection, the following procedures shall apply:

- (a) The filing shall be provided to the Office in a sealed envelope or other suitable packaging clearly marked “CONFIDENTIAL – TO BE OPENED ONLY BY [name and title of the DCTC employee or official to whom the filing is directed];
- (b) The filing shall include a notarized affidavit providing the factual basis for the business’s contention that the filing should be withheld under § 2-534 (a) (1) and the extent of such withholding (in whole or in part);
- (c) Each page of the filing shall be prominently stamped “CONFIDENTIAL” in a suitable location so as to not obscure the contents;

- (d) The filing shall be hand-delivered to the Office during regular business hours;
- (e) The Office shall maintain the filing confidentially and not release it except as required by law. The existence of an affidavit or other information provided under subsection (b) or (e) (2) of this section may be revealed but the affidavit itself shall not be released except as required by law;
- (f) In the event that the Office receives a FOIA request as to which the filing is responsive, the Office shall:
 - (1) Not later than five (5) days prior to the deadline for a response to the request (“deadline”): inform the business of the request (but not the identity of the requester);
 - (2) Not later than three (3) days prior to the deadline: inform the business of the Office’s position as to whether it is in the public interest to withhold the filing in whole or in part, whether redaction of the document is required under FOIA, and whether additional information must be provided to support withholding; and
 - (3) The Office shall release the filing if the information required by § 1701.4 (e) (2) is not received by the Office at least one (1) day before the deadline.

1701.5 A private sedan business and a DDS which together provide a private sedan service may be organized and associated in any lawful manner, including as separate, associated entities, or as a single entity which performs the functions of both the private sedan business and the DDS. Where a private sedan service is offered by a single entity, such entity shall comply with the applicable provisions of this chapter and Chapter 16.

1701.6 Nothing in this chapter shall be construed as soliciting or creating a contractual relationship, agency relationship, or employer-employee relationship between the District of Columbia and any other person.

1702 PRIVATE SEDAN BUSINESS – APPLICATION FOR LICENSING

1702.1 Each business applying for a license to provide private sedan service in the District (“applicant”) shall provide the following information and documentation to the Office:

- (a) The full name, business address, business telephone number, and cellular telephone number of the following individuals:

- (1) The applicant's owner, majority owner, or general manager (as applicable);
 - (2) The applicant's local, regional, and national operations managers (as applicable); and
 - (3) The applicant's local, regional, and national technical managers (as applicable);
- (b) The trade name(s) for the applicant's private sedan service;
 - (c) A description of the how the applicant's business is organized (as a corporation, a limited liability company, etc.); its date and place of formation; and the name(s), addresses, and telephone numbers of its owners or majority stockholder(s);
 - (d) The name of the DDS with which it is associated to provide private sedan service, and a description of the legal relationship between the applicant and the DDS;
 - (e) Information and documentation showing that the business is in compliance with, or is ready and able to comply with, the administrative requirements of § 1705, including a copy of all terms and conditions applicable to the provision of its private sedan service to passengers, and a copy of all terms and conditions applicable to its association with operators, vehicles, and the DDS with which it associates to provide service (the latter filing may be provided pursuant to § 1701.4);
 - (f) Information and documentation showing that the applicant is in compliance with, or is ready and able to comply with, the insurance requirements of § 1706, including a full and complete copy of the policy with all endorsements and attachments, with no redactions, and evidence that the policy has been paid and will be in force and effect for at least six (6) months as of the date of application (the filing may be provided pursuant to § 1701.4);
 - (g) Information and documentation showing that the applicant is in compliance with, or is ready and able to comply with, the operating requirements of § 1707, including copies of its new driver training program curriculum and its initial driver-vehicle inventory;
 - (h) A certification that the applicant will exercise heightened care in carrying out its obligations under this chapter related to the screening of new operators and vehicles and in the monitoring and supervision of licensed operators and vehicles, and will not knowingly submit to the Office an

application for the licensing of an operator or vehicle which does not meet the eligibility requirements for licensing under this chapter;

- (i) A certification that the applicant will not operate, and will use its best efforts to prevent, any of its associated drivers from providing service when its insurance policy is not in force and effect;
- (j) A certification that the applicant will not operate at such times when it is not associated with a DDS that is in compliance with Chapter 16;
- (k) A certification that the applicant will fully and timely cooperate with the District in all matters relating to the administration, licensing, enforcement, supervision, and regulation of its private sedan service and its associated DDS, including without limitation, promptly complying with all compliance orders, promptly complying with any audits of its business records, and not operating when prohibited from doing so by any provision of this title;
- (l) A certification that all persons with which the applicant associates to provide its private sedan service are contractually obligated to comply with an instruction by the applicant to block any or all operators from providing service where required by an applicable provision of this chapter, and to take such other action as may be required in order for the applicant to meet its obligations under this title and other applicable laws; and
- (m) Such other information and documentation as the Office deems necessary to determine that the applicant meets the requirements for licensing under this title and other applicable laws.

