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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON CONSUMER AFFAIRS

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June 4, 2013 Start: 1:12 p.m. Recess: 1:40 p.m.

HELD AT: 250 Broadway

Committee Rm, 14th Fl.

B E F O R E:

DANIEL R. GARODNICK

Chairperson

COUNCIL MEMBERS:

Council Member Charles Barron

Council Member Leroy G. Comrie, Jr.

Council Member Julissa Ferreras Council Member G. Oliver Koppell Council Member Karen Koslowitz Council Member Michael C. Nelson

A P P E A R A N C E S (CONTINUED)

Robert Bookman Counsel New York City Newsstand Operators Association

Lawrence Mandliker New York Metropolitan Retail Association

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2	CHAIRPERSON GARODNICK:	Good
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afternoon, everyone. Welcome to the Consumer Affairs Committee of the New York City Council. Today is Tuesday, June 4th, 2013. My name is Dan Garodnick. I have the privilege of chairing this committee. I am joined today by Council Member Karen Koslowitz of Queens. New stands, as we all know, are an iconic part of the New York City streetscape and a classic example of a home grown small business. As their name indicates, newsstands are primarily in the business of selling newspapers, magazines and other periodicals. However, they can also sell other sundry items as long as the price does not exceed \$5.00. Things like umbrellas, for example, something which a couple days ago we all needed in a significant degree. The list of items that can also sell explicitly excludes apparel, jewelry, hair ornaments, handbags and video cassettes, things that the Council has decided are more appropriately sold in convenience stores. We have before us today Intro 1048 sponsored by Council Member Koslowitz. Intro 1048 increases the maximum price of goods on sale at newsstands from

\$5.00 to \$10.00. It's a straightforward change
but one that should have a great positive effect.
Now, newsstands will be able to sell higher
quality versions of products they already keep in
stock. They will also be able to sell useful
items currently disallowed because they exceed the
very low \$5.00 cap, things like cell phone
chargers, which were not widespread when that cap
was established in 2002. I believe that Intro
1048 would be a big help for these small
businesses and it's a common sense measure to make
sure that the law keeps up with the times. We
have a letter where which I will read into the
record after we hear from Council Member
Koslowitz, it's from DCA, and before we go any
further I'd like to turn the microphone over to
the sponsor of this very good bill that we're
hearing today, Council Member Koslowitz.
COUNCIL MEMBER KOSLOWITZ: Thank
you, Chair Garodnick. Proposed Intro 1048 will,
a, will ensure that newsstands are given the

opportunity to keep up with the demands of their

customers just as every other small business in

New York City. In 1991 I led similar legislation

to increase the price of individual items sold
from \$2.00 to \$5.00. Well, that \$5.00 from 1991
is today's \$10.00. Items that New Yorkers are
asking for at newsstands are changing. By us
imposing the same limit from 12 years ago we are
prohibiting small business from just sustaining
themselves. This bill is an opportunity to help
our newsstand owners keep up with growing demand
for items that New Yorkers need to access fast
such as a phone charger, umbrella or earphones.
The legislation will only affect newsstands under
the jurisdiction of the New York City Department
of Consumer Affairs and will continue to exempt
newspapers, magazines, periodicals and prepaid
calling or transit cards from being included in
the limit. It will also continue to prohibit
newsstands from selling apparel, jewelry, hair
ornaments, handbags and video cassettes. I am
happy to introduce this legislation and maybe if
I'm here another eight years we'll increase it
again. Thank you.

CHAIRPERSON GARODNICK: Right on.

