



ADMINISTRATIVE ISSUANCE

Title: Payment Service Provider/Modern
Taximeter System – Approval Process

Series/Number: AI-2015-0003

Approved: October 28, 2015

Revised: November 6, 2015

Effective: November 9, 2015

I. Background

The D.C. Taxicab Commission (“Commission”) has a statutory obligation to ensure that taxicabs operate using meter systems which allow passengers to pay with credit cards, in addition to other forms of payment. The Commission has promulgated regulations in Title 31 of the DCMR, Chapters 4 and 6, to allow approved payment service providers (“PSPs”) to market the modern taximeter systems (“MTSs”) which are required for all DCTC-licensed taxicabs. Each MTS combines an approved taximeter with the service and support of its PSP, and the additional equipment required by § 603, to ensure that every taxicab in the District has a credit card-enabled meter system which calculates fares, processes payments, collects the passenger surcharge, ensures timely and accurate transfers of revenue to owners, reports the data needed for research and safety, provides a platform for safety devices for the operator and the passenger, allows for integration with digital dispatch applications, and other important functions.

The performance of PSPs is therefore integrally related to the quality of taxicab service in the District. Compliance is required of all PSPs without regard to incumbency. *See* § 405.4 (full approval required every twelve (12) months with no weight attributed to incumbency); § 403.2 (r) [application may require such] other information related to establishing compliance with this chapter as the [Office of Taxicabs (“Office”)], may require”); § 406.1 (“[t]he procedures applicable to new applications shall apply to renewal applications...”); § 408.1 (“[e]ach PSP shall operate in compliance with this chapter and Chapters 6 and 8 of this title, and other applicable laws.”).

The Office may audit PSPs and take other administrative actions to improve PSP performance and accountability, boost competition, and ensure meaningful regulatory oversight. Among other actions, the Office may establish the minimum number of PSPs required for meaningful competition among PSPs.

Although the Office’s approval is effective for twelve (12) months under § 405.4, as of the effective date of this administrative issuance, renewal dates for current PSPs are staggered due to initial approvals which occurred from June through August 2013. These staggered dates frustrate the Office’s ability to carry out effective regulatory oversight and to review renewal applications. This administrative issuance therefore establishes a uniform PSP approval period of September 1st to August 31st, beginning in 2016. This administrative issuance also establishes an interim approval period beginning January 1, 2016 and ending on August 31, 2016.

II. Purpose

This administrative issuance clarifies the requirements for the Office's review and approval of new and renewed PSPs under §§ 403-405.

III. Policy

The approval of each current PSP is hereby extended through November 16, 2015.

Each business seeking new or renewed approval ("applicant") for the interim period shall file an application by November 16, 2015. A current PSP which fails to file a renewal application by November 16th shall no longer be approved effective November 17, 2015. The application fee for approval during interim period shall be seven hundred dollars (\$700).

Beginning in 2016, each PSP applying for new or renewed approval of its MTS shall file its application under § 403.2 not later than August 1st.

Beginning in 2016, each approval of a PSP's MTS under §§ 403-406 shall commence on September 1st and shall be effective through August 31st of the following year.

Each PSP shall cooperate fully in each annual or other audit or other request for information. A PSP which fails to cooperate in an audit or with any other request for information by the Office shall be subject to a compliance order under Chapter 7. Failure to cooperate in an audit or with any other request for information may be considered by the Office in connection with its decision to grant or deny approval of a PSP's application under §§ 403-406.

IV. Definitions

"Current PSP" – a PSP with approval as of the effective date of this administrative issuance.

"Interim approval period" – a PSP approval period from January 1 to August 31, 2016.

"PSP approval period" – a uniform approval period for all PSPs, beginning September 1st and ending on August 31st of the following year, beginning in 2016.

V. Authority

D.C. Official Code §§ 50-307(c) (3), (5) (7), (19), (20), 50-320, and 50-326; 31 DCMR Ch. 4 and § 603.

VI. Procedures

The Office may take administrative actions to improve PSP performance and accountability, boost competition, and ensure meaningful regulatory oversight.

The Office shall annually conduct an audit of all approved PSPs. The Office shall post the report of the audit report on the Commission's website not later than May 1st of each calendar year, beginning in 2016. The audit report shall be redacted as provided by the D.C. Freedom of Information Act.

The Office may establish the minimum number of PSPs required for meaningful competition among PSPs for the interim approval period and for each PSP approval period, which shall be based on: market concentration analysis; audits, including the most recent annual audit; enforcement actions and verified complaints; and other information relevant to PSP performance.

If the Office establishes a minimum number of PSPs for the interim approval period, it shall be posted on the Commission's website. If the Office establishes a minimum number of PSPs for a PSP approval period, it shall be posted on the Commission's website not later than June 1st, beginning in 2016.

In making decisions to grant or deny new or renewed PSP approvals, the Office may consider: audits, including the most recent annual audit; enforcement actions and verified complaints, and; other information relevant to PSP performance.

The Office shall issue a decision to grant or deny the application of each applicant for the interim period not later than December 16, 2015. Not later than November 23, 2015, while the Office is evaluating applications, the Office may notify a current PSP applicant of an existing regulatory violation. If the Office provides such notice, the Office may issue a conditional approval requiring that the violation be remedied not later than December 31, 2015; failure to remedy the violation by that deadline shall result in the denial of approval for the interim period.

Beginning in 2016, the Office shall complete the review and approval process, and issue a written decision to grant or deny approval of all PSP applications under §§ 403-405 not later than August 21st of each calendar year.

The Office shall not approve the application of a PSP whose MTS does not include a safety mechanism approved by the Office as meeting the requirements of § 603.8 (n) (3), provided however that the Office shall not require that an MTS send a real-time notification to the Office of Unified Communications, as set forth in § 603.8 (n) (3) (C).