



# ADMINISTRATIVE ISSUANCE: DTS, OPT AND DIGITAL METER REQUIREMENTS Series/Number: AI-2022-03 Replaces: AI-2019-02 Approved 2/16/2023 Effective 2/16/2023 Updated January XX, 2023

#### I. BACKGROUND AND PURPOSE

The digital taxicab solution ("DTS") rules, first adopted by the Department of For-Hire Vehicles ("DFHV") on September 13, 2016,<sup>1</sup> started a transition from legacy taxicab equipment to a stateof-the-art, digital platform. DTS is not simply a new technology; it reflects a major shift in the approach to providing taxicab service: it improves the taxicab ride experience, which encourages competition across the entire for-hire spectrum; it lowers operating costs for owners and operators by lowering fees and requiring more transparency and uniformity in contracts with vehicle owners; it enhances the value of trip data for the District's transportation planning and provides a real-time data feed for safety; and it lays the foundation for future innovations by all involved stakeholders, among numerous other improvements.

This administrative issuance ("AI") provides updated guidance on the existing DTS and option for payment technology ("OPT") regulatory requirements and administrative processes, including guidance on: (1) the process for initial and renewed approval as a DTS and OPT provider; (2) the technical and operational requirements of DTS and OPT, including ensuring integration with cruising lights and legacy dome lights, and that DTS units and OPT approved digital meters provide printed receipts to customers who want them; (3) the requirements for taxicab owners to obtain and provide service using DTS units; and (4) the registration and operation requirements for a business that provides payment processing as an option for payment technology ("OPT") with Approved Digital Meters available to independent owneroperators.

The DTS and OPT provider application process continues to be open at all times. To be eligible for the open season, DTS and OPT applications for new or renewed approval for the license period starting September 1 of any calendar year must be filed no later than July 1 of the same calendar year. New applicants are encouraged to apply before this timeframe to ensure all DFHV required standards are met.

<sup>&</sup>lt;sup>1</sup> Notice of final rulemaking, published in the *D.C. Register* on Feb. 23, 2018 (65 DCR 001870) ("DTS rules" or "Notice").

# II. **DEFINITIONS**

"Approved Digital Meter" or "Digital taximeter" or "meter app" – the app component of a DTS or OPT that meets or exceeds the technical requirements listed on the DFHV website.<sup>2</sup>

"Credit card processing device" – a component of a DTS unit and OPT with an Approved Digital Meter that allows a passenger to pay with a credit card or other non-cash payment method.

"Cruising light" – a light affixed to the top of taxicab which meets the requirements of  $\S$  605.4, including a legacy dome light or other light approved by DFHV.

"Digital taxicab solution" or "DTS" – a technology solution for the operation of taxicabs that consists at a minimum of an Approved Digital Taximeter running on a driver and passenger console, an optional separate passenger console, and a credit card processing device with a processing fee cap as defined in the provider application, as such terms are defined in the Notice, and any optional components the DTS provider chooses to include. A driver console and passenger console may each consist of any component or set of components which together perform the required functions.

"DTS contract" – a contract for services between a DTS provider and an owner that is limited in length up-to but no longer than the current license period beginning on September  $1^{st}$  of that calendar year, which shall be stated in the contract.

"Open season" – the period during which owners may execute DTS contracts with DTS providers and OPT providers may execute contracts with independent operators for the next licensing period: August 1-31<sup>st</sup> of each calendar year. Owners may also execute contracts outside open season.

"DTS unit" – an individual unit of a DTS installed in a vehicle a component of which is an Approved Digital Meter, as defined in the Notice.

"Dynamic street hail pricing" – a District-wide variable pricing structure for rides booked by street hail, e-hail, or telephone dispatch, which is established, maintained, and publicized uniformly by a DTS provider for all of its associated vehicles.

"Independent owner-operator" or "independent owner" – A taxicab driver who owns his or her own taxicab, registered in her or her name, and which is not registered in part or wholly to a taxicab company or association. Independent owner-operators have their own name, not company or association names, printed on the sides of their taxicabs.

"Legacy dome light" - the DFHV patented and licensed dome light.

"Live assistance" – the capability for a passenger or for an operator to contact a representative at a support center for assistance relating to taxicab service on at 24/7 availability basis.

