

**Testimony of Deputy General Counsel Michael Tiger
New York City Department of Consumer and Worker Protection**

**Before the Committee on
Consumer Affairs and Business Licensing**

**Hearing on
Introductions 499, 508, 974, 2318 and 2397**

September 15, 2021

Introduction

Good afternoon Chair Ayala and members of the Committee on Consumer Affairs and Business Licensing. I am Michael Tiger, Deputy General Counsel for the Department of Consumer and Worker Protection, or DCWP. I am joined today by Benjamin Holt, Deputy Commissioner for DCWP's Office of Labor Policy and Standards, and Carlos Ortiz, Director of Legislative Affairs. Thank you for the opportunity to testify on the suite of legislation before the Committee this afternoon.

DCWP's mission is to protect and enhance the daily economic lives of New Yorkers to create thriving communities. We enforce key consumer protection and workplace laws that serve countless New Yorkers throughout the City, as well as focus on initiatives that support New Yorkers and communities with low incomes in building wealth and improving their financial health.

As you may know, last week, the Mayor appointed Peter Hatch as the new Commissioner to lead DCWP's work. Commissioner Hatch is no stranger to public service on behalf of New Yorkers, having held critical roles throughout the Mayor's tenure in office. Most recently, he served as the City's COVID-19 Public-Private Partnership Czar, securing meals and millions in financial assistance to New Yorkers in need. Chair Ayala, I know that you and Commissioner Hatch have spoken, and he is eager to work with you and your colleagues on our mutual goals to improve the lives of working families in New York City.

Legislation

Turning toward the legislation at hand today, these bills relate to subjects that span a wide range of the agency's work, from consumer protection and licensing, to protecting workers from exploitative business practices. This is all the more vital as our City begins its recovery from the effects of the pandemic, and we work to ensure that that recovery is equitably felt and shared by all New Yorkers.

Introduction 499 – Allowing Corporations and Other Entities to Obtain Licenses to operate Newsstands

Introduction 499 would allow corporations, partnerships, and other business entities to apply for a newsstand license. Currently, the City's Administrative Code only allows an individual, whose principal source of income will be derived from the newsstand, to apply for a license to operate a newsstand.

In New York City, there are more than 320 active licensees operating newsstands, primarily located in Manhattan. When DCWP receives a newsstand license application, we forward the application to the Department of Transportation (DOT), which conducts a site review for the proposed newsstand, and the Public Design Commission (PDC) or the Landmarks' Preservation Commission (LPC) depending on the circumstances of the newsstand's location.

Once DOT and either PDC or LPC approve the site for the newsstand, and the applicant satisfies all other license requirements, such as paying the license fee, DCWP does not have discretion to deny a license application. Following these approvals, JCDecaux, New York City's street furniture franchisee who fabricates, installs, and owns the newsstands in which licensees operate, will construct the newsstand, for which the licensee is required to pay a portion of those costs.

We would like to better understand the intent of Council's bill, but note that it would allow corporate brick-and-mortar stores to obtain a license for a nearby newsstand and then use that newsstand as a sidewalk extension of their stores. Also, if this bill were to be enacted, we would like to discuss with Council whether there should be additional requirements for licensees, now that more sophisticated business entities would be able to obtain licenses. As an example, it may make sense for Council to then require newsstands to obtain insurance, as the City typically requires for entities given the right to operate in the public space. We look forward to working closely with Council on this bill during the legislative process.

Introduction 2318 – Licensing Labor Service Providers

Introduction 2318 contemplates licensing "labor service providers" in New York City. At our oversight hearing this past April, regarding employment agencies and "body shops", we heard powerful testimony from New Yorkers who have had their basic labor protections violated by unscrupulous "labor brokers". As we testified to, workers should never have to suffer through discrimination, harassment or other violations of their rights and protections. DCWP is committed to enforcing the worker protection laws we are charged with, and to collaborating with sister agencies and stakeholders with the authority to enforce other vital worker protections. We support the intent of this legislation to protect vulnerable workers, but would like to work with Council to ensure the legislation has its intended impact.

First, DCWP would like to work with Council to better understand the universe of potential licensees this legislation implicates, where these businesses are located and how they operate in the City. Second, it is our understanding that many of these "labor service providers" may already be considered employers, meaning that they already have existing obligations to provide a variety of notices and postings of rights relating to minimum wage, overtime, health and safety, protections from discrimination and other New York State and federal protections. Therefore, we would like to ensure that there is a clearly defined universe of licensees and that any protections we establish for these workers are not duplicative of state or federal law, and will have long-term

benefits. These concerns, if not addressed in the legislation, would make licensing and enforcement difficult for our agency. Additionally, the Law Department is still reviewing the language of the legislation.

Introduction 2397 – Severance Pay for Hotel Employees

Introduction 2397 would entitle hotel employees to severance pay during major closures of a hotel. DCWP believes that job stability, both with respect to income and scheduling, is key to improving the economic lives of working New Yorkers. Therefore, in furthering those principles, the Administration supports the intent of this legislation.

Introduction 508 and Introduction 974 – Non-compete Requirements and Disclosures in Employment Advertisements

Lastly, Introduction 508 would prohibit employers from requiring low-wage workers to enter into non-compete agreements and would require disclosure of a non-compete requirement at the beginning of the hiring process for all other employees. Introduction 974 would require employment advertisements to disclose if an employee's contract will include a mandatory arbitration or non-disparagement clause.

DCWP supports the goals of these bills. We believe that workers with limited incomes, and workers who have performed vital roles for their employer, should not be restricted in their employment opportunities because of non-compete agreements. Similarly, mandatory arbitration clauses requiring workers to waive their rights to be in court and non-disparagement clauses limiting what workers can say in any dispute with their employer are typically one-sided agreements imposed without consideration or meaningful disclosure to the workers they restrict. These requirements strip workers of legal rights to enforce their rights, silence workers' voices and sequester complaints and violations away from the public eye. We look forward to engaging with Council in the legislative process, and the Law Department will also continue to review the bills' text.

Conclusion

Today's agenda speaks to the many ways DCWP currently works to help New Yorkers, particularly during these difficult times as we recover from the impact of the pandemic. It highlights the importance of having protections for our city's consumers and workers that are commonsense and reflective of today's evolving marketplace, such as recent legislation passed by the Council to modernize the City's Consumer Protection Law (CPL).

As always, we value the Council as our partner in ensuring that consumer and workers' rights continue to remain a priority for the City. And, under the leadership of Commissioner Hatch and Chair Ayala, we hope that our mission to protect and enhance the daily economic lives of New Yorkers helps create a recovery that works for us all in New York City.