1702.2 Each application filed with the Office under this section shall:

- (a) Be full and complete, including all required information;
- (b) Be accompanied by full and complete documentation, with no missing pages and no redactions;
- (c) Be notarized and provided under penalty of perjury;
- (d) Be accompanied by an application fee of five thousand dollars (\$5,000); and
- (e) For a renewal application, be accompanied by the application fee.

1703 PRIVATE SEDAN BUSINESS – DECISION ON LICENSING

- 1703.1 The applicant shall bear the burden of establishing to the satisfaction of the Office that it meets all the requirements for licensing.
- 1703.2 The Office shall deny an application where required by the Clean Hands Act.
- 1703.3 The Office may require one or more of each of the following during the review process for informational and enforcement purposes, which shall be facilitated by the applicant:
- (a) An interactive demonstration of the equipment used by drivers and passengers to book trips with the applicant’s private sedan service or to sign up or communicate with operators;
 - (b) A meeting with the individuals responsible for technical operations in the District; and
 - (c) A meeting with the individuals responsible for managing the business in the District.
- 1703.4 The Office shall seek a review by the Department of Insurance, Securities and Banking (“DISB”) of the insurance policy and all related information provided by the applicant, whose decision shall be dispositive of whether to grant or deny an application.
- 1703.5 The Office may grant an application subject to one or more conditions requiring the applicant to submit additional information or documentation, or to take one or more actions, such as, requiring the applicant to modify its terms and conditions of use by passengers or operators in order to ensure the effectiveness of the applicant’s policy. The Office shall state a deadline for compliance with a condition, which, if not met, may result in a denial of the application.
- 1703.6 An application may be denied if the applicant does not cooperate with the Office during the application process, if the application is not complete, or if the applicant provides materially false information for the purpose of inducing the Office to grant the application.
- 1703.7 The Office shall complete the review process and issue its decision to grant or deny an application within forty-five (45) days after the application is filed, which may be extended by the Office until ten (10) days following the Office’s receipt of all information provided by DISB.
- 1703.8 If the Office denies an application:
- (a) The Office shall state the reasons for its decision in writing; and

- (b) The applicant may appeal the decision to the Chief of the Office within fifteen (15) calendar days, and, otherwise, shall constitute a final decision of the Office. The Chief shall issue a decision on an appeal within thirty (30) days. A timely appeal of a denial shall extend an existing license pending the Chief's decision, so long as the business's policy remains in effect. A decision of the Chief to affirm or reverse a denial shall constitute a final decision of the Office. A decision of the Chief to remand to the Office for further review of an application shall extend an existing license pending the final decision of the Office, so long as the business's insurance policy remains in effect.

1703.9 Each private sedan business license shall be effective for twenty four (24) months, during which time no substantial change may be made to the business's policies or practices material to its compliance with this title except as provided in §§ 1703.10 and 1703.11.

1703.10 Substantial changes during license period. Where a business is currently licensed, no change shall be made to any operations, policies, practices, documentation, or information material to any aspect of the business's compliance with this title, except as follows:

- (a) If the change may affect the insurance policy or insurability of the business's associated operators or vehicles, it shall not be made without approval of the Office pursuant to the following procedures:
 - (1) The business shall file such information and documentation of the proposed change as the Office may require, not less than forty-five (45) days prior to the proposed effective date, under oath, together with a filing fee of one thousand dollars (\$1,000) (the filing may be provided pursuant to § 1701.4);
 - (2) The Office shall review the filing for compliance with all applicable provisions of this title and other applicable law, and shall issue a written decision to approve or deny the change within thirty (30) days; and
 - (3) A business may appeal the decision to the Chief of the Office within fifteen (15) days, and, otherwise, shall constitute a final decision of the Office. The Chief shall issue a decision on an appeal within thirty (30) days. A decision of the Chief to affirm or reverse a denial shall constitute a final decision of the Office;
- (b) If it is a substantial change, other than one for which the approval of the Office is required by subsection (a) of this section, such as a change in the approved unaffiliated third party which conducts the pre-licensing

criminal background checks, illegal intoxicant screenings, or vehicle inspections required by this chapter, the business shall provide to the Office at least fifteen (15) days' notice of the change prior to its implementation.

1703.11 Non-substantial change. Where a business is currently licensed, and there is a change which not materially affect any aspect of the business's compliance with this title and does not require approval by the Office under § 1703.10, such as a change in the business's contact information, the URL for its website, or the app used by operators or passengers, the business shall inform the Office within forty-eight (48) hours following such change.