<sup>&</sup>lt;sup>2</sup> <u>https://dfhv.dc.gov/page/digital-taxicab-solution-providers-and-option-payment-technology/dts-opt-general-and-technical-requirements</u>

"Option for payment technology" or "OPT" – a business that provides payment processing for independent owner-operators and meets the technical requirements of DFHV, including the reporting of trip data; the collection of taxicab passenger surcharges; the ability to work with one or more Approved Digital Taximeters; and establishment of a processing fee cap.

"OPT contract" – a contract for services between an OPT provider and an independent owner that is limited in length to no longer than the current license period beginning on September  $1^{st}$  of that calendar year, which shall be stated in the contract.

"Swipe fee" or "Fee cap" – the credit card payment processing fee which shall be provided at a total cost at or below two and sixty-five hundredths percent (2.65%) per swipe or transaction. DTS and OPT providers may not add additional credit card transaction fees that exceed this limit per transaction.

# III. AUTHORITY

D.C. OFFICIAL CODE §§ 50-301.07(c) (2), (3), (5), (19), and (20), and 50-301.13; 31 DCMR §§ 503, 602, 605, 801, 802, and 806.

# IV. PROCEDURES

#### A. DTS Required for Taxicab Service

Except as provided in part B, taxicab service shall be provided only through the use of a DTS unit pursuant to a contract with a DTS provider currently licensed by DFHV. DTS providers are permitted to advertise and execute contracts for their services and plans throughout the year to encourage driver participation. During each open season, owners are encouraged to evaluate the approved DTS providers, to make informed decisions regarding whether to continue with or change providers. Each taxicab company shall install DTS units in all of its wholly owned vehicles, and shall ensure that its co-owned vehicles are operated in compliance with this part or part B.

#### B. Non-DTS Option for Independents Only

Notwithstanding the requirements of part A, independent owner-operators may choose to provide taxicab service using an Approved Digital Meter app integrated with an OPT registered with DFHV. An independent owner who chooses to provide taxicab service in this matter shall: (1) ensure the OPTs selected by the owner have transfer account capability to remit collected passenger surcharges directly to the District; and (2) remain liable for the payment of all passenger surcharges owed to the District.

Each OPT shall be capable of operating with one or more Approved Digital Meters for trip data and surcharge collection, and its hardware shall be PCI compliant as determined by the PCI Security Standards Council. Each OPT shall have an open API and software development kit ("SDK") published on its website. Each OPT shall submit monthly surcharge reports to the Department for independent operators only, in a technical format approved by DFHV. Each OPT shall operate in compliance with federal law including Section 508 of the Rehabilitation Act and shall be accessible to people with disabilities. Each registered OPT shall be listed on the Department's website, provided however that an OPT shall not be listed during such period when its registration renewal has been denied, or its registration has been suspended or revoked including any time during which it has a pending appeal from the agency's decision.

# C. DTS Providers: Application Process

Any District taxicab company seeking to operate as a DTS provider shall apply for an initial or renewed license online through the <u>DFHV Company Portal</u>.<sup>3</sup> The Department shall issue its decision within twenty-one (21) business days of acceptance of the application and after completion of in-person demonstration (or re-demonstration) required, unless the Department finds good cause for an extension of processing time, in which case the decision shall be issued as expeditiously as possible within an additional thirty (30) business days. The burden shall be on the applicant to establish compliance with the Notice, all other applicable laws and regulations, and with this AI. Each applicant and its technical staff shall timely appear for one or more demonstrations, as directed by the Department, to establish that its DTS system and units function as required, including, but not limited to, showing proper interaction with both the legacy dome light and any cruising light approved by the Department pursuant to this Notice and this AI.

Each applicant shall establish that its DTS installation facility is capable of ensuring proper installation of all DTS components, including ensuring that each DTS unit is integrated with the vehicle's cruising light or legacy dome light, and is capable of providing passengers with a printed receipt. Applicants shall be permitted to integrate the light and the DTS unit through any means that the Department finds will reasonably ensure that the light's status cannot be changed by the operator to reflect that the vehicle is unavailable when in fact it is available. This includes, for example, a Bluetooth or wired connection between the DTS and the light, or one or more pressure switches installed in the passenger seats.