Thank you again for the opportunity to testify and I look forward to discussing any questions you may have.



34 EAST 51st STREET, NEW YORK, NY 10022
TEL (212) 754-6700 FAX (212) 754-0243
www.hanyc.org

September 15, 2021

The Honorable Diana Ayala
Chairperson, Consumer Affairs and Business Licensing Committee
City Council of New York City
250 Broadway
New York, NY 10007

RE: Int. 2397-2021

Dear Chairperson Ayala:

We thank you for the opportunity to provide testimony. On behalf of the Hotel Association of New York City ("HAN NYC"), which is the oldest hotel association in the United States and represents approximately 300 hotels in New York City with over 85,000 rooms, we would like to submit the following, in opposition to Int. 2397.

This bill will require that hotels that closed to the public on or after March 1, 2020 and have not reopened and recalled 25 percent of the workforce by October 1, 2021 make certain severance payments to hotel service workers. Payments required under the legislation would range between \$500 and \$1,000 per week in the case of a closure or mass layoff, last for up to 30 weeks, and be additive to any previously provided severance compensation.

Prior to the pandemic, hotels raised \$3.2 billion in tax revenue, added \$22 billion in total economic benefits for New York City and employed nearly 55,000 workers. The COVID pandemic has decimated the hotel industry. The industry has seen over 150 hotels that have closed due to the absence of business. Per Smith Travel Research, revenues are down 70% on a rolling 12-month basis. Further, there has been little to no financial help from Federal (PPP was limited to the number of employees on staff which had dropped below 20% of pre-pandemic levels), State and City governments.

While there was some recovery in occupancy in July with the lifting of state-imposed quarantines in April 2021, the continued closure of most international borders and failure of business travel to pick up has seen occupancy dipping downward in the last few weeks with the most recent figure at 64% for the week ending September 4th. As compared to the same period in 2019, that represents a loss of 26 percentage points in occupancy. The lack of revival of business travel has cost New York City nearly \$4.5bn in revenue from that sector alone. Independent reports from reputable third-party agencies point to a recovery to pre-pandemic levels not occurring till 2025.

Requiring hotels that are economically unviable to reopen as this bill would mandate will have the added negative effect of diluting overall city occupancy to a larger universe of open hotels, resulting in more layoffs rather than increased employment.



34 EAST 51ST STREET, NEW YORK, NY 10022
TEL (212) 754-6700 FAX (212) 754-0243
www.hanyc.org

As stated earlier, hotels, unlike some other businesses, have not been had the benefit of stimulus payments. With no meaningful revenue for nearly a year and a half, this legislation would only tip more hotels in continued closures and eventual changes to others uses, resulting in a permanent loss of jobs that have long provided a pathway to the middle class to hard-working residents of NYC. Those Hotels that remain closed are not doing so for any other reason aside from the dire financial reality they continue to face. Int. 2397 would impose significant additional burdens on an industry that has been devastated and continues to reel from the pandemic.

We urge the City Council not to impose further burdens and step up to help the industry. Creating an environment that would be conducive to tourism would instead go considerably further to improve the financial state of the industry. These include measures such as increased vaccination rates, reduction in homelessness, cleaner and safer streets and help with the Federal government to reopen international borders.

Finally, it should be noted Int. 2397 as drafted affects only union hotels. Unionized staff in union hotels have already been paid severance in the estimated collective total of \$500M under the terms of a Collective Bargaining Agreement pursuant to an arbitration award issued in the fall of 2020. This legislation increases the already unequal playing field between union and non-union hotels, which serves to the long-term detriment of unionized hotel employees.

We believe that hotel employees and the city would be better served by helping to ensure the continued existence of hotels that provide excellent jobs and career opportunities for thousands of New Yorkers. Int. 2397 will have the opposite effect.

Yours truly,



Vijay Dandapani
President and CEO

- cc: Council Member Ben Kallos
Council Member Brad Lander
Council Member Carlos Menchaca
Council Member Justin Brannan
Council Member Kalman Yeger
Council Member Karen Koslowitz
Council Member Margaret Chin
Council Member Peter Koo



Rebecca Dixon
Executive Director

www.nelp.org

NELP National Office
90 Broad Street
Suite 1100
New York, NY 10004
212-285-3025

Washington, DC Office
1350 Connecticut Ave. NW
Suite 1050
Washington, DC 20036
202-640-6520

California Office
2030 Addison Street
Suite 420
Berkeley, CA 94704
510-982-5945

Washington State Office
300 Lenora Street #357
Seattle, WA 98121
206-324-4000

September 15, 2021

The New York City Council
Committee on Consumer Affairs and Licensing
City Hall Park
New York, NY 10007

RE: Support for Bill 2318-2021, Licensing of Labor brokers

Dear New York City Council Committee on Consumer Affairs and Licensing:

On behalf of the National Employment Law Project (NELP), we write in strong support of Bill 2318-2021 sponsored by Council Member Diana Ayala providing for the licensing of labor brokers. The bill is a critical and commonsense first step in demanding transparency and accountability from labor brokers, like so-called “body shops” and temporary staffing agencies, that drive occupational segregation and degrade working conditions for New Yorkers.

NELP is a national, non-profit law and policy organization headquartered in New York City. For more than 50 years, NELP has fought for the employment rights of working people across the country. We advocate at the federal, state, and local levels for policies to create good jobs, expand access to work to those who want it, and strengthen protections and support for workers in low-wage industries and individuals who are unemployed. One of NELP’s areas of expertise is expanding fair access to employment for workers targeted by criminalization and the criminal legal system, disproportionately Black and Latinx. NELP is one of the nation’s leading authorities on “fair chance” employment policies (also known as “ban the box”) and fair chance occupational licensing reforms. In recent years, NELP has worked closely with advocates and policymakers both within New York and throughout the country to craft policies and law that reduce barriers to employment and expand the job prospects of people with records.

Labor Brokers, “Body Shops,” Drive Occupational Segregation and Drive Down Wages and Safety

Labor brokers¹ — entities that hire and pay workers to perform work for third party companies — make money by charging the companies a markup

¹ Bill 2318-2021 refers to labor brokers as labor service providers. In New York City labor brokers that are organized to target workers on parole for construction laboring are referred to as “body shops.”



on the workers' hourly wage. Labor brokers compete with one another on the major cost they can control, labor costs. This competition drives down workers' wages, degrades working conditions, and incentivizes cutting corners on training and workplace safety and health standards.²

Labor brokers are an engine of occupational segregation, sorting Black, Latinx, and other people of color into a second-tier racialized employment status where they do the same or similar work as workers hired directly by the third-party companies, but for less pay, nearly non-existent benefits, more hazardous conditions, and no job security.³

Labor Brokers, “Body Shops,” Exploit the Vulnerability of Workers on Parole

The labor broker system can work in tandem with criminal legal systems – systems that are widely-recognized by both systems-actors and advocates to target people of color⁴ – to lock court-surveilled workers⁵ into underpaid,

² See Laura Padin & Maya Pinto, *Lasting Solutions for America's Temporary Workers*, National Employment Law Project, Aug. 26, 2019, <https://www.nelp.org/publication/lasting-solutions-americas-temporary-workers/>.