1703.12 The Office shall provide to the applicant a physical certificate reflecting the license granted and the period thereof, and listing the unaffiliated third parties approved to conduct the operator screenings and vehicle inspections required pursuant to § 1707.5 and § 1709.1. The certificate shall be the property of the Office, and shall be returned to the Office at the expiration of the business's licensing period and otherwise as provided in this title.

1703.13 The Office shall maintain the name and contact information of the business on the Commission's website.

1704 PRIVATE SEDAN BUSINESS - RENEWAL OF LICENSE

1704.1 Each business shall apply for renewal of its license not later than ninety (90) days prior to the expiration date of its existing license, unless the Office provides otherwise in writing.

1704.2 A business that fails to apply for renewal of its license prior to the fifty-ninth (59th) day prior to the expiration date of its existing license shall be required to surrender its certificate of license at the end of the licensing period and apply for a new license.

1704.3 Each business which applies to renew its license, at the time it files its renewal application, shall be in full compliance with this title and other applicable laws.

1704.4 Unless the Office provides otherwise in writing, all requirements for a new license shall apply to a renewed license.

1704.5 A license shall continue in force and effect beyond its expiration period, during such time as an application for renewal of such license is pending, provided such application was timely filed and the application was complete.

1705 PRIVATE SEDAN BUSINESS – ADMINISTRATIVE REQUIREMENTS

- 1705.1 Each business shall comply with all applicable federal and District licensing, permitting, registration, anti-discrimination, and taxation requirements for a business operating in the District.
- 1705.2 The business shall possess a current basic business license with appropriate endorsements from DCRA.
- 1705.3 Each business shall maintain:
- (a) A bona fide administrative office, consisting of a physical office in the District, in the same manner required of a taxicab company under Chapter 5, and in compliance with all laws, rules, and regulations concerning the operation of a place of business in the District; or
 - (b) A registered agent authorized to accept service of process.
- 1705.4 Each business shall maintain a customer service telephone number for passengers with a “202” prefix or a toll-free area code that shall be available during normal working hours.
- 1705.5 The provisions of §§ 508-513 of this title shall apply to each business as if it were a taxicab company.
- 1705.6 The business records of each business shall be:
- (a) Stored in a safe and secure manner and in compliance with industry best practices and applicable federal and District law;
 - (b) Made available for inspection and copying during regular business hours at the Office or at the business’s bona fide administrative office, if maintained; and
 - (c) Retained for at least five (5) years.
- 1705.7 Except as otherwise provided in this chapter, each business shall promptly report to the Office an associated operator and vehicle that is not in compliance with an applicable provision of this title and other applicable laws where it receives notice of non-compliance.
- 1705.8 Each business shall exercise heightened care in carrying out its obligations under this chapter related to the screening of new operators and vehicles, and to the monitoring and supervision of licensed operators and vehicles. A business shall not knowingly submit to the Office an application for the licensing of an operator or vehicle that does not meet any applicable requirement of this chapter or other applicable law.

1705.9 Each business, and its owners, managers, employees, attorneys, agents, and representatives, shall fully and timely cooperate with the District in all matters relating to the administration, licensing, enforcement, supervision, and regulation of its private sedan service; fully and timely comply with compliance orders seeking information, documents, or meetings; and fully and timely comply with all audits.

1705.10 A business shall not have standing as a party in any enforcement or compliance matter against an operator, including mediation, at the Office or at the Office of Administrative Hearings (“OAH”).

1705.11 An investigation of or enforcement action against an operator by the Office:

- (a) May go forward at the discretion of the Office where the associated business has elected to suspend or terminate its association with an operator; and
- (b) Shall occur pursuant to the same rules and procedures applicable under this title to operators of other classes of public vehicles-for-hire.

1706 PRIVATE SEDAN BUSINESS – INSURANCE REQUIREMENTS

1706.1 Each business shall at all times maintain a liability insurance policy covering all of its associated operators, to include its DCTC operator licensees in the event their existing public vehicle-for-hire insurance does not expressly extend to the operators’ participation in private sedan service, which meets the following requirements:

- (a) It shall be a current and valid policy;
- (b) It shall comply with all applicable regulations of DISB;
- (c) It shall provide the following minimum coverage for each associated operator and vehicle while available for hire:
 - (1) Not less than one million dollars (\$1,000,000) in liability coverage per accident for accidents involving a private sedan vehicle;
 - (2) Not less than fifty thousand dollars (\$50,000) per person injured and not less than one hundred thousand (\$100,000) per accident for medical expenses;
 - (3) Not less than twenty five thousand dollars (\$25,000) for property damage per accident.