Each DTS unit shall be in compliance with federal law including Section 508 of the Rehabilitation Act, and accessible to people with disabilities. As part of the approval process, an applicant shall: (a) provide a demonstration of one of its DTS units fully operational in a taxicab; and (b) identify its resources to immediately resolve complaints about the accessibility of its DTS units.

Each taxicab company may fulfill its legal obligation to operate a DTS by contracting with another business, including an approved DTS provider, provided however, that if such other business is no longer able to operate for any reason (including, without limitation, closing its operations, failing to renew its DTS approval, or having its approval suspended or revoked), then the taxicab company shall immediately cease operations pending DTS provider replacement or being approved as a DTS provider.

Each taxicab company approved as a DTS provider shall install its DTS units in all of its whollyowned vehicles, and shall install its co-owned vehicles with its own DTS units subject to the other requirements herein.

<sup>&</sup>lt;sup>3</sup> <u>https://dfhv.dc.gov/service/online-business-portal</u>

#### D. OPT Providers: Application Process

Any business that provides payment processing may register as an OPT online using the <u>DFHV</u> <u>Company Portal</u>.<sup>4</sup>Applications shall be accepted by DFHV at any time, but registration shall be completed before any technology demonstration to the agency. The Department shall issue its decision on registration within twenty-one (21) business days of acceptance of the application and after completion of in-person demonstration (or re-demonstration) required, unless the Department finds good cause to extend such time, in which case the decision shall be issued as expeditiously as possible within an additional thirty (30) business days. The burden shall be on the applicant to establish compliance with the Notice, all other applicable laws and regulations, and with this AI. Each applicant and its technical staff shall timely appear for one or more demonstrations, as directed by the Department, to establish that its OPT system and approved meters function as required, including, but not limited to, showing proper interaction with both the legacy dome light and any cruising light approved by the Department pursuant to this Notice and this AI.

#### E. DTS and OPT: Training, Timelines, Approvals, Operating Requirements

Each applicant shall certify or attest that it has properly trained its operators on the use of its systems, including the use of its digital meter for all rate types, including shared rides, and that they understand all of the training required by AI-2018-03. The applicant must also show that it will provide adequate in-person or online training for associated operators on the use of the DTS unit and Approved Digital Meter, and that the meter meets or exceeds the requirements listed on the DFHV website available <u>here</u> which includes maintaining an open application protocol interface (API) capable of integration into all DFHV published technical requirements.)<sup>5</sup>

The DTS and OPT provider application process is open at all times, but receiving approval in time for the annual open season allows the provider to participate in the busiest time of year when drivers renew or change DTS providers. To be included in the open season, an application for initial or renewed approval for the license period starting September 1 of that calendar year, must be filed no later than July 1 of that year. Applicants that do not comply with these deadlines may be considered for approval for the licensing period starting September 1 of the following calendar year. A provider that files a timely application for renewal (by July 1) may continue operating pending the outcome of a decision on the renewal application. A filing fee will not be refunded due to a denial of a provider application.

Each applicant shall provide to DFHV a blank copy of each of its standard contracts with owners and operators. Each application shall be filed online and include a fully-completed application form, all required attachments, the applicable application fee, the bond required by § 602 of the Notice, and any information or documents required by this AI.

<sup>&</sup>lt;sup>4</sup> <u>https://dfhv.dc.gov/service/online-business-portal</u>

<sup>&</sup>lt;sup>5</sup> <u>https://dfhv.dc.gov/page/digital-taxicab-solution-providers-and-option-payment-technology/dts-opt-general-and-technical-requirements</u>

Each applicant seeking to renew the approval of an existing DTS and Approved Digital Meter shall meet all of the requirements for an initial approval unless DFHV states otherwise in writing. A DTS and OPT provider's past performance will be considered by DFHV as part of the renewal process. An applicant that does not file a timely application for renewal shall be considered for the licensing period beginning the <u>following</u> calendar year and shall not operate beyond the end of the license period for which it was previously approved, regardless of whether a new application is pending.

No DTS or OPT provider approval shall extend beyond the license period, and no DTS or OPT provider shall execute contracts with taxicab owners or operators for a license period until it has been approved by DFHV to do so. A provider whose new or renewal application is denied or whose authority to operate has been suspended or revoked shall not be listed on the Department's. website of approved DTS or OPT providers, regardless of whether it continues to operate pending an appeal.