³ For example, Black and Latinx workers are overrepresented in temporary staffing work. Black workers comprise 12.1 percent of the overall workforce, but 25.9 percent of workers employed by temporary staffing agencies. Latinx workers comprise 16.6 percent of all workers but 25.4 percent of workers employed by temporary staffing agencies. National Employment Law Project, *America's Nonstandard Workforce Faces Wage, Benefit Penalties, According to U.S. Data*, June 7, 2018, available at <https://www.nelp.org/news-releases/americas-nonstandard-workforce-faces-wage-benefit-penalties-according-us-data/>.

⁴ The criminal justice system targets Black, Latinx, immigrant communities, and the poor through a variety of policing and prosecutorial strategies such as geographically concentrated racial profiling, prosecutorial bias, and sentencing discrimination. These targeting strategies have resulted in radical disparities: Black people comprise 15% of the population in New York State and 43% of the jail population and 45% of the prison population. See e.g. Vera Institute of Justice, *Incarceration Trends in New York*, December 2019, <https://www.vera.org/downloads/pdfdownloads/state-incarceration-trends-new-york.pdf>; Race disparities in incarceration rates cannot be explained by greater offense rates. Instead, these disparities are the result of multiple points in which systems actors can choose to release someone and do not. For instance, there is anti-Black racism in the discretion of officers to arrest someone, the decision by judges to set bail, how high that bail is, whether a person or their family can afford it, in what pleas may be offered by a prosecuting attorney, in conviction, in sentencing lengths, in parole, and in capital punishment. Sentencing Project, *The Color of Justice: Racial and Ethnic Disparity in State Prisons*, July 2016, <https://www.sentencingproject.org/publications/color-of-justice-racial-and-ethnic-disparity-in-state-prisons/>; see also, The National Judicial College, *Most Judges Believe the Criminal Justice System Suffers from Racism*, July 14, 2020, <https://www.judges.org/news-and-info/most-judges-believe-the-criminal-justice-system-suffers-from-racism/>;

⁵ “Court-surveillance” here refers to the myriad of supervision and surveillance programs directly or indirectly operated by criminal courts and prosecutorial offices, including parole, probation, non-detained pre-trial supervision, and diversion. These programs are varied, but such programs generally begin with a period of incarceration, enforce compliance through the threat of re-incarceration, and regularly include requirements to seek and maintain employment and to pay court-related financial debts. Criminal courts outsource the enforcement of sentences to other state or county offices (such as New York's Department of Corrections and Community Supervision which enforces both prison sentences and parole) or non-governmental contractors such as private “work-rehab” facilities like the

insecure, and dangerous work. In New York, so-called “body shops” target workers on parole for temporary construction jobs. Workers on parole are made desperate for work by court-surveillance and the threat of re-incarceration. These temporary jobs pay poverty wages, provide little to no health and safety training, and offer no viable pathway to better-paid, unionized work in the construction industry.

The threat of re-incarceration for New Yorkers on parole is real, and it is racist. New York State reincarcerates more people on parole for technical rule violations than any other state.⁶ Technical rule violations are violations of parole rules, not allegations of a new criminal offense. These rules regularly include passing and paying for alcohol and drug tests, paying criminal justice debt, completing and paying for court-mandated classes, abiding by curfew rules, and **seeking and maintaining employment**. Those accused of violating parole rules in New York can be held in jail for several months as allegations are resolved with no right to a bail setting.⁷ The threat of re-incarceration for technical parole rule violations is dramatically anti-Black and anti-Latinx. In New York City, Black and Latinx people on parole are 12 and four times more likely to be reincarcerated for technical violations than white people on parole.⁸

Court-surveilled workers face pressure from the parole system to accept any job, no matter how predacious it may be, or risk technical rule violations that lead to re-incarceration. Labor brokers recognize these workers’ vulnerability, and they exploit it. By targeting workers made desperate for work by court-surveillance and the threat of re-incarceration, unregulated labor brokers combine and exacerbate racialized inequalities for workers in criminal punishment and work quality.

Current Models Demonstrate New York’s Neighborhoods and Communities of Color Carry the Economic Burden of Labor Broker Practices

Salvation Army. See e.g., Reveal News from the Center for Investigative Reporting, “Rehab Work Camps Appear to Violate Federal Law, Senators Say,” November 24, 2020,

<https://revealnews.org/article/rehab-work-camps-appear-to-violate-federal-law-senators-say/>

⁶ A recent report by Columbia University found that in 2019, 40 percent of people sent to New York prisons were incarcerated for technical rule violations. Columbia University Justice Lab, *The Enormous Cost of Parole Violations in New York*, March 2021, <https://justicelab.columbia.edu/cost-of-ny-parole-violations>.

⁷ New York State Department of Corrections and Community Supervision, *Community Supervision Handbook: Revocation*, <https://doccs.ny.gov/community-supervision-handbook/revocation>.

⁸ Columbia University Justice Lab, *supra*, note 3.

Labor brokers hide their role in depressing wages and entrenching occupational segregation behind a lack of transparency and oversight. Bill 2318-2021 would provide the necessary primary source data and transparency to confirm and refine what current economic modelling already demonstrates.

Current economic impact models show that labor brokers not only harm the individual workers who are locked into this substandard employment system but have ripple effects across the neighborhoods these workers live in. The authors of a recent IMPLAN⁹ economic impact study on New York City's body shops demonstrated that the City's neighborhoods of color carry a disproportionate share of the neighborhood-wide impacts in lost consumption activity, lost neighborhood job opportunities, and lost neighborhood income.¹⁰

An estimated 9,173 formerly incarcerated construction workers provided 13.8 million hours of work in 2020 in New York City.¹¹ In modelled scenarios where workers earn \$17 per hour with no benefits — a typical wage for “body shops” — these workers lose \$301.1 million dollars in wages (and \$153.6 million in benefits) in comparison to Laborers' Local 79 construction workers.¹² This dramatic loss of income leads to significant reductions in household spending which, in turn, lead to \$291 million less in sales, \$98.9 million less in income, and 1,732 fewer jobs in New York City.¹³

Neighborhoods and communities of color in New York City shoulder a disproportionate share of this loss in income and investment. In the IMPLAN study's models, approximately 69.7 percent of the lost jobs and 65.3 percent of lost income affect people of color in the City.¹⁴ The incidence of negative impact for people of the color is the greatest in the Bronx (79.1 percent of total income losses), the borough with the highest percentage of people of

⁹ Impact Analysis for Planning (IMPLAN) refers to modeling techniques to conduct regional economic impact analysis originally developed by the US Department of Agriculture to assist federal agencies in land and resource management planning. Like any economic modelling, IMPLAN creates an abstraction of the real world which relies on assumptions that may be imperfect. Bill 2318-2021 would provide the necessary primary source data to confirm and refine what current economic impact modelling already demonstrates.

