COMMITTEE ON CONSUMER AND WORKER PROTECTION

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December 9, 2024 Start: 1:03 p.m. Recess: 2:04 p.m.

HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: Julie Menin, Chairperson

COUNCIL MEMBERS:

Shaun Abreu Amanda Farías Chi A. Ossé

OTHER COUNCIL MEMBERS ATTENDING: Sandy Nurse

APPEARANCES

Vilda Vera Mayuga, Commissioner of the New York City Department of Consumer and Worker Protection

Elizabeth Wagoner, Deputy Commissioner for the Office of Labor Policy and Standards at the New York City Department of Consumer and Worker Protection

Carlos Ortiz, Assistant Commissioner for External Affairs at the New York City Department of Consumer and Worker Protection

Antonio Soliz, deliverista and also leader of Los Deliveristas Unidos

Alejandro Grajales, delivery worker

William Medina, organizing leader with Los Deliveristas Unidos

Luis Cortes, Director of Los Deliveristas Unidos

Dan Ocampo, attorney at the National Employment Law Project

Ruth Whittaker, Director of Civic Innovation Policy at Chamber of Progress

Husein Yatabarry, Executive Director of the Muslim Community Network

Raul Rivera, TLC driver and TLC driver advocate

SERGEANT-AT-ARMS: Mic check, mic check,

on Consumer and Worker Protection. Today's date is

December 9, 2024, in the Chambers, recorded by Walter

5 Lewis.

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SERGEANT-AT-ARMS: Good afternoon, and welcome to today's New York City Council hearing for the Committee on Consumer and Worker Protection.

At this time, we ask that you silence all electronic devices and at no time is anyone to approach the dais.

If you would like to sign up for inperson testimony or have any other questions
throughout the hearing, please see one of the
Sergeant-at-Arms at the back.

Chair, we're ready to begin.

CHAIRPERSON MENIN: [GAVEL] Good morning, everyone, or I should say good afternoon. My name is Julie Menin, Chair of the Committee on Consumer and Worker Protection. Thank you so much for joining us for today's hearing. I first of all want to acknowledge my Colleagues who are here, Council Member Abreu and Council Member Nurse.

In recent years, e-commerce has transformed the way that New Yorkers shop for food,

COMMITTEE ON CONSUMER AND WORKER PROTECTION for groceries, and for other products. Delivery services were gaining traction before the COVID pandemic, but the pandemic certainly supercharged their growth as consumers embraced online shopping and delivery as a safe and convenient alternative to in-store shopping. Although the pandemic has subsided, the use of delivery services has not. Many delivery services rely on independent contractors to complete deliveries. When delivery services classify their workers as independent contractors instead of as full-time employees, they are not required to pay delivery workers minimum wage, overtime, or other benefits such as, of course, health insurance. In 2021, the Council passed a package of legislation to provide better wages and better working conditions for third-party food delivery workers, the largest segment of contracted delivery workers with an estimated 60,000 workers. Among other protections, these laws require the delivery services to provide delivery workers the opportunity to set a maximum distance per trip and the ability to decline to accept trips over bridges or tunnels, establish a minimum pay rate for third-party food delivery workers, and require that the food delivery

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COMMITTEE ON CONSUMER AND WORKER PROTECTION applications include a provision in contracts with restaurants requiring them to make their toilet facilities available for delivery workers use as long as the delivery worker seeks to access the facilities while picking up a food or beverage order for delivery. That legislation had an impact on pay. In the second quarter of this year, third-party food delivery worker pay per hour averaged \$19.88, a 279 percent increase from the same quarter just a year prior when the minimum pay standard had not gone into effect. However, the delivery worker legislation only covered those workers that contract with third-party food delivery platforms. The legislation we are hearing today will expand the protections we've afforded food delivery workers to cover all contracted delivery workers. Intro. number 1133 sponsored by Council Members Gutiérrez and Nurse would expand delivery worker protections to cover all contracted delivery workers who deliver goods for a delivery service. Intro. number 1135 sponsored by Council Members Nurse and Gutiérrez would require third-party grocery delivery services to pay their grocery delivery workers a minimum pay rate that would meet or exceed the minimum pay rate established

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COMMITTEE ON CONSUMER AND WORKER PROTECTION 6
by the Department of Consumer and Worker Protection
that must be paid to food delivery workers.

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I look forward to this afternoon's hearing. I look forward to testimony from the Commissioner and the Administration and other stakeholders who have come today.

I'm now going to turn it over to Council Member Nurse for her opening statement. Thank you.

COUNCIL MEMBER NURSE: Thank you, Chair. Good afternoon, everyone. I'm proud to present Intro. 1135 which is a straightforward yet critical bill designed to ensure grocery delivery workers receive a fair wage for their labor and achieve parity with other delivery workers operating under remarkably similar conditions. In my view, all delivery workers, whether they drive cars, ride e-bikes, operate trucks, whether they work directly for a company or through third-party platforms, deserve a standard wage that accounts for their cost as independent contractors and the lack of benefits they face. And just as a quick reminder, when workers lack health benefits or earn too little to afford health insurance, it is the taxpayer who shoulders the burden, and this is corporate welfare in action. A

COMMITTEE ON CONSUMER AND WORKER PROTECTION 7
system where companies profit by exploiting their
workforce while the public picks up the tab, and such
a model is truly unacceptable and unsustainable.