Thank you, Council Member Koslowitz. And I'd like to note that we've been joined by Council Member

Barron and Council Member Comrie. I'd like to
call our first panel which will consist of Rob
Bookman [phonetic] of the New York City,
representing the New York City Newsstand Operators
Association, and as he comes up I would like to
note and read for the record the letter that we
have here from Fran Friedman, the Deputy
Commissioner for External Affairs of the New York
City Department of Consumer Affairs dated today,
I'm sorry, yesterday, June 3 rd , addressed to me as
the Chairman of this committee. Dear Chair
Garodnick, on behalf of the New York City
Department of Consumer Affairs we thank you for
the opportunity to comment on Intro 1048. The
bill would raise the cap on the items newsstands
are allowed to sell other than newspapers,
magazines, et cetera, from \$5.00 to \$10.00,
exclusive of tax. The Department has no objection
to this bill. So, as opposed to this, this is in
place of their presence here today so, while we
welcome their support or their absence of
objection, right, Council Member Koslowitz? And
with that, we will turn it over to Mr. Bookman,
our first witness today.

2	MR. ROBERT BOOKMAN: Is it on
3	there? Okay. Thank you. Not used to being on
4	the same side as the administration. My name is
5	Robert Bookman. I am Counsel to the New York City
6	Newsstand Operators Association, the trade group
7	which has represented small mom and pop sidewalk
8	newsstands for over 25 years now. Sidewalk
9	newsstands are an iconic symbol of New York City
10	streetscapes. There is hardly a motion picture
11	set in New York that does not have a scene of the
12	Statue of Liberty and a street newsstand. But
13	they are much more than a romantic backdrop. They
14	are one of the last bastions of sellers of First
15	Amendment materials, our daily newspapers and they
16	are readily available to the fast paced New
17	Yorkers and street loving tourists alike. It is
18	no secret that print newspapers are facing hard
19	times. These sidewalk newsstands remain very
20	important retail outlets for them, perhaps now
21	more than ever. And historically these stands
22	have provided a wonderful entrepreneurial
23	opportunity for our city's have nots. Once upon a
24	time that was blind newsstand operators, back in
25	the day when they had no other chances to make a

living and there were no disability laws. Then
disabled veterans, when they could not get a job
elsewhere. And more recently, new immigrants
trying to make the American dream their own. And
we have a number of those newsstand operator
recent immigrants here today. I would say that
these public benefits are more than a fair
exchange for a small piece of sidewalk averaging
only about 55 square feet each. But their numbers
have dwindled over the decades for many reasons
from a high of almost 1,500 in the 1940's, the
heyday of newspapers, to only about 300 today. We
must work together to preserve the remaining
newsstands just as previous Council's have done n
various ways before you. Ensuring a modicum of
profitability is a very important means to that
end. Which brings me to Intro 1048. The last
tiem sidewalk newsstands got a raise was back in
2002, 11 years ago. In fact, as I recall, it was
the Mayor's first bill signing. That was a long
time ago in any economy, especially a difficult
one. That raise helped stabilize the number of
sidewalk newsstands without any negative impact on
nearby businesses, a fear that was raised then and

2	turned out to be unfounded. But, that raise is
3	outdated and we are long overdue for an increase
4	in the price we can sell non periodical items for.
5	Items we were able to sell for \$5,00 in 2001 have
6	increased in price and we can no longer sell them.
7	Examples include camera batteries, large packs of
8	candy, street maps, and tourist guidebooks.
9	Moreover, the times have changed and we need to
10	keep up with the demand from tourists and New
11	Yorkers on the go who ask for such items as phone
12	chargers, earphones and sunglasses. And it would
13	be nice to be able to sell an umbrella that lasts
14	for more than one use. This increase will do all
15	of that and keep newsstands open, it is that
16	simple. We urge your support and ask for quick
17	passage of this bill.
18	CHAIRPERSON GARODNICK: Mr.
19	Bookman, I just want to see if you can confirm for
20	us that an umbrella sold between \$5.00 and \$10.00
21	will, in fact, last for more than one use.
22	MR. BOOKMAN: Yes, we can confirm
23	that. [laughter]
24	CHAIRPERSON GARODNICK: Okay,
25	excellent. Thank you. I don't think that there

2	are	any	questions	for	you.	I	think	this	is	a
3	rati	her	straightfo	rward	d issu	Α.				

MR. BOOKMAN: Well, we hope so and so, with that, maybe it'll become more complicated. We're going to hear from the next panel but at the moment I think we are good. So, we will excuse you.

MR. BOOKMAN: Thank you very much