¹⁰ This study was commissioned to model and measure the impact of body shops on lost job opportunities and lost income in New York City's neighborhoods across its five boroughs. Impacts of Suppressed Wage and Benefits for Re-entry Construction Workers in New York City, at 2.

¹¹ *Id.*

¹² *Id.*

¹³ In scenarios where these workers earn \$25 per hour with no benefits, they and their communities still suffer a significant loss in income and investment. The workers lose \$43.5 million dollars in wages and \$147.5 million in benefits in comparison to Laborers' Local 79 construction workers. This loss in income leads to \$184.6 million less in sales, \$62.7 million less in income, and 1,099 fewer jobs in New York City. *Id.* at 2.

¹⁴ *Id.* at 2.

color, followed by Queens and Brooklyn, the boroughs with the second and third largest percentages of residents of color. These current models suggest that the loss in income and investment is compounded by the financial and real estate industries' long-term policies of neighborhood redlining, housing discrimination, and segregation.

Bill 2318-2021 is a Critical, Commonsense First Step in Demanding Transparency and Accountability from Labor Brokers

Bill 2318-2021 is a critical, commonsense first step in demanding transparency and accountability from labor brokers. The bill, which would require labor brokers to obtain licenses from and submit twice-yearly reporting to the Department of Consumer and Worker Protection, would provide much-needed information about how these entities operate, who they employ, and how they treat their workers.¹⁵ And it would provide the Department with the ability to suspend, revoke, or deny the licenses of labor brokers with poor track records on employment law compliance or other evidence of misconduct.

The bill would also require labor brokers to provide written notice to each worker at the beginning of their employment about their rights, and another written notice at the beginning of each new assignment about the terms of the work, including the name and address of the worksite, the type of work to be performed and safety and training required, hours, wages and benefits, duration of assignment, and workers' compensation coverage. Although these "right to know" provisions appear basic, they represent a seminal change for many employees of labor brokers, who often have no notice of the fundamental terms and conditions of their employment.¹⁶

The bill would also prohibit retaliation against workers who try to enforce the bill's provisions and would provide a private right of action for any violations of the law.

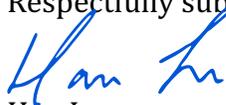
If passed, this bill would establish New York City as a leader in bringing transparency to opaque and unregulated labor brokers and in challenging employer practices that funnel people of color and court-surveilled workers into underpaid and insecure work that exacerbates racialized economic

¹⁵ The information labor brokers would need to disclose in twice-yearly reporting includes the following: the number of workers they employ and, for each worker, demographic information, length of employment, hourly wage and benefits, worker classification reported to workers' compensation carrier, and name and information for third party client where each worker works. The labor broker would also need to disclose any pending civil or criminal investigations and litigation alleging violations of labor and employment law.

¹⁶ Lasting Solutions for America's Temporary Workers, *supra* note 1, at 10.

inequality. For these reasons, we support bill 2318-2021 and ask that you vote for its passage.

Respectfully submitted,



Han Lu
Senior Staff Attorney



Laura Padin
Senior Staff Attorney

National Employment Law Project
90 Broad Street, Suite 1100
New York, NY 10004

REBNY Testimony | September 15, 2021

The Real Estate Board of New York to The New York City Council Committee on Consumer Affairs and Business Licensing

The Real Estate Board of New York (REBNY) is the City's leading real estate trade association. Founded in 1896, REBNY represents commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople and other organizations and individuals active in New York City real estate. REBNY strongly supports policies that expand the local economy, grow, and improve the City's housing stock and create greater opportunities for all New Yorkers. Thank you to the City Council for the opportunity to testify on this important legislation.

BILL: Int 2318-2021

SUBJECT: This bill would establish a comprehensive regulatory regime for certain labor services providers

SPONSORS: Council Members Ayala, Brannan, Moya, Chin, Gibson, Kallos, Rosenthal, Salamanca, Miller, Lander, Menchaca, Rivera, Powers, Riley, Dinowitz, Levine, Koslowitz, Reynoso, Adams, Holden, Levin, Feliz, Cumbo, Louis, Ampry-Samuel, Cornegy, Brooks-Powers

As REBNY has stated to the Council previously, it is essential that all employment opportunities in construction are safe and fair. This is particularly the case for vulnerable workers who have been formerly incarcerated or otherwise have been historically disenfranchised.

Troublingly, as with many industries, wage theft, unsafe conditions, and other issues have been documented in the construction industry. Among other instances of these practices, this includes allegations that so-called 'body shops' prey on socioeconomically vulnerable workers including people of color and particularly formerly incarcerated individuals who are required to maintain employment as a requirement of their parole and therefore may be less able to come forward with allegations of labor abuses.

Int 2318 would address this issue by regulating labor service providers who act as third-party providers of laborers on construction project. The regulation includes a requirement to be licensed by the City, establishes an obligation to provide certain information to workers and the City, imposes record keeping obligations, requires clients of the service provider to verify the provider has been licensed, and creates an enforcement regime that includes a private right of action.

REBNY generally believes it is appropriate to license third party labor service providers. However, it is important that such a scheme be appropriately tailored in such a way as to not constrain the supply of labor for construction projects or impose burdensome obligations on workforce intermediaries who help connect

workers to legitimate employment opportunities. In addition, we encourage the Council to require the disclosure of information about whether workers are residents of New York City as part of the required reporting. We look forward to working with the Council and other stakeholders to accomplish these goals should the legislation move forward.

At the same time, we encourage the Council to consider legislation that would impose an elevated minimum wage with benefits on construction projects that receive certain amounts of public funding. This type of policy would serve to raise the wage floor for construction workers most likely to be impacted by the use of labor service providers in the industry and help address a fundamental need in the City – to raise the wages of lower income New Yorkers so they can better afford to live here.