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As consumer habits evolve, driven by rapid advancements in technology, it is imperative that our laws keep pace to protect workers in emerging economic sectors. What we can all agree on in this room is that the cost of living for low wage workers in New York City has reached an untenable level. This legislation provides immediate relief for grocery delivery workers, and I look forward to hearing testimony from the apps later today that focuses on this urgent need. The numbers tell a very clear story. Over the past year, revenue for firstand third-party grocery delivery services has surged by 45 percent. The number of delivery workers has grown as well, particularly since Instacart expanded its platform in 2022 to include individuals using ebikes and mopeds. If revenue is increasing, it is only fair that the workers driving this growth are adequately compensated. Some have argued that grocery delivery workers should not receive the same protections as those delivering food from restaurants. However, the working conditions for

1	COMMITTEE ON CONSUMER AND WORKER PROTECTION 8
2	these groups are strikingly similar. Both groups
3	operate with minimal protections, often in
4	challenging circumstances, and this bill seeks to
5	close the gap and establish equity by guaranteeing
6	wage standards and support that upholds workers'
7	dignity. Looking forward to conversation today. Thank
8	you, Chair.
9	CHAIRPERSON MENIN: Great, thank you so
10	much.
11	So, we are now going to call on
12	representatives of the Administration to testify. We
13	will be hearing testimony today from Commissioner of
14	the Department of Consumer and Worker Protection,
15	Vilda Vera Mayuga, Deputy Commissioner for the Office
16	of Labor and Policy Standards, Elizabeth Wagoner, and
17	Assistant Commissioner of External Affairs, Carlos
18	Ortiz, and I'll now turn it over to Committee Counsel
19	to administer the affirmation.
20	COMMITTEE COUNSEL SWAINE: Do you affirm
21	to tell the truth, the whole truth, and nothing but
22	the truth before this Committee and to respond
23	honestly to Council Member questions?

25 COMMISSIONER VERA MAYUGA: I do.

ASSISTANT COMMISSIONER ORTIZ: I do.

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2 DEPUTY COMMISSIONER WAGONER: I do.

COMMISSIONER VERA MAYUGA: Good afternoon,
Chair Menin and Members of the Committee on Consumer
and Worker Protection. My name is Vilda Vera Mayuga,
and I am the Commissioner of the Department of
Consumer and Worker Protection. I am joined by
Elizabeth Wagoner, our Deputy Commissioner for the
Office of Labor Policy and Standards, and Carlos
Ortiz, our Assistant Commissioner for External
Affairs. Thank you for the opportunity to testify
today on Introductions 1135 and 1133 relating to the
expansion of minimum pay protections and other rights
to all contracted delivery workers.

DCWP provides fundamental consumer and worker protections and financial empowerment programming in our city. In the past three years, we have helped deliver more than 1 billion dollars back to New Yorkers. We strive to ensure that consumers who have been deceived or exploited have recourse, that workers have a passionate defender of their rights, and that all New Yorkers have the support they need to improve their financial health. Over a year ago, the City announced the nation's first of its kind minimum pay rate for third-party app-based

1	COMMITTEE ON CONSUMER AND WORKER PROTECTION 10
2	restaurant delivery workers that apps classify as
3	independent contractors. This has been the most
4	significant investment of workers' rights in New York
5	City in the 21st century. To implement this
6	groundbreaking protection, DCWP conducted a
7	comprehensive study of the industry and considered
8	thousands of comments from delivery workers, apps,
9	restaurants, researchers, elected officials, and
10	other members of the public. Before the minimum pay
11	rate was implemented, these workers received poverty-
12	level compensation for their work, averaging
13	approximately 5 dollars per hour before tips. After
14	we began enforcing the minimum pay rate, tens of
15	thousands of workers saw their pay increase to
16	today's average of \$19.56 per hour before tips. This
17	has resulted in apps paying their workers 500 dollars
18	million more than they did the year before. This
19	money not only supports some of the lowest-wage
20	families in New York City, but also goes directly
21	back into our local economy. My agency will continue
22	to stand shoulder-to-shoulder with delivery workers
23	and ensure their rights to fair and dignified pay are

protected.

2 Moving to today's bills, I would like to 3 enthusiastically commend the Council, and 4 specifically Council Members Nurse and Gutiérrez, for 5 recognizing that there are many more New York City delivery workers in need of DCWP protections. 6 7 Introduction 1135 would immediately require third-8 party grocery delivery apps to pay their workers the current minimum pay rate. Introduction 1133 would require all other delivery services to meet minimum 10 11 pay obligations for their independent contractors 12 within approximately 18 months after DCWP analyzes 13 the industry to set an appropriate rate and pay 14 method. The legislation would also extend other key 15 rights to all contracted delivery workers, including 16 the right to receive specific disclosures about trip 17 offers before accepting them and the right to set a 18 maximum distance in the app. Currently, the minimum 19 pay rate only applies to independent contractors 20 engaged by third-party food delivery services or 21 third-party courier services that provide restaurant delivery. The law does not cover thousands of other 2.2 2.3 workers classified by apps as independent contractors who perform deliveries of other goods, goods like 24 groceries and household items, who lack employee 25