- (d) The minimum coverage required by part (c) of this subsection shall apply without regard to whether or not the operator is logged into the digital payment system (the app);
- (e) It shall provide coverage for a non-commercial operator regardless of whether such operator has a personal motor vehicle insurance policy;
- (f) It shall cover:
 - (1) Each non-commercial operator;
 - (2) Each commercial operator whose existing commercial public vehicle-for-hire insurance does not expressly extend to such operator's participation in private sedan service;
 - (3) Each person who, on a regular and ongoing basis, materially participates in facilitating or providing the private sedan service; and
 - (4) The District.

1706.2 Each operator with a current and valid DCTC operator's license and operating a vehicle with a current and valid S-tag, shall comply with the insurance requirements under Chapter 9 of this title.

1706.3 In addition to the insurance requirements of §§ 1706.1 and 1706.2, each vehicle shall be covered by a valid and current insurance policy which meets the requirements of the law of the jurisdiction where the vehicle is registered, including any requirements for un-insured motorist/under insured motorist (UM/UIM) coverage or physical damage coverage.

1706.4 The business shall arrange to have a copy of each insurance policy maintained by the business to be filed directly with the Office directly by the insurance company (which may be under seal pursuant to § 1701.4), together with such additional information as may be required by the Office.

1706.5 The business shall arrange for proof of each premium payment for the insurance policy maintained by the business, and the date through which the policy is effective as a result thereof, to be filed directly with the Office within five (5) days following the date of payment (which may be under seal pursuant to § 1701.4).

1706.6 Where a business is already licensed and a replacement policy is procured by the business, the business shall file the replacement policy for review subject to the procedures in § 1703.10 (a).

- 1706.7 If coverage under a policy required by this section is not in effect, even momentarily, for any reason, the business shall:
- (a) Immediately take all reasonable measures to ensure that no operator or vehicle covered by the policy is able to provide service until the Office approves a replacement policy;
 - (b) Promptly notify all associated operators and others with which it associates to provide its private sedan service; and
 - (c) Promptly notify the Office in writing.
- 1706.8 The business, shall within fifteen (15) days notify the Office of each claim against the policy and of any claims against the commercial policy of a commercial operator of which it becomes aware.
- 1706.9 The business shall provide notice of cancellation or non-renewal of the policy within twenty-four (24) hours or one business day of when it receives notice from their insurance company.

1707 PRIVATE SEDAN BUSINESS - OPERATING REQUIREMENTS

- 1707.1 Following a new operator's receipt of his or her private sedan operator license, the business shall provide him or her with basic training prior to becoming an active operator. This training shall include four (4) hours of classroom instruction and two (2) hours of in-vehicle instruction with a mentor, to include instruction on rules of the road, the business's zero tolerance policies, and the requirements of this chapter and Chapter 14. Operators with a valid and current DCTC operator's license shall comply with the training requirements of Chapter 10 and no additional training shall be required.
- 1707.2 Inventory of active private sedan operators and vehicles. Each business shall maintain with the Office a current and accurate inventory of its active private sedan operators and vehicles as follows:
- (a) Each operator and his or her vehicle licensed contemporaneously pursuant to this chapter, where the operator is on active status with the business, shall appear on the inventory. No operator or vehicle other than an operator-vehicle pair for which licenses have been issued contemporaneously, and no operator who is not on active status, shall appear on the inventory.
 - (b) A licensed operator and his or her vehicle shall be immediately removed from the inventory, and deactivated on the app by the business if:

- (1) The operator or the vehicle is not licensed, insured, or otherwise in full compliance with this title;
 - (2) The operator's private sedan operator's license is suspended or revoked by the Office; or
 - (3) The business suspends or terminates its association with the operator.
- (c) In addition to the actions required by subparagraphs (a) and (b) of this subsection, each business shall ensure that its inventory is updated in such manner and at such times as are determined by the Office in writing;
- (d) The business shall not be required to include on its inventory an operator who possesses a valid and current DCTC operator's license or a vehicle which has a valid and current S-tag.
- (e) Each inventory shall include:
- (1) The name of, and work and cellular telephone numbers for the operator;
 - (2) The private sedan license number;
 - (3) The vehicle's PVIN, which appears on the DCTC private sedan decal;
 - (4) The vehicle's color, make, model, year of manufacture, VIN, tag number, and issuing jurisdiction; and
 - (5) The name of the company which provides personal motor vehicle insurance for the operator and the vehicle, and the policy number and date of expiration thereof.

1707.3 Each business shall require its trade dress, if any, to be placed on the vehicle in accordance with the information and documentation provided to the Office in its application for licensing.