BILL: Int 2397-2021

SUBJECT: This bill would require the provision of severance pay to certain hotel service workers

SPONSORS: Council Members Moya and Kallos

Int 2397 would require that hotels that closed to the public on or after May 1, 2020 and have not reopened and recalled 25 percent of the workforce by October 1, 2021 make certain severance payments to hotel service workers. Payments required under the legislation would range between \$500 and \$1,00 per week in the case of a closure or mass layoff, last for up to 30 weeks, and be additive to any previously provided severance compensation.

As with many industries, the hotel sector has been severely harmed by the pandemic. The lack of foreign and domestic travelers visiting New York City for work and/or leisure has dealt a significant blow to the city's economy, hotel owners, and hotel workers. Indeed, hotel occupancy and rates plummeted during the pandemic. According to data from NYC & Company, in December 2020 hotel occupancy was 36% with the average daily rate at \$130 compared to December 2019 when the figures were 91% and \$351 respectively.¹ In May 2021, the Mayor noted that revenue from the hotel room occupancy tax dropped 89% compared with Fiscal Year 2020 as part of an announcement waiving the hotel room occupancy tax for June, July, and August 2021.²

While the hotel industry has seen greater occupancy in recent weeks, the recovery is going to be protracted. This is in no small part since hotel occupancy in New York City is reliant on business travel, which has been very slow to recover from the pandemic. Consequently, a report from CBRE estimates that New York City hotels will not return to pre-pandemic levels of occupancy until 2025.³

In this difficult and uncertain environment for the hotel industry, the City Council has proposed legislation that would mandate hotels, some of which may not have a viable economic future, make severance

1

https://assets.simpleviewinc.com/simpleview/image/upload/v1/clients/newyorkcity/FYI_HotelPerformance_5Year_22821_dk_82d984c7-b953-4b74-a906-0db91402564b.pdf

² <https://www1.nyc.gov/office-of-the-mayor/news/375-21/recovery-all-us-mayor-de-blasio-relief-new-york-city-s-hotel-industry>

³ <https://www.cbre.us/about/media-center/us-lodging-demand-forecast-to-return-to-pre-pandemic--levels-by-fourth-quarter-2023>

payments to workers. These businesses, which may have not earned meaningful revenue for well over a year, may simply not be equipped to do so. Unfortunately, the legislation does not provide any City funds to support such payments.

Further, the precedential nature of this legislation is deeply concerning. The Council is acting on legislation that impacts one segment of the economy, which raises the question of why this industry, at a time when the entire city economy continues to be impacted by the pandemic. Indeed, if the Council is willing to pass this bill now, it would not be surprising if 30 weeks from now the Council is being asked to extend these payments for this industry or mandate new severance payments for workers in other industries who have unfortunately been impacted by the unprecedented global health pandemic.

If the City Council wishes to provide additional financial support to hotel service workers impacted by the pandemic it should do so out of City funds. To this end, it is worth noting that when the federal government sought to aid workers impacted by the pandemic – including hotel workers – it did so through numerous successful interventions including the Paycheck Protection Program, unemployment insurance, and direct payments. Unfortunately, this legislation fails to build on any of those successful models.

To best help the hotel industry and its employees recover, the Council and City partners must focus on controlling the spread of the coronavirus and sending a message to businesses and domestic and global travelers that the city is safe, welcoming, and open for business. This means making concerted efforts to increase vaccination rates across the city including through the widespread use of mandates, encourage employers to safely bring workers back to the office, invest in reducing crime and cleaning the city, and sell New York City to the world. REBNY looks forward to working with the Council on these important priorities.

CONTACT:

ZACH STEINBERG

Senior Vice President of Policy

Real Estate Board of New York

212-616-5227

zsteinberg@rebny.com



September 15, 2021

The Honorable Diana Ayala
Chairwoman, Consumer Affairs and Business Licensing Committee
City Council of New York City
250 Broadway
New York, NY 10007

RE: 2397-2021

Dear Chairwoman Ayala:

On behalf of the American Hotel & Lodging Association (AHLA), we urge you to oppose City Council Ordinance 2397-2021 (Severance Pay for Hotel Service Employees).

COVID-19 is the worst economic event in the history of the U.S. hotel industry. Many urban markets, which rely heavily on business from events and group meetings, continue to face a severe financial crisis, as they have been disproportionately impacted by the pandemic. **New York City is projected to end 2021 with the largest decline in hotel business travel revenue, with an 88.4% decline from 2019. This equates to a loss of \$4,028,915**, according to a report issued this week by Kalibri Labs.

While the New York City hotel industry employs over 55,000 residents and provides billions in tax revenues, the severe impact on the industry continues, and with an extremely long-term view for recovery. Unlike many other industries that have already recovered, experts predict that the hotel industry will not return to its 2019 status until 2025 or 2026 at the earliest. This stark reality will lead many to file for bankruptcy and cause the loss of good-paying jobs and a large share of the City's tax revenue permanently.

Hotels are desperately trying to reopen and are doing everything they can to support their workers to welcome business back. With little revenue and a disproportionately large property tax burden that hotels are struggling (and often failing) to pay, any additional burdens on hotels right now will have a negative impact on hotels' and hotel workers' prospects for bouncing back from the impact of COVID-19.

The recovery will be slow. U.S. business travelers continue to postpone and cancel travel plans amid rising COVID-19 cases, with 67% planning to take fewer trips, 52% likely to cancel existing travel plans without rescheduling, and 60% planning to postpone existing travel plans, according to a recent national survey conducted by Morning Consult. This will severely impact hotels in complying with the occupancy standards in the proposed legislation.



Despite an uptick in leisure travel over the summer, the new survey highlights the dim outlook for business travel and events, which account for more than half of hotel revenue and aren't expected to return to pre-pandemic levels until 2024. According to a recent Deloitte survey, corporate travel is projected to remain at only 30% of 2019 levels through the end of 2021. This lack of corporate travel would cost the hotel industry around the country with New York City still being hit the hardest, an estimated \$59 billion in 2021.

As leaders of the hotel industry in New York City and around the country, we are working hard to ensure that the hotel industry recovers from this crisis so we can continue to provide jobs as well as revenue for the city. Enacting this flawed and onerous legislation will not help the hotels reopen.

We hope that you consider the unintended impacts that this legislation would have on hotels and their ability to recover in the long term. Please do not hesitate to reach out if you have any further questions or would like to discuss in greater detail.