COMMITTEE ON CONSUMER AND WORKER PROTECTION 12 benefits, and who also bear the cost of the vehicles they need to conduct their work. This package of bills would close that gap, expanding minimum pay protections to cover at least 20,000 more delivery workers immediately and thousands more within 18 months, and creating a more level regulatory playing field for delivery companies. It would also allow DCWP to set a rate that appropriately compensates workers for the vehicles and for the lack of employee benefits. Finally, the bills would correct a 2023 misinterpretation of the minimum pay law, which resulted in an unfair exemption for Relay Delivery, a third-party courier service. This exemption allows Relay to pay thousands of its workers only 13.50 per hour, far below the 19.56 per hour required for other apps. In April 2024, Relay was acquired by Wonder, a delivery app that specializes in delivery from footholds that it manages. Wonder recently raised 700 million dollars in a round of funding, valuing the company at 3.5 billion dollars. Wonder also recently announced a deal to purchase GrubHub. The judicially created exemption just for Relay unjustly enables this major industry player to evade minimum pay protections to workers' detriment. It also violates

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1 COMMITTEE ON CONSUMER AND WORKER PROTECTION

2 Council's original intention to cover all restaurant

3 delivery workers classified as independent

4 | contractors with minimum pay protections and to

5 include companies like Relay that do not offer a

6 consumer-facing platform.

Delivery workers provide essential services to New York City and its residents, and we look forward to finalizing this legislation with the Council. We also continue to support Council legislation addressing issues such as unfair tipping methods and arbitrary deactivations on apps that prevent workers from accessing ours. Thank you for the opportunity to testify today and for your partnership in supporting working New Yorkers. We are happy to answer any questions you may have.

CHAIRPERSON MENIN: Great. Thank you so much. Before I begin my questions, I want to say we've been joined by Majority Leader Farías, and I'll recognize additional colleagues as they join.

A number of questions. So, how many complaints have you received this year related to violations of delivery worker protections?

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worker, a few workers, a lot of workers, because we

will combine this and that would depend, that would

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COMMITTEE ON CONSUMER AND WORKER PROTECTION impact how long the case takes, and then after that, once we ask for the information from the companies, the length may be impacted by how cooperative the company is once we request the records and engage with them in trying to resolve the issue so it varies, the length of time that it takes, just like it varies with other of our worker protection laws.

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CHAIRPERSON MENIN: But is there a metric by which you could tell us? I mean, like for the MMR report, what is the metric of the average time it's taking to resolve the complaint?

COMMISSIONER VERA MAYUGA: I can say that, let me look at some information I have here. Last year, the median number of days to resolve a case was 85 days, but our larger cases may take more than a year to work out and resolve.

CHAIRPERSON MENIN: And what, I mean, obviously additional resources would be the answer, but what, if anything, would reduce the amount of time it's taking to resolve these larger cases?

COMMISSIONER VERA MAYUGA: Yes. Thank you,
Council Member. I mean, it is more resources. I think
with this type of legislation, we are definitely so
proud of all the work that we've done and how much

2 | we've accomplished with this groundbreaking

3 legislation that we really thank the Council, right,

4 to have that vision to put it into place, and now to

5 expand it as it should be, we definitely will need

6 more resources for our team to be able to take it all

7 | in. We have a dedicated group of attorneys,

8 investigators, data scientists that are committed to

9 this work within DCWP, and we certainly want to make

10 sure that we have the proper tools so we will want to

11 | engage in that discussion with the City Council, with

12 OMB, with City Hall to make sure that we can get what

13 we need.

investigation?

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CHAIRPERSON MENIN: Absolutely. Now, what factors is the agency utilizing when they determine that a complaint then results in a full-blown

COMMISSIONER VERA MAYUGA: So, every complaint that we receive, we do investigate it so that's the first thing, and then it's going to vary. It's going to depend. We are going to look in terms of, is there a violation of the law, is it only one worker that is impacted or multiple workers. We are looking at broader investigations to make sure that the company compensates all of the workers' harm and

comes into compliance so that we don't do it one by one, right? We can take them all in and look into any issues that are workplace-wide, and certainly we have received also some complaints where the worker may feel that there is a violation of the law but there isn't so we will take the time as another opportunity to educate and make sure that if there is a proper referral that is necessary because maybe it's a violation of another law but that we don't enforce, we can also tell the worker where to go to resolve their complaints.

CHAIRPERSON MENIN: Now, I know you touched on this in your testimony, but if you could just repeat it here for the record. From the inception of the law, when it first went into effect, what is the total amount of restitution that you have recovered for food delivery workers?

think in the testimony where we're talking about the 500 million dollars that the workers have received in terms of the increase in the pay that they receive. In terms of restitution, we have been able to return to workers close to 30,000 dollars.

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CHAIRPERSON MENIN: But have any of the open investigations on the pay rate been concluded, or they're all still open?

DEPUTY COMMISSIONER WAGONER: We have a limited number of investigations on that issue of the minimum pay rate, and they are still open and pending.

CHAIRPERSON MENIN: How many staff members do you have working on these issues?

COMMISSIONER VERA MAYUGA: So, we have just under 40 staff in the Office of Labor Policy and Standards. They're not assigned solely to delivery worker protection laws and their enforcement. That is for all of our worker protection laws.

CHAIRPERSON MENIN: Yeah, I'm just concerned about that 30,000 metric. It's very, very low, so I'd want to better understand why it's so low and what can be done to increase that number, whether it's an increase in re... you don't have the staff that

COMMITTEE ON CONSUMER AND WORKER PROTECTION 20 you properly need because you're being asked to go and pulled into a lot of different directions, I know, on a lot of these labor policies so that is of concern so I'd want to better understand that.