1707.4 The business shall, within fifteen (15) days, notify the Office of each tort claim, criminal action, or civil forfeiture action filed or taken against it or any private sedan operator or vehicle with which it is associated in connection with the provision of its private sedan service.

1707.5 Policies to be maintained by the business for all licensed operators.

- (a) Each business shall at all times diligently enforce the following policies:

- (1) A zero tolerance policy on the use of alcohol or illegal drugs by operators;
 - (2) A zero tolerance policy on the solicitation or acceptance of street hails by operators; and
 - (3) A shift limit on private sedan operators who possess private sedan operator license and are not DCTC operator licensees of twenty (20) hours per week.
- (b) Each business shall ensure that the terms and conditions applicable to the passengers and operators who use its private sedan service include clear reference to the policies required by subsection (a).
- (c) Each business shall file a report with the Office within two (2) days after it acquires knowledge or information of an incident in which an operator has violated a policy required by subsection (a) of this section, and shall contemporaneously report to the Office any information reported to it by an associated operator pursuant to § 1402.10.
- (d) Each business shall require that each licensed private sedan vehicle pass a biennial safety inspection by the unaffiliated third party approved by the Office of the following items on each vehicle:
- (1) Foot brakes (at twenty (20) MPH, the vehicle must be capable of stopping within twenty five (25) feet);
 - (2) Emergency brakes (vehicle must pass an engine stall test);
 - (3) Steering mechanism;
 - (4) Windshield;
 - (5) Rear window and other glass;
 - (6) Windshield wipers;
 - (7) Headlights;
 - (8) Tail lights;
 - (9) Turn indicator lights;
 - (10) Stop lights;
 - (11) Front seat adjustment mechanism;

- (12) Doors (open, close, and lock mechanisms);
 - (13) Horn;
 - (14) Speedometer;
 - (15) Bumpers;
 - (16) Muffler and exhaust system;
 - (17) Tires (condition, including tread depth);
 - (18) Interior and exterior rear view mirrors; and
 - (19) Safety belts for driver and passenger(s).
- (e) Each business shall continually track the expiration date of each private sedan operator's personal motor vehicle insurance policy, and shall immediately remove such operator and his or her vehicle from its inventory by such date until the operator provides it with proof such a policy is in effect.

1708 OPERATORS AND VEHICLES – LICENSING GENERALLY

1708.1 Operators and vehicles subject to licensing.

- (a) Each individual who seeks to operate a private sedan (“applicant”) and who does not possess a valid and current DCTC operator’s license shall be licensed as a private sedan operator under this chapter.
- (b) Each applicant who possesses a valid and current DCTC operator’s license shall be subject to the applicable provisions of this chapter, including certification that such operator has been screened for the use of illegal drugs.
- (c) Each vehicle used to provide private sedan service shall be licensed under this chapter. No public vehicle-for-hire vehicle shall be eligible for use as a private sedan.
- (d) No operator of a private sedan vehicle shall be permitted to obtain a decal or S-tag for more than one (1) licensed private sedan vehicle regardless of whether the operator is a private sedan operator or DCTC operator.

1708.2 Processing of applications for private sedan operator’s license through the business.

- (a) Each applicant for a private sedan license shall apply for licensing through a private sedan business licensed under this chapter.
- (b) Each business shall be responsible for seeking the new and renewal licensing of all of its associated operators.
- (c) All matters and communications concerning the licensing of operators shall be processed through the business. Applications shall not be accepted by the Office directly from individuals.
- (d) Each applicant shall first attempt to resolve through the business any issue or concern related to the processing of his or her application, and shall communicate directly with the Office only if the business has been unable to resolve the matter.

1708.3 Processing of applications for a new or renewal DCTC operator's license decal or S-tag. Each applicant for a DCTC operator's license shall apply directly to the Office pursuant to the requirements of Chapters 10 or 12 of this title, as applicable.

1708.4 Processing of vehicle applications.

- (a) Each operator shall apply for a private sedan vehicle license through a private sedan business licensed under this chapter.
- (b) Each business shall be responsible for seeking the new and renewal licensing of all of its associated vehicles.
- (c) All matters and communications concerning the licensing of vehicles shall be processed through the business. Applications shall not be accepted by the Office directly from individuals.
- (d) Each applicant shall first attempt to resolve through the business any issue or concern related to the processing of his or her application, and shall communicate directly with the Office only if the business has been unable to resolve the matter.

1708.5 No business shall submit an application to the Office that does not contain a written certification that all insurance companies providing any type of coverage for the private sedan operator and the private sedan vehicle have been notified of the use of the vehicle in providing private sedan service and the names of and contact information for all insurance companies that have be so notified.

1708.6 Each business shall file contemporaneously with the Office applications for licensing of not more than one hundred (100) eligible applicants per calendar

week, and shall have not more than five hundred (500) applications pending at any one time.