Sincerely,

Marilou Halvorsen
Vice President, Government Affairs and State Relations
American Hotel & Lodging Association

cc: Members of the Consumer Affairs and Business Licensing Committee

**Hearing before the City Council
Committee on Consumer Affairs and Business Licensing
Regarding Int 0499-2018**

September 15, 2021

Testimony by JCDecaux Street Furniture New York, LLC

Good afternoon Chair Ayala and Committee Members. My name is Edward C. Wallace, and I am an attorney for JCDecaux Street Furniture New York, LLC (f/k/a Cemusa NY, LLC) the franchisee that provides newsstands and bus shelters pursuant to the Coordinated Street Furniture Franchise Agreement with the Department of Transportation.

We make no objection to the purpose of Intro 0499-2018 before you, but we want to provide a context of the “on the street” state of play of newsstands and ask you to consider even broader reforms to assure that the public, and the striving New Yorkers who operate newsstands (many of whom are recently arrived immigrants), as well as the franchisee, are protected. We support improving service, and we oppose inadvertently preying upon hopeful hardworking people who, because of an anomaly and an anachronism in the law and the franchise agreement, bet their hard-earned cash on a dream that increasingly turns into a nightmare for the newsstand licensee and a catastrophic economic loss for the franchisee.

Historically, newsstands were ramshackle wooden sheds that sold the City’s many newspapers, some of which published two editions per day. In 2005, when Deputy Mayor Doctoroff adopted the notion of “high-design” coordinated “street furniture” with advertising on newsstands, we all envisioned elegant structures replacing the shacks plus new newsvendors paying for their structures.

Unfortunately, the world changed, and the franchise agreement failed to address many issues, including:

1. There was no agreement between the franchisee who functioned as builder/landlord and the newsstand licensee who was, in practical terms, a tenant.
2. The newsstand licensees carry no insurance so if the refrigerator in a newsstand causes a fire, the \$130,000 structure is not covered.
3. Prospective licensees frequently pick sites with no foot traffic, yet the Department of Consumer and Worker Protection, the newsstand licensing agency, has no authority to perform an analysis of economic viability. Now that people get their news online, and tobacco and lottery licenses are hard to come by, the newsstands often fail, and licensees leave the expensive structures shuttered.

Although the § 20-241.1(c) of the Administrative Code contemplates that the licensee will pay for the structure, the franchise agreement puts a cap on the licensee's costs at \$33,000 (as of today) which the franchisee must lend. This practice is like the taxi medallion problem where easy financing lures hopeful strivers into doomed enterprises. The franchisee has refrained from foreclosing on the loans simply out of humane concerns. But the pattern of failure, which leaves these industrious strivers broke and the franchisee eating major losses while neighborhoods are blighted with shuttered structures, is simply not sound public policy.

The intent of Intro 0499-2018 is positive, and it will help the current owners build up equity and hopefully an asset they can sell. But many other new applicants will languish, and the franchisee will suffer as well. We ask this committee and the Council to get all the facts and build on the pending bill to spare neighborhoods, newsstand licensees and the franchisee from the spiraling pattern of loss.

Thank you.

Testimony New York Communities for Change

Topic Committee on Consumer Affairs and Business Licensing Body Shop Bill Intro. 2318
Hearing

Date Wednesday, September 15, 2021

Good morning. My name is Jonathan Westin and I am testifying today on behalf of NYCC. First, I want to thank the Committee on Consumer Affairs and Business Licensing for the opportunity to testify today. New York Communities for Change (NYCC) is one of the largest grassroots, membership-driven, community-based organizations in New York. As a coalition of working families in low and moderate-income communities, NYCC uses community organizing, direct action and legislative advocacy to advance the cause of social and economic justice.

NYCC has been on the frontline of efforts to reform the criminal justice system in New York City. We are committed to the fight for fair housing for people on probation and parole and to the demand for both job opportunities and jobs with dignity for workers returning from incarceration. We have long partnered with Laborer's Local 79 in demanding that New York City enact policies that ensure real affordability, real local hire and real livable wages.

We have been hearing from our partners and from members about a new exploitative employment model called Body Shops. Body Shops take the labor of justice affected workers and broker it at an astronomical markup to the City's richest developers. Body shops take advantage of the scarcity of job opportunities available to formerly incarcerated New Yorkers. Barriers in housing, education, employment and disenfranchisement in the political process creates desperate workers willing to do anything to avoid returning to prison.

As a City, we must step up and protect these workers.

We have to act now to protect justice-affected New Yorkers reentering our communities. The New York City Council has the responsibility to protect its most vulnerable citizens against exploitative employers and dangerous working conditions. No contractor or developer should be allowed to condemn black and brown construction workers to economic imprisonment and bodily harm. That's re-sentencing, not real re-entry. I commend the Committee on Consumer Affairs and Business Licensing for bringing forward this bill and urge the swift passage of Body Shop Bill Intro. 2318.

New York City Newsstand Operators Association

325 BROADWAY | STE. 501 | NEW YORK, NY 10007
212-513-1988 | NYCNOA.COM

September 14, 2021

Re: Comment on Int. 499-2018 (Koslowitz)
Committee on Consumer Affairs and Business Licensing
September 15, 2021 Remote Hearing

Dear Members of the Committee:

I write on behalf of the New York City Newsstand Operators Association (NYCNOA), an unincorporated trade association representing the interests of New York City's sidewalk newsstands. For over three decades, NYCNOA has advocated for the fair treatment of sidewalk newsstand operators in the halls of city government.

For over a century, sidewalk newsstand operators have been critical parts of the fabric of the New York City streetscape. The Administrative Code prohibits newsstand operators from owning more than two newsstands, so each is truly family-owned and operated. Most newsstand operators are recent immigrants, seeking their first opportunity to own a small business. The modest income from these small businesses allows newsstand owners to put their children through college and work their way into the middle class.

We wholeheartedly support Council Member Koslowitz's proposed legislation that would allow sidewalk newsstand operators to form business entities (corporations, LLCs, partnerships, etc.) and hold their newsstand licenses in the name of the entity they form. We ask that the rest of the Committee Members support this important bill, for the following reasons:

1. **Corrects a longstanding misinterpretation of the term "person" to mean "natural person."** The Department of Consumer and Worker Protection has long interpreted the term "person" in the sections of the Administrative Code pertaining to sidewalk newsstands to mean "natural person," even though the text of the Code does not require such a reading. Newsstands are the only license category that we are aware of to be burdened by such an interpretation, which we believe is a misinterpretation. Like all other license categories, newsstand operators should be able to form business entities, and operate their businesses through such entities, including holding licenses.
2. **Protects newsstand operators from personal liability, just like every other business.** The standard procedure for operating a business in this country, for businesses large and small, is to form an entity such as a corporation or LLC. Newsstand operators are prohibited from doing that. They must operate their businesses as "sole proprietors," i.e., in their individual capacity. This exposes their homes, their college savings accounts, and any other personal assets to *personal liability* if sued for slip and fall, for example. It also makes it difficult for them to obtain business insurance. Newsstand operators should have the same protections that every other business has.