DEPUTY COMMISSIONER WAGONER: I do want to also emphasize with this law, it was designed in a way, with the minimum pay rate specifically, it was designed to allow us to monitor compliance, and so we are receiving monthly reports from the apps where we're able to see exactly how much money they are paying workers, the amount of trip time, on-call time, etc., a number of statistics that show us that we are not getting in other types of enforcement that we do, and so it's with confidence that we are able to say that workers are being paid 500 million more, or have received 500 million more.

CHAIRPERSON MENIN: Okay. So, you mentioned the 30,000 and the restitution. What about civil penalties? What is the amount of civil penalties related to violations of the minimum pay law?

COMMISSIONER VERA MAYUGA: We are at 10,500.

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2 CHAIRPERSON MENIN: So that also is low
3 so, again, I would raise the same concern about the
4 agency's enforcement. The Council obviously worked
5 really hard on the passage and enactment of these
6 laws. Now we've got to make sure that they're being
7 properly enforced.

ASSISTANT COMMISSIONER ORTIZ: Thank you,
Chair. And I think generally we have seen some
compliance in this sector. That said, to the point
that our Deputy Commissioner mentioned, I think we're
actively monitoring folks. We have active
investigations pending. Again, I think if we're
expanding these protections as well, resources is an
important question for us to ensure our capacity
keeps up to pace, but I think certainly we've seen
the amount of pay increase dramatically for workers
and, when it comes to enforcement, I think we're
going to keep a vigilant eye on these businesses to
ensure they're complying.

CHAIRPERSON MENIN: Okay. I want to mention we've been joined by Council Member Ossé.

So here we are having a hearing on these two laws. I guess the concern, again, that I would have is if we're going to expand the agency's purview

2 | in these new areas, we don't want to do it and then

3 not have enforcement so, related specifically to

4 these two pieces of legislation, how would you

5 propose doing enforcement, given the resources you

6 | currently have?

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COMMISSIONER VERA MAYUGA: We do need more resources I think to be effective, I think it's important to remember, right, any new mandate or any expansion, we are going to want to be properly resourced to accomplish the goal of the legislations, and we 100 percent support this expansion because we have seen during the last year what a tremendous positive impact it has had in the life of real New Yorkers on individuals receiving this increase in pay and make sure that they can have a roof over their heads and food on their table, right, so as we move forward, one of the key components of this legislation as we know it right now and that will be expanded is the use of our data scientists, right? I mean, when we are proactively monitoring, we are not relying solely on complaints. We are requiring these apps to submit reports to us that show us the data that we need to have so that we can monitor and be attentive to any issues that we see raised. We have

COMMITTEE ON CONSUMER AND WORKER PROTECTION 23 accomplished, you know, those numbers that we shared before, yes, on the restitution and the penalties, and we are ongoing with some of the investigations so we will continue to do this data-driven approach so that we can be vigilant as to any violations and take any proper actions. There are outstanding issues that we do look forward to address with this Council as it relates to, for example, some tipping and like deactivations, things like that that we want to make sure that are addressed as well so I think we started with quite the legislation groundbreaking, making an incredible impact and difference in the whole industry, all positive, and now we're going to keep adding to it together with the City Council on

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CHAIRPERSON MENIN: So, would that then mean that you would favor a delayed enactment period for these two new laws to go into effect or the prior pay law did take some time for it to go into effect, for companies to be able to ramp up for compliance.

Would you then recommend a similar treatment for these two pieces of legislation?

addressing the issues that come up.

COMMISSIONER VERA MAYUGA: Absolutely not. We 100 percent agree with the bills as they are

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 2 drafted with those timings. We have had this one-year plus to look at the industry and already put into 3 4 place the groundbreaking legislations for food service delivery workers, and now it's just a matter of expanding that coverage to other workers. There is 6 7 no need to delay it as it is Intro. 1135 to go into 8 effect immediately for the grocery delivery workers. And then we are looking into the full suite of the protections for the workers in all contracted 10 11 delivery workers, and then at the 18-month when we have committed that we would have studied and issued 12 13 any updated minimum pay rate for all contracted 14 delivery workers so we are confident that this is 15 sufficient time in the bills as drafted.

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CHAIRPERSON MENIN: Okay, couple more questions before I turn it over to my Colleagues. How many delivery workers have brought civil actions under the delivery worker protection laws?

COMMISSIONER VERA MAYUGA: Thank you, Council Member. We don't have that number. Delivery workers not necessarily sharing with us when they file civil complaints.

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2 CHAIRPERSON MENIN: Okay, okay. And how
3 many more delivery workers in total would be covered
4 by Intro. 1133 and 1135?

COMMISSIONER VERA MAYUGA: So, we estimate that at least 20,000 more delivery workers will be impacted immediately with Intro. 1135. We don't know enough about all of the other areas to look and have a number to share at this time but certainly thousands.

CHAIRPERSON MENIN: Okay, great. Thank you.

I'm now going to open it up to my
Colleagues. I do have more questions, but I want to
be respectful and go to my Colleagues so Council
Member Nurse.

COUNCIL MEMBER NURSE: I was just going to throw my name on the list. Thank you.

I have some general questions and then I just have a few, I feel like I'm not clear. How many investigators do you have within your agency to deal with these cases specifically?