Each approved DTS provider or OPT shall ensure that each vehicle in which its DTS or Approved Digital Meter unit is installed carries a sticker bearing its name and 24-hour/7-day live assistance telephone number. Each vehicle owner and operator shall ensure that the sticker is not tampered with, obscured, or removed while the DTS unit continues to be installed in the vehicle. The sticker shall be affixed to the interior of lower left-hand side of the rear passenger window. DFHV shall provide the stickers and may charge a fee consistent with § 1104.1.

Each DTS unit and Approved Digital Meter shall be capable of providing a printed receipt with the following information: (a) vehicle owner's name and telephone number; (b) vehicle PVIN number; (c) operator's DFHV operator license (Face ID) number; (d) unique trip number; (e) date; (f) trip starting and ending times; (g) distance traveled; (h) total amount paid by the passenger, including the total fare and the gratuity, if any, and an indication of whether dynamic street hail pricing was applied by the DTS provider, and, if so, the applicable discount; (i) contact information for the Department; and (j) For-Hire Vehicle ride code.

Each approved DTS or OPT provider shall remain in compliance with all applicable requirements of the Notice, other applicable laws and regulations, and this AI, and shall maintain with the Department each version of the contract(s) it uses with its associated owners and operators; shall meet and cooperate with an assigned account manager to ensure ongoing compliance with the Notice, other applicable laws and regulations, and this AI; and shall notify DFHV prior to any proposed material modification of the DTS unit or Approved Digital Meter during the license period. Material modifications do not include basic software upgrades to fix bugs and improve performance.

All DTS and OPT contracts shall be in plain language and shall separately disclose each charge to the operator. A charge not disclosed may not be collected. A charge may not be increased during the license period unless it is prominently identified as "subject to increase," with the reason(s) it may be increased, and the total amount or percentage by which it may be increased.

Each DTS and OPT provider shall ensure that the device running the meter app is mounted in a manner that places it in clear view of the passenger and that is a minimum of six (6) inches diagonally, unless a back screen is present.

Each DTS provider shall maintain a separate account for the credit card processing device in each vehicle and for each operator, to allow for verification of passenger surcharge collection and the total charges to each passenger. Each DTS and OPT provider shall submit a monthly surcharge report in a format provided by DFHV.

#### V. FREQUENTLY ASKED QUESTIONS

# 1. I am an operator. May I use my personal smartphone as the Approved Digital Meter driver console?

That depends. The smartphone must be approved by your DTS or OPT provider and then may be used as the driver console as long as it meets the screen size and mounting requirements listed herein.

# 2. I am a rental operator. I found a digital meter app online. May I use it instead of a digital meter from my approved DTS or OPT provider?

No. You may use only the digital meter offered by your DTS or OPT provider

#### 3. I am an operator. May I set my own street hail rates?

No. Operators may not set street hail rates. If your DTS or OPT with Approved Digital Meter offers dynamic street hail rates, it will set the rates and you must comply with them. All dynamic pricing rates are pre-approved by the DFHV with 24-hour advance notice.

#### 4. I am an independent. Where can I get a DTS unit for my taxicab?

Please visit DFHV's website for information on approved providers. You may go to any approved DTS provider or as an independent owner, you may also choose to use any Approved Digital Meter app integrated with an OPT payment provider, as listed on the DFHV website.

#### 6. I own a taxicab company. May I use my own digital meter for my DTS?

No, you may only use a meter as part of a DTS that DFHV has approved. However, you may apply for approval as an initial or renewal DTS meeting all of the requirements as described in the DTS approval process and timelines.

# 7. We are an approved DTS provider that seeks to renew its approval for the following license period. We missed the deadline to file a renewal application. May we seek approval to operate in the next license period?

Yes. But you must file an application for new operating authority and you may not continue operating beyond the current license period unless and until the new authority is granted.

# 8. We are a taxicab association. Can we apply to be a DTS provider?

No. Only taxi companies are eligible to apply for DTS authority.

# **SO ORDERED:**

# **DEPARTMENT OF FOR-HIRE VEHICLES**

BY:

DORY PETERS text here Interim Director