3. **Pro-worker and pro-immigrant.** Under current law, there is no means for a newsstand employee to become a partner at the newsstand they have long worked at, nor for the operator who has been in the business for years to promote a longtime employee to partner and then plan to retire in dignity. This bill would change that by allowing operators to form corporations and bring a family member or an employee into the business. We are aware of countless examples of current newsstand employees who are eager to do this and become an owner, but have no legal means of doing so. These workers are overwhelmingly immigrants.
4. **Reduces new newsstand construction.** Currently, the only way to get into the newsstand industry is to apply to DCWP for a new newsstand license, which means identifying a location for a new newsstand to be constructed (or to engage in an administrative “transfer” process that requires a current operator to have recently died or be permanently disabled). Obtaining a new newsstand license – and consequently, constructing a new newsstand – is an expensive and multi-year process. One effect of this bill will be to significantly reduce the number of people seeking the construction of new newsstands, as the vast majority of people would prefer to become partners in an existing business at a long-established newsstand location rather than construct an expensive new one in an untested new location.
5. **Will not impact the “two newsstands per person” policy.** Under current law, no individual may own more than two sidewalk newsstands. NYCNOA strongly supports that rule, as it keeps sidewalk newsstand ownership small and local, as it should be. There is no “Hudson News” of sidewalk newsstands, for example. The proposed bill would not change that policy – no individual, no matter how they organize themselves into business entities, may be part of more than two sidewalk newsstand businesses.
6. **Long Overdue.** The Council near-unanimously passed a nearly identical version of this bill (Int. 968 / 2001, passed December 11, 2001) in the final days of the Giuliani administration. For political reasons having nothing to do with the merits of the bill, then-Mayor Giuliani waited until after the Council held its final meeting, and then vetoed the bill on December 26, 2001, leaving the Council without an opportunity to override it.

For these reasons, we strongly urge the Committee Members to support this important legislation that brings fairness to our city’s sidewalk newsstand operators.

Very truly yours,



Robert S. Bookman
Counsel

Testimony: Danny Coley

Topic: Committee on Consumer Affairs and Business Licensing Body Shop Bill Intro. 2318

Date : Wednesday, September 15, 2021

My name is Danny Coley and I am a former Body Shop worker and I am here to support Body Shop Bill Intro. 2318. Today I have a successful career as a member of Laborers' Local 79. For the first time in my life, I earn a decent salary with benefits. But my road here was not easy. Part of what made my transition back into the workforce difficult was a Body Shop called Marin Laborers. Body Shops like Marin prey on the vulnerabilities of justice-effected New Yorkers. They know how to recruit us, they know how to keep us compliant, and how to profit off the racism of mass incarceration.

Before I even left prison, I was conditioned to work for nothing or be punished. Mass incarceration disproportionately impacts the Black community and primes us for exploitation. While I was away, like everyone in prison, I had no choice but to work. Refusing to work could result in solitary confinement. Having experienced that torture for 180 days, I knew work, however menial, was preferable. We had no say in our wages, which were only cents on the dollar.

When you are released, you are not free. You become a prisoner of institutions meant to help you. Throughout my life I have felt trapped in several programs designed to help me re-enter the workforce because they only ever forced me into degrading, low pay work with the constant threat of a parole violation if I refused. The last time I left prison I went through a program called CEO. After months of working directly for CEO for about \$50 a day, Marin Laborers asked CEO for workers and I was sent to the job.

When I took the job at Marin, \$13 an hour to work construction seemed like a good deal compared to what I had been making. Finding work with a criminal record is hard, I thought this was the best I could get. In reality, I was working in one of the City's most dangerous jobs for minimum wage. Even after I was promoted to foreman and eventually earned a pay increase, I never received benefits.

Marin got workers from CEO, but they also used us to recruit more re-entry workers. Like me, most of my coworkers were on parole. Marin knew we were all on parole, their hiring process and business model relied on it. Few employers will hire justice-affected workers, and we need to work to meet our parole requirements. Marin takes advantage of this by underpaying us,

knowing it will be hard for us to advocate for better wages because the threat of termination from them is a threat of re-imprisonment.

Incarceration and re-entry conditioned me to work for slave wages or go back to jail. I was conditioned to view Marin's job offer as an opportunity and not the exploitation it truly was. My parole status and incarceration history were turned into weapons against me. It is the same for every worker still trapped in Body Shops.

I would ask the City Council to regulate body shops and protect re-entry workers. My success should not be an exception for Body Shop workers. We all deserve the chance to break free from the cycle of mass incarceration and exploitation. I thank the Committee on Consumer Affairs and Business Licensing for bringing forward this bill to protect workers like me and ask you to pass Body Shop Bill Intro. 2318.

Testimony John Simmons

Topic Committee on Consumer Affairs and Business Licensing Body Shop Bill Intro. 2318
Hearing

Date Wednesday, September 15, 2021

Good morning, my name is John Simmons and I am a proud construction worker. I want to thank Committee Chair Diana Ayala and the entire City Council for giving me a space today to shine light on body shops in the construction industry. My story is not unique. Unfortunately, many justice-affected workers like myself share many similarities post release. We all look forward to finally being free, only to be welcomed by predatory employers who use our criminal backgrounds to disadvantage us.

The day I was released from prison, I promised myself I would never go back. I had determination and was hungry for success. It didn't take long to realize the system had something else planned for me. I was unemployable in the eyes of the world. There weren't many opportunities for me other than low-wage jobs that didn't help cover my basic needs. I ended up at the Center for Employment Opportunities (CEO), where they knew it didn't make a difference what kind of a job we got as long as it would keep our freedom. It was through CEO that I ended up working for a body shop.

What is extremely dangerous is that these body shops know we have to keep employment in order to maintain our freedom. They are aware they have the power to send us back to jail so they use this to force us into working under unsafe, unhealthy and unsanitary conditions. They know we are blocked from working in many industries, so they drive our wages down and deny us of needed benefits like healthcare. Many of us knew the way we were treated was not right, but we also knew that complaints would lead to retaliation so we kept quiet. Per NYS law, we can't even participate in labor protests. There is no real freedom for us and these body shops know it.

It wasn't until I was introduced to the unionized trades that I finally gained my freedom. Local 79 changed my life because I was able to achieve real financial independence. Body shops are a real threat to people like me. I urge this Council to regulate them and protect the men and women who only want a second shot at life with dignity and respect. I commend the Committee on Consumer Affairs and Business Licensing for bringing forward this bill and urge the swift passage of Body Shop Bill Intro. 2318.