COMMISSIONER VERA MAYUGA: Thank you,

Council Member. We have 36 total in the team of the

Office of Labor Policy and Standards.

2 DEPUTY COMMISSIONER WAGONER: Doing

3 enforcement.

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COMMISSIONER VERA MAYUGA: I'm sorry,
doing enforcement, and that includes the
investigators and also attorneys and our data
scientists. I can get you a specific breakdown if you
want it, but that's the whole team that is doing it.
I don't want to just focus only on investigators
because a lot of our investigation enforcement is
very data driven so we do rely on our data scientists
as well and, obviously, the attorneys, depending on
where the cases are at so it's like a whole team that
is looking at this. Now, yes, those 36 are not only
dedicated to the worker delivery laws, but also the
other laws that we enforce.

is, if I was looking at a pie chart, what's the percentage of what your team is working on as it relates to the delivery workers and cases of wage theft around delivery workers? Like is it a 50 percent of the work is being done by that team or more or less?

DEPUTY COMMISSIONER WAGONER: It's hard to say exactly that way. I can say that the three

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6 say between those three categories, our enforcement

staff is a little less than a third, a third, a third, a third, and then there are, of course, other issues

that come in as well.

COUNCIL MEMBER NURSE: Okay. I know that you all might be unwilling to say how many people you need, but I think in the follow-up, it would be really great just to have that number, maybe you said it, I don't know if you did, but it would be really helpful just to get a concrete number how many people would you need to take on all this because I imagine there have been a lot of challenges implementing the laws that you've already done, I have a question about that, but we want to be able to support advocating for what you need and really encourage you to consider putting that on the public record, if not now, at a future date.

COMMISSIONER VERA MAYUGA: We can share that later. I don't think we have it in front of us right now. Thank you, Council Member.

COUNCIL MEMBER NURSE: Okay. Can you just

generally, you know, what are some of the biggest

challenges you faced with implementation of all these

5 laws that you have passed related to delivery workers

6 so far?

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COMMISSIONER VERA MAYUGA: I would say the biggest challenge is actually the false narrative in the media that gets put up oftentimes by apps sharing that there is a negative impact on the industry, but yet we have been reporting with data of the very same apps how the number of deliveries is still increasing per week and I can't get away from that 500-milliondollar number of increase in pay in just one year for delivery workers. We're talking about 11 million dollars more a week. That is real change in someone's life so I would say that that is our biggest challenge, honestly, is just countering the false narrative and, you know, we need to keep fighting that to make sure that the workers know to come forward and understand what is that they should be expected from the companies that are contracting them for this work.

COUNCIL MEMBER NURSE: And what is your experience, if you're willing to share, of working

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2 | with these apps and their willingness to sit down and

3 come to the table or be proactive to protect their

4 own workers who are generating such revenue for them?

COMMISSIONER VERA MAYUGA: Council Member,

6 we've had varied experiences with the major players.

7 I think it also depends on the issue itself that gets

8 | brought up. If I may, I can give you an example of

9 something that unfortunately is not right now

10 covered, but we do look forward to working with the

11 | Council and addressing such as the tipping, for

12 | example, right, deactivations. Those are issues that

13 | I know we get, you know, Uber, DoorDash have

14 proactively taken steps to remove options for

15 consumers, and that certainly has impacted the amount

16 | that consumers tip but yet, again, can't get away of

17 | the 500 million, which we're happy because certainly

18 | we don't want these workers to be relying on tips for

19 | their livelihood, but it would be nice to not have to

20 worry, as a consumer, to just have the ease that

21 | there used to be for tipping.

22 COUNCIL MEMBER NURSE: So there have been

23 a number of reports from delivery workers about

24 deactivations from third-party food delivery service

platforms, and can you just lay out for the public,

COMMITTEE ON CONSUMER AND WORKER PROTECTION 30 what is deactivation, and what are you seeing in terms of increases around this practice, you know,

4 are you investigating it, and how do you determine if

5 deactivation is considered retaliation?

COMMISSIONER VERA MAYUGA: I'm just going to have our Deputy Commissioner to give you the details on that issue.

DEPUTY COMMISSIONER WAGONER: So, what we hear from workers are about a number of different practices related to not being able to access the app. You know, deactivation, what that usually means is the worker is cut off from accessing the app altogether and cannot get trip offers. We also see other problems, though, with accessing work hours, such as not getting preferential access to schedules, you know, because of something that wasn't the worker's fault, like not delivering an order quickly enough, where, you know, from the worker's experience, it might have been unsafe to, you know, weave in and out of traffic to get the order there on time, and so, you know, I think we are concerned about both of those types of things, which are related to each other, workers being able to get

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COUNCIL MEMBER NURSE: And you think, have you seen that as you've started implementing the laws that we've passed recently, this is a growing practice?

DEPUTY COMMISSIONER WAGONER: We are not seeing, you know, mass deactivations, which obviously was something that apps said would happen. That is not something we've seen. You know, we are seeing a shift towards apps moving towards scheduling. Some apps were doing that before the minimum pay rate went into effect. More apps are doing it now, and with scheduling practices do come some more restrictions on app access. We are hearing from the workers about that issue.

COUNCIL MEMBER NURSE: Thank you so much.

CHAIRPERSON MENIN: Okay. We're now going to call on Council Member Abreu.

COUNCIL MEMBER ABREU: Hey, Commissioner.