- 1708.7 An application may be denied if the business or the applicant does not cooperate with the Office during the application process, if the application is not complete, or if the business or the applicant provides materially false information for the purpose of inducing the Office to grant the application.

1709 OPERATORS AND VEHICLES – ELIGIBILITY FOR LICENSING

- 1709.1 Applicant screening and vehicle safety inspection. At the time of application to the business, the unaffiliated third parties approved by the Office to conduct operator screenings and vehicle inspections shall conduct and document under oath that they have performed the following:

- (a) A national criminal background check on each applicant for a private sedan operator’s license showing that: the applicant meets the “good moral character” requirements for a DCTC operator’s license under §§ 1001.13 through 1001.15, and is not listed in the National Sex Offender Registry database;
- (b) A screening of each applicant to detect the use of illegal intoxicants, documenting that the applicant does not use illegal intoxicants; and
- (c) An initial safety inspection of the vehicle documenting that the vehicle meets the requirements of § 1707.5 (d).

- 1709.2 Each applicant shall meet the following eligibility requirements for licensing:

- (a) Each applicant shall:
 - (1) Be of at least the same age as required under Chapter 10; and
 - (2) Possess a valid and current personal driver’s license issued by the District’s Department of Motor Vehicles (“DMV”) or by the department of motor vehicles of another jurisdiction in the Washington Metropolitan Area, which does not expire for at least three (3) months from the date of application.
- (b) Each vehicle shall be owned, registered, and housed as follows:
 - (1) The applicant shall be an owner, co-owner, or lessee of the vehicle;
 - (2) Each applicant’s name shall be on the registration of the private sedan vehicle;

- (2) The applicant shall be a registrant or co-registrant of the vehicle in a jurisdiction which permits private sedan operators residing in the District and licensed by the Office under this title to participate in private sedan service, or equivalent class of service, in such jurisdiction;
 - (4) If the vehicle is leased, the lease shall be for a duration of not less than one (1) year and the lessor shall not be in the business of leasing vehicles for use in providing private sedan service;
 - (5) The vehicle shall have a valid and current registration, which does not expire for at least three (3) months from the date of application; and
 - (6) The vehicle shall be regularly kept overnight at the applicant's place of residence.
- (c) The applicant and the vehicle shall be covered by a valid and current insurance policy as required by § 1706.3, which does not expire for at least three (3) months from the date of application.
 - (d) The applicant and vehicle shall pass the applicable applicant screening and vehicle inspection requirements of § 1709.1.
 - (e) The vehicle shall be in compliance with all safety and emissions inspections required by the jurisdiction where it is registered and housed.
 - (f) The vehicle shall meet the definition of "private sedan" in this title.
 - (g) The operator and all owners of the vehicle shall execute the private sedan agreement pursuant to § 1709.3.

1709.3

Private sedan agreement for private sedan operator licensees. The applicant and all owners of the vehicle shall execute an agreement which meets the following requirements:

- (a) It shall be in a form prescribed by the Office;
- (b) Each person executing the agreement shall do so under oath;
- (c) Each owner (including the applicant, if applicable) shall give his or her permission to allow the vehicle to be used as a private sedan;
- (d) Each applicant shall certify that he or she will:

- (1) Operate in compliance with all applicable provisions of this title and other applicable law;
- (2) Submit to any administrative inspection or traffic stop by a District enforcement officials, at which time he or she will be fully cooperative and promptly provide all information and documentation, including his or her electronic manifest and licensing documents, as directed at that time;
- (3) Maintain a current and valid personal driver's license and vehicle registration;
- (4) Maintain insurance coverage as required by § 1706.3;
- (5) Abide by the business's zero tolerance policy prohibiting the use of illegal intoxicants while providing service;
- (6) Abide by the business's zero tolerance policy against the solicitation or acceptance of a street hail and the use taxicab stands;
- (7) With the exception of operators with a valid and current DCTC operator's license and S-tag, not be signed into the digital payment system (app) or provide private sedan service more than twenty (20) hours total and
- (8) Upon disaffiliation from, or suspension or termination by the business, or upon suspension, revocation, or non-renewal by the Office of his or her DCTC operator's license or his or her DCTC vehicle license:
 - (A) Immediately stop providing private sedan service;
 - (B) Return the DCTC vehicle decal and S-tag, as applicable, to the business or the Office within five (5) days; and
 - (C) Consent to the removal of the DCTC vehicle decal and S-tag, as applicable, by any District enforcement official in compliance with all applicable provisions of this title.