Thank you.

Testimony Kareem Marcus
Topic Committee on Consumer Affairs and Business Licensing Body Shop Bill Intro. 2318
Hearing
Date Wednesday, September 15, 2021

Good morning,

My name is Kareem Marcus I am a member of the Laborers' Local 79 and I live in the Bronx. Thank you to the city council and chair Ayala for the opportunity to testify about the issues I have experienced due to lack of oversight in Body Shops in the construction industry.

My first construction job, I was brokered by a no-name Body Shop that supplied general labor to construction sites and paid cash off the books. The guy who ran the crew targeted recently released workers who were desperate for a job. We were paid cash \$100 a day and did not receive the proper overtime rate.

I then got a job with a Body Shop contractor called CSS, Construction Staffing Solutions. Most CSS employees were also recently released from prison, and the company used the current workers as an informal network to recruit others with a criminal history. I asked for \$18 an hour, but was offered \$15, which I accepted. We understood that CSS was charging much more than that for every hour we worked. During the interview, CSS told me that if I got hurt I should call them instead of an ambulance. That raised my eyebrows, it seemed like they wanted to save their behinds and send you to their doctor. I had no training on safety or how to use tools. While I was on coffee break, another CSS worker fell eight feet down a manhole and was seriously injured.

Body Shop construction also took a toll on my personal life. I wasn't making ends meet off of 40 hours, so we had to come in Saturday and Sunday and stay late Monday through Friday. I was banging up my body working 7 days a week, 10 hour shifts, just to make a living. I couldn't even take my kids to the park in the summertime.

Through the pre-apprenticeship program Pathways to Apprenticeship (P2A), I was finally able to leave Body Shop construction and get into Local 79's apprenticeship program. I'm finally able to spend time with my family and provide them with benefits and security. Union construction is a blessing to reentry workers; we should no longer allow Body Shops to segregate Black and Brown bodies into these shady firms not subject to any regulation or oversight. I commend the Committee on Consumer Affairs and Business Licensing for bringing forward this bill and urge the swift passage of Body Shop Bill Intro. 2318.

Thank you.

Testimony Michael Negron
Topic Committee on Consumer Affairs and Business Licensing Body Shop Bill Intro. 2318
Hearing
Date Wednesday, September 15, 2021

Thank you for the opportunity to speak today. My name is Michael Negron and I used to work for a Body Shop called SLG Construction. Body Shops in New York City are targeting black workers with histories of incarceration, people like me. These Body Shops offer us empty promises of gainful employment and chances for advancement. They are profiting off our labor and paying us less than the value of our work.

Working for a Body Shop is like being held hostage to the pay and work conditions dictated to us. For many of Body Shop workers, failing to be employed is a parole violation that could get you sent back to prison. That work requirement makes us especially vulnerable to exploitation by Body Shops. We are paid low wages, while Body Shops get rich. SLG worked for some of the largest nonunion general contractors including Gilbane, Triton and TG Nickle. SLG charged nearly twice my pay rate for every hour I worked.

My boss at SLG acted like he was doing me a favor by allowing me to work on dangerous construction sites, breaking my back at low pay for their profit. SLG's management constantly diminished us—even once trying to stop me from using a public bathroom. While SLG's management was leaving the clean restroom, they directed me to use a dirty temporary facility. It felt like being told I was separate and not equal.

SLG knew how to hold my criminal justice history over my head. But my coworkers and I started to speak up for ourselves. I knew there was a risk to me being fired, but I took a stand and tried to organize. I reached out to coworkers, attended worker organizing meetings and helped run a petition drive to advocate for better wages for all SLG employees.

SLG illegally demanded me to stop organizing. When I refused, I was fired. Eventually, with the help of Local 79, I filed charges with the National Labor Relations Board, which resulted in SLG paying my lost wages.

My story is just one example, but it shows how willing Body Shops are to dehumanize and degrade black re-entry workers. They do not care about our livelihoods, wellbeing or rights. Relegating re-entry workers to exploitative, dead-end jobs at Body Shops is no different than hiding us away in prison. Our problems do not disappear when we are forced into the shadows.

Many thousands of Black New Yorkers who served time in prison are trying to re-enter the economy and make a positive contribution to the neighborhoods where we live and build. Nonunion construction is one of the few industries where we can find jobs after incarceration.

People leaving prison face many obstacles, but you could take action to eliminate the exploitation of Body Shops as one of them. I commend the Committee on Consumer Affairs and Business Licensing for bringing forward this bill and urge the swift passage of Body Shop Bill Intro. 2318.

Testimony Tierra Williams
Topic Committee on Consumer Affairs and Business Licensing Body Shop Bill Intro. 2318
Date Wednesday, September 15, 2021

Good morning,

My name is Tierra Williams, I am a member of the Laborers' Local 79 and an intern with the organizing department. Thank you to the city council and chair Ayala for the opportunity to testify about the lack of oversight I have experienced while working at Body Shops in the construction industry.

I was one of the 18 primarily Black women survivors of sexual abuse or assault who were involved in the Attorney General's landmark \$1.5 million sexual harassment settlement against Body Shop contractor Tradeoff. While employed by Tradeoff, I was subjected to constant harassment. Tradeoff failed to address complaints, and instead protected sexual abusers.

I know many Black women and formerly incarcerated New Yorkers who also work for non-union labor brokers or Body Shop contractors. These dangerous jobs barely provide enough money for survival. Body shop workers are often in desperate need of work after getting released from prison. They must maintain employment as a condition of their parole. They face the real threat of re-imprisonment if parole officers discover they are out of work. Complaining about job conditions, sexual harassment, and other mistreatment can cost these workers their freedom. Firms like Tradeoff make big money sending Black and Brown construction laborers to work on development projects for poverty wages, with little training, and no benefits. Even those offering slightly over minimum are not doing us any favors. When I was making minimum wage, I relied on public assistance benefits, so tax dollars were basically subsidizing the Body Shop. When I got a small raise, I was kicked off those benefits, so any money I earned went towards paying for healthcare for my family at the end of the month.

We deserve to be treated as human beings, not as bodies to be abused and exploited on construction sites. For Black women construction workers like me, unionization and collective bargaining are essential for creating workplaces where contractors and developers treat us with dignity and respect, and providing real family-sustaining benefits. I commend the Committee on Consumer Affairs and Business Licensing for bringing forward this bill and urge the swift passage of Body Shop Bill Intro. 2318.

Thank you.