Just wanted to get on the record the Administration's position on the tipping. We had a hearing earlier this year where you testified in support of our bill that would provide tipping at checkout. Is this

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION

2 something that still remains a priority for the

3 | Administration?

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COMMISSIONER VERA MAYUGA: Definitely. We still support those bills and would like to see the issue addressed.

COUNCIL MEMBER ABREU: Thank you very much.

CHAIRPERSON MENIN: Great. I'm now going to go back to Council Member Nurse to finish her questioning.

more question. I had a question here about what does a pattern or practice of violations of delivery worker protections look like, so what triggers an investigation into a pattern or practice of violations, and has the City brought any actions for pattern or practice violations?

COMMISSIONER VERA MAYUGA: Thank you,

Council Member. We have not brought yet any pattern

or practice type of case, but that generally means

kind of the literal meaning of the words, right?

There is an action by an app that is impacting all of

the workers in their workforce because it is just a

practice to do so and they will do so regularly so we

if not, we will work with the Law Department to bring

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COUNCIL MEMBER NURSE: Okay. Thank you so much. Really appreciate it. Thank you, Chair.

a pattern and practice case in state court.

CHAIRPERSON MENIN: Great. Thank you so much.

So, I just have a sort of a question and a comment in closing. Following up on Council Member Nurse's question, so with the 36 members of the Office of Labor Policy Standards that are working, you said, in sort of investigatory roles, or investigators, or attorneys, or in data. Still, I am concerned about the lack of resources because certainly when I was Commissioner of the agency and we launched a Paid Sick Leave Division, you know, I know how much work has to go into those cases and how much time it takes to investigate and close those cases and when you have to do that, Fair Work Week, delivery worker pay issues, obviously, these are time-intensive matters so I would recommend that that

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Chair, and I think, you know, one aspect I think we like to describe ourselves as probably pound for pound one of the most effective agencies in the city in terms of being able to deliver results for New Yorkers. I think you can see that in the Commissioner's testimony about delivering more than a billion dollars to folks across our entire portfolio, and we only want to see that work increase and to make sure that we have the resources for that work to increase. Thank you.

CHAIRPERSON MENIN: Great. Thank you so much for being here today. We really appreciate it. That's it. Okay. Thank you.

ASSISTANT COMMISSIONER ORTIZ: We'll make sure we have folks watch the rest of the hearing.

CHAIRPERSON MENIN: Oh, good. Yes, please do. Okay. Thank you.

Okay. We are now going to open the hearing for public testimony. So, I want to remind

COMMITTEE ON CONSUMER AND WORKER PROTECTION 35
members of the public that this is a formal
government proceeding and that decorum shall be
observed at all times. As such, members of the public
shall remain silent at all times.

The witness table is reserved for people who wish to testify. No video recording or photography is permitted from the witness table.

Further, members of the public may not present audio or video recordings as testimony, but they can, of course, submit transcripts of such recordings to the Sergeant-at-Arms for inclusion in the hearing record.

If you wish to speak at today's hearing, please fill out an appearance card with the Sergeant-at-Arms and wait for us to recognize you. When recognized, you will have two minutes to speak on today's hearing topic, Intro. 1133 and 1135.

If you've got a written statement or additional written testimony that you wish to submit for the record, please provide a copy of that testimony to the Sergeant-at-Arms. You may also email written testimony to testimony@council.nyc.gov within 72 hours of this hearing. Audio and video recordings will not be accepted.

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So, I'm now going to call the first panel, and if you could just please come up when your name is called. Ligia Guallpa, Antonio Soliz, I apologize, it's hard to read this card, and Alejandro Grajales. Please come forward. Thank you.

ANTONIO SOLIZ: (SPEAKING SPANISH)

CHAIRPERSON MENIN: Okay. I'm just going to ask you to please wrap up. Thank you so much.

INTERPRETER: So, my name is Antonio Soliz, and I'm a deliverista and also leader of Los Deliveristas Unidos, and I have been fighting for fair pay. We understand the importance of having a minimum wage and support this initiative to expand this pay to grocery workers, but we are seriously concerned that this legislation does not include protections against deactivations and requires pay transparency, and that specifically means obligating the companies to explain how they're calculating their pay. Without these additional protections, this will negatively impact the working conditions of all delivery workers. Tips are essential for grocery delivery workers who rely on these tips specifically when there is low demand. Our experience has been that when we achieved minimum pay, the companies

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ALEJANDRO GRAJALES: Good afternoon. My name is Alejandro Grajales, and I have been a

COMMITTEE ON CONSUMER AND WORKER PROTECTION 38 delivery worker for the past nine years. I appreciate the opportunity to share my experience. I fully support Intro. 1133 and 1135, which will establish minimum pay standards for grocery delivery workers. However, passing these bills without additional labor protection would allow companies to continue exploiting workers by prioritizing profit over fair treatment. Delivery apps often underpay workers, pressure us to accept all orders, and limit our ability to earn unsustainable living. As a leader of Los Deliveristas Unidos, I have fought for delivery workers' rights, including minimum pay. Still, my experience shows that protection against unfair deactivations, mandatory pay transparency, and safeguards for flexibility are essential. Without these measures, delivery workers remain vulnerable to systemic abuse and instability despite the promise of minimum wage laws. For instance, two months ago, DoorDash locked me out of my account after a delayed delivery caused by an unexpected bridge opening. I informed customer service and the customer who understood, yet the app's algorithm unfairly penalized me. Despite appealing the violation, my account remains deactivated. This incident reflects

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2 | how delivery platforms exploit workers through

3 arbitrary systems, leaving us with no way to defend

4 ourselves. These examples illustrate the urgent need

5 | for stronger labor protection. Companies prioritize

6 speed and profit over workers' safety and rights,

7 creating unfair conditions and pressure. While

8 minimum pay legislation is a step forward, it must

9 | include protections that ensure fairness,

10 | transparency, and flexibility for delivery workers.