1710 OPERATORS AND VEHICLES – APPLICATION

1710.1 Each business applying for a license on behalf of an applicant shall file the following information and documentation with the Office:

- (a) The full name, home address, home telephone number, cellular telephone number, social security number, and date of birth of the applicant;
- (b) The make, model, year, and vehicle identification number (VIN) of the vehicle;
- (c) The vehicle's mileage at the time of application;
- (d) The date on which the vehicle was purchased or leased by the operator;
- (e) The date on which the applicant became associated with the business;
- (f) All information and documentation required by § 1707;
- (g) A statement executed by the business that the applicant and the vehicle meet all requirements for licensing under this chapter, and are ready and able to meet all requirements for the operation of a private sedan under this title and other applicable laws;
- (h) The original, fully-executed private sedan agreement; and
- (i) Such other information and documentation as the Office may deem necessary to determine that the operator and vehicle meet the applicable requirements for licensing in this title and other applicable laws.

1710.2 Each business applying for a license on behalf of an applicant for a private sedan operator license who does not have a current and valid DCTC operator's license shall, in addition to the information required under § 1710.1, file the following information and documentation with the Office:

- (a) A copy of the front and back of the applicant's personal driver's license;
- (b) A copy of the front and back of the insurance card for the personal motor vehicle insurance policy on the operator and vehicle; and
- (c) One (1) photograph of the operator that meets the requirements for a United States passport and which shall be the same photograph used on the business' app;

1710.3 Each business applying for a license on behalf of an applicant with a current and valid DCTC operator's license shall, in addition to the information required under § 1710.1, file the following information and documentation with the Office:

- (a) The DCTC operator's license number and the date of expiration;

- (b) If the operator and the vehicle will be covered by a commercial insurance policy pursuant to Chapter 9, a copy of the policy showing the insurance company expressly agrees to such coverage; and
- (c) If the commercial insurance policy does not cover providing private sedan service, a copy of the front and back of the insurance card for the personal motor vehicle insurance policy on the operator and vehicle;

1710.4 Each application filed pursuant to this section shall:

- (a) Be full and complete, including all required information and documentation, with no missing pages and no redactions;
- (b) Be provided under oath by the applicant;
- (c) Be accompanied by a certification from the business that the applicant and his or her vehicle meet the requirements for licensing, and certifications by the approved third parties that have completed the applicant screening and vehicle inspection requirements of § 1709.1; and
- (d) Be accompanied by an application fee as follows:
 - (1) If the applicant is applying for a private sedan operator’s license, a fee of fifty dollars (\$50) for such license; and
 - (2) A fee of fifty dollars (\$50) for the DCTC private sedan vehicle license.

1711 OPERATORS AND VEHICLES – REVIEW OF APPLICATION AND DECISION ON LICENSING

1711.1 The Office shall deny an application where required by the Clean Hands Act.

1711.2 The Office shall obtain the complete driving record for each applicant applying for a private sedan operator’s license, and shall deny the application if the applicant does not meet the requirements for licensing under § 1001.11.

1711.3 The Office shall grant or deny an application as to both the applicant and his or her vehicle. If an application is granted, the applicant and the vehicle shall be licensed as an operator-vehicle pair for purposes of enforcement and compliance with this title, including the inventory requirements of § 1707.2. No operator shall provide private sedan service with a vehicle other than his or her own licensed private sedan vehicle. No private sedan shall be used by an operator other than the operator licensed to provide service with that vehicle.

1711.4 The Office shall complete the review process and issue its decision to grant or deny an application within thirty (30) days after the application is filed.

1711.5 If the Office denies an application:

- (a) The Office shall state the reasons for its decision in writing; and
- (b) The business may appeal the decision on behalf of the applicant to the Chief of the Office within fifteen (15) calendar days, and otherwise, shall constitute a final decision of the Office. The Chief shall issue a decision on an appeal within thirty (30) days. A timely appeal of a denial shall extend an existing license pending the Chief's decision, so long as all insurance required by this Chapter remains in effect. A decision of the Chief to affirm or reverse a denial shall constitute a final decision of the Office. A decision of the Chief to remand to the Office for further review of an application shall extend an existing license pending the final decision of the Office, so long as all insurance required by this Chapter remains in effect.

1711.6 If the Office grants an application:

- (a) If the applicant is applying for a private sedan operator's license, he or she shall be granted such a license for a period of twelve (12) months from the date of the decision;
- (b) If the applicant holds a current and valid DCTC operator's license and meets the requirements of §§ 1706 and 1707 applicable to such operators, he or she shall be approved as a private sedan operator with no further licensing required;
- (c) A DCTC private sedan vehicle license shall be granted for the vehicle, allowing it to operate as a private sedan for a period of twelve (12) months from the date of the decision;
- (d) The Office shall promptly send the business a private sedan operator's license and a DCTC vehicle license decal, if applicable, which shall be clearly displayed on the vehicle at all times in a suitable location as directed by the Office; and
- (e) An approved vehicle operated by an operator with a current and valid DCTC operator's license shall be eligible to apply for an S-tag for his or her licensed private sedan vehicle, provided the vehicle meets all other applicable requirements for registration by the DMV.