11 Thank you so much.

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CHAIRPERSON MENIN: Thank you. Okay, great. Thank you so much to that panel. We really appreciate it. Thank you, and I'm going to call the next panel, William Medina, Luis Cortes, Daniel

Okay, please begin.

Ocampo. Please come forward. Thank you.

WILLIAM MEDINA: Good morning. My name is William Medina. I'm an organizing leader with Los Deliveristas Unidos, and I've been a deliverista in New York City since 2018. I'm here to support Intros 1133 and 1135 that we extend basic protection and a living wage to deliveristas who deliver grocery store goods. As independent contractors, delivery workers have to pay for our own vehicles, our own operating

COMMITTEE ON CONSUMER AND WORKER PROTECTION 40 expenses, our own medical costs on top of our rent and our living expenses. As a deliverista, I can tell you how much we have struggled to afford those costs before the minimum pay law was passed, and I can tell you how transformative minimum pay has been. It has allowed us to work without always wondering if we were going to survive, if we were going to have enough money to pay our expenses to do our jobs. The minimum amount needed to survive and cover our operating expenses is fair and just compensation because we receive no benefits or help from the app companies for our costs. All contractor delivery workers deserve such fairness regardless of the kind of goods we carry. While we fill in this loophole and cover workers who deliver grocery goods, we also need to fill in the loopholes that have allowed the app companies to avoid compliance with the minimum pay law since it began implementation. I see how multibillion-dollar companies like DoorDash, Uber Eats and others routinely try to avoid complying with the law by locking workers out their accounts so they don't have to pay our on-call time, by creating unjust scheduling systems to limit the amount we work, by deactivating workers to avoid paying and blocking our

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tips. As we extend minimum pay to grocery workers, we have to be prepared for how the app companies covered by this new law will also retaliate. Our concern is that Instacart and other companies will have a blueprint from DoorDash, from Uber Eats and from others for retaliating and avoiding compliance with the new law. We need to have a blueprint too. We need to extend to all workers the tipping, pay transparency, and deactivation protection bills that have already been introduced and we need to pass them now. Having the complete package to protection is the way to ensure company compliance and the success of

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CHAIRPERSON MENIN: Thank you. Good afternoon.

the minimum pay. Thank you.

the Director of Los Deliveristas Unidos, LDU, the organizing campaign launched by the Worker Justice Project in 2020 to protect the rights and safety of New York City's 65,000 app delivery workers. Thank you to this community for providing the opportunity to speak on this important matter. I'm here to speak in support of Intro. 1133 and 1135. LDU is proud to have pioneered the historic protection for app

COMMITTEE ON CONSUMER AND WORKER PROTECTION 42 delivery workers that are basis for the bill before this Committee today. This is an opportunity to act urgently. The longer we wait to provide such protections, the more we expose these essential workers to needless risk and labor abuse. In particular, the minimum wage requirement through Intro. 1135 will extend real material benefits to all delivery workers, regardless of who contracts them or what good they carry, just as it has done for appbased delivery workers who deliver from restaurants. Minimum pay is essential for delivery workers. As independent contractors, deliveristas struggle to afford their own operating costs while generating billions of dollars in revenue for the app companies. They do this without employee benefits, medical insurance, or safety protections, relying on themselves to purchase expensive vehicles and equipment to ensure their livelihood. We strongly support this bill as a critical extension of the right to a living wage for all delivery workers. However, our experience has taught us that the appbased companies will retaliate against any attempt at regulation. History has shown that they will find ways to (INAUDIBLE) compliance with the minimum pay

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CHAIRPERSON MENIN: I'm just going to ask you to please wrap up.

LUIS CORTES: Thank you.

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CHAIRPERSON MENIN: Thank you very much.

DAN OCAMPO: Good afternoon, Chairman and Members of the Committee. My name is Dan Ocampo. I am an attorney at the National Employment Law Project, NELP, here in New York, and I'm here to testify in favor of both of these bills.

As we've heard, the restaurant delivery worker pay standard has been a demonstrated success. Pay has increased significantly for this workforce, and demand for delivery did not collapse, as some of the companies had predicted, and it turns out that these multibillion-dollar companies can afford to pay their workers a minimum wage. As a result, New York

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And then just a quick word about the litigation over the pay standard. So just a few days before the initial payrolls were set to go into effect, Uber, DoorDash, Grubhub, and Relay all sued the City. The lawsuits were essentially frivolous, claiming that DCWP had exceeded its authority under the legislation, which it didn't, and I think you'll

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 45 2 agree, but it did throw sand in the gears and won a 3 several-month delay and also an exemption for Relay, 4 and those were months during which delivery workers continued to earn subminimum wages. I hope the companies affected by this legislation don't try to 6 7 sue if it passes, but if they do, I think the language is much clearer in this bill and the 8 legislative intent is made crystal clear. So, with that, I'll close. Thank you. 10 11 CHAIRPERSON MENIN: Thank you. Okay. Thank 12 you to this panel. Now I'm going to call the next panel. 13 14 Give me one second. Okay. This is the last panel, is Ruth Whittaker, Husein Yatabarry, Raul Rivera. If you 15 16 could all three please come up. Thank you. I'm just told there's also a Zoom panel 17 18 that will go after. 19 Okay. Please begin. Thank you. RUTH WHITTAKER: Good afternoon, Chairman 20 21 and Members of the Committee. My name is Ruth Whittaker, and I'm the Director of Civic Innovation 2.2 2.3 Policy at Chamber of Progress, a tech industry

coalition promoting technology's progressive future

and ensuring that all Americans benefit from

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can mean access to a wider variety of healthier food

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COMMITTEE ON CONSUMER AND WORKER PROTECTION 47 options. Minimum pay standards also typically result in reduced earning opportunities for workers. Higher prices typically result in fewer orders and lower tips, which declined by 60 percent for food delivery drivers since December. The minimum pay standards for food delivery workers also resulted in food platforms instituting schedules to align driver supply with high demand periods. The combination of fewer orders and limited schedules can limit earning opportunities for drivers. One driver reported a 60 percent decrease in earnings since the pay standards went into effect. Nationwide, 69 percent of workers said app-based work helped them to make money in an emergency situation, and 63 percent said the income from app-based work allowed them to cover rising costs. Minimum pay standards also threaten the flexibility that workers value. App-based workers consistently report that the ability to control their own schedules is one of the most valuable benefits of app-based work. The City's analysis of minimum pay... CHAIRPERSON MENIN: Okay, I'm going to ask you to please wrap up. Thank you.

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RUTH WHITTAKER: Our concern is that the flexibility will be eliminated, which is one of the

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CHAIRPERSON MENIN: Okay, thank you.

HUSEIN YATABARRY: Good afternoon, Chair Menin and Members of the Committee on Consumer Worker Protection, Council Member Nurse, and Council Member Ossé. My name is Husein Yatabarry, and I'm the Executive Director of the Muslim Community Network. I'm here to express our strong support for Intro. 1133 and Intro. 1135. Delivery workers are the lifeblood of New York City. Every day, they transport our meals, groceries, and essential goods, often in the rain, like today, snow, or intense heat. They ensure that the city functions smoothly, and yet many of the workers are excluded from basic protections. Unfortunately, the narrow scope of the current minimum pay rules mean that some delivery workers are being left behind. It only covers food delivery workers on platforms serving restaurants while excluding grocery delivery workers. At MCN, we've heard from constituents who use a variety of delivery platforms. Many are frustrated by the disparity in the pay and protections for what is fundamentally the same work to them. Whether delivering restaurant

COMMITTEE ON CONSUMER AND WORKER PROTECTION 49 meals or groceries, these workers face the same challenges-long hours, dangerous conditions, and limited access to safety resources. So, passing these bills will create economic equity and safety across the economy. Intro. 1133 guarantees workers basic protections, such as the ability to set maximum distances and access trip information and right to restrooms, while 1135 ensures grocery delivery workers and food delivery workers are in an even playing field when it comes to pay. Delivery workers, many of whom are immigrants or from underserved communities, deserve the same protections and opportunities, no matter what platform they're working on. Chair Menin and Members of the Committee, these bills address a fundamental issue of fairness. By passing Intro. 1133 and 1135, you will ensure that no worker is left behind and that all New Yorkers can earn a dignified and living wage. Thank you. CHAIRPERSON MENIN: Thank you very much. RAUL RIVERA: Good afternoon. My name is

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Raul Rivera. I'm a TLC driver and a TLC driver advocate with over 23,000 trips. One of the main problems we have here in the city with these apps is that our status as independent contractors are not

1	COMMITTEE ON CONSUMER AND WORKER PROTECTION 50
2	being respected. When you have elected officials like
3	Brad Lander and Jessica Ramos disrespecting the
4	status, you're going to get deactivations time and
5	again. I personally know a driver that almost hit
6	29,000 trips, 29,000 trips with Uber. Not easy to do
7	One complaint and he was deactivated. We asked that
8	New York City eliminate these apps. They're
9	exploiting people of color. They're exploiting
10	workers with a language barrier. It's been more than
11	a decade that Uber's been around. We asked at the
12	Committee on Transportation to remove Uber. We asked
13	the Taxi Limousine Commission to remove Uber. Better
14	pay is always good, but the status is not respected,
15	and that's what's going on here. We're going to make
16	our way down to Washington, D.C., and we're going to
17	testify in Congress, and we're going to let them kno
18	that this Council is not protecting workers.
19	CHAIRPERSON MENIN: Okay. Thank you to

CHAIRPERSON MENIN: Okay. Thank you to this panel. Thank you, and now we're going to, on Zoom, we have one person who has signed up.

I'll see if he is on. Christopher Leon Johnson. If you can hear us on Zoom.

No.

COMMITTEE	OM	CONSUMER	AND	WORKER	PROTECTION

Okay. Great. That concludes the public testimony. If we've inadvertently missed anyone who has registered to testify today and is yet to be called, please speak with a Sergeant, or if you are remote, use the Zoom hand function, and you will be called in the order that your hand has been raised.

Okay. Seeing none, we are now going to close the hearing. Thank you all. [GAVEL]

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date December 12, 2024