1712 OPERATORS AND VEHICLES - RENEWAL OF LICENSES

- 1712.1 Each business shall apply for renewal of each private sedan operator's license and each DCTC private sedan vehicle license not later than sixty (60) days prior to the expiration date of such license.
- 1712.2 If a business fails to apply for renewal of an operator's private sedan license or vehicle license prior to the twenty ninth (29th) day prior to the expiration date of the existing license(s), the operator shall be required to surrender to the business at the end of the licensing period, his or her expired private sedan operator's license and expired DCTC private sedan vehicle decal, and the business may file a new application as provided in this chapter.
- 1712.3 An operator with a DCTC operator's license shall comply with renewal requirements of Chapter 10.
- 1712.4 Each applicant (including an applicant's vehicle) on whose behalf a business applies to renew a license, at the time the business files a renewal application, shall be in full compliance with this title and other applicable laws.
- 1712.5 Unless the Office provides otherwise in writing, all requirements for a new license shall apply to a renewed license.
- 1712.6 Each private sedan operator's license and each DCTC private sedan vehicle license shall continue in force and effect beyond its expiration period, during such time as an application for renewal of such license is pending, provided the application was timely filed and complies with §§ 1706 through 1710, and so long as all insurance required by this chapter remains in effect.
- 1712.7 Each licensed operator who replaces his or her vehicle licensed under this chapter shall apply to the business for a new license for the replacement vehicle.

1713 DRIVERS AND VEHICLES – OPERATING REQUIREMENTS

- 1713.1 Each operator shall complete the business's new operator training program prior to being listed on the business's inventory or providing service.
- 1713.2 Each operator with current and valid DCTC operator's license operating a licensed private sedan vehicle with a current and valid S-tag shall operate in compliance with the shift limits for taxicabs and luxury class service vehicles in §§ 822.12 and 822.13.
- 1713.2 Each operator shall at all times be in compliance with Chapter 14 and this chapter.

1714 PROHIBITIONS

- 1714.1 No business shall associate with a DDS that is not in compliance with Chapter 16.
- 1714.2 No business shall advertise or refer to its private sedan service as “ridesharing”.
- 1714.3 No business shall operate even momentarily if its insurance policy required by § 1706 is not in force and effect.
- 1714.4 No business shall maintain or enforce a business policy or practice which contradicts, or prevents operators or vehicles from complying with, the provisions of Chapter 14.
- 1714.5 No business shall knowingly allow an associated operator or vehicle to violate a provision of Chapter 14.
- 1714.6 No operator shall violate an applicable provision of this chapter or Chapter 14.

1715 PENALTIES

- 1715.1 Each violation of this chapter by a private sedan business shall subject the violator to:
- (a) A civil fine as established by a provision of this chapter;
 - (b) Suspension, which may include one or more conditions to be paid for by the violator and which the Office determines are related to the misconduct;
 - (c) Revocation, or non-renewal of the business’s license issued pursuant to this chapter; and
 - (d) A combination of the sanctions enumerated in (a) through (c) of this subsection.
- 1715.2 Penalties for each violation of this chapter by a private sedan operator shall be accordance with the penalties provisions of Chapter 14.
- 1715.3 Except where otherwise specified in this title or chapter, the following civil fines are established for violations of this chapter, which shall double for the second violation of the same provision, and triple for each violation of the same provision thereafter:
- (a) A civil fine of five hundred dollars (\$500) dollars where no civil fine is enumerated for a violation by a business; and
 - (b) A civil fine of two hundred fifty dollars (\$250) dollars where no civil fine is enumerated for a violation by an operator.

1715.4 The enforcement of any provision of this chapter shall be governed by the applicable enforcement procedures of Chapter 7 of this title.

Copies of this proposed rulemaking can be obtained at www.dcregs.dc.gov or by contacting Juanda Mixon, Secretary to the Commission, District of Columbia Taxicab Commission, 2041 Martin Luther King, Jr., Avenue, S.E., Suite 204, Washington, D.C. 20020. All persons desiring to file comments on the proposed rulemaking action should submit written comments via e-mail to dctc@dc.gov or by mail to the DC Taxicab Commission, 2041 Martin Luther King, Jr., Ave., S.E., Suite 204, Washington, DC 20020, Attn: Juanda Mixon, Secretary to the Commission, no later than thirty (30) days after the publication of this notice in the D.C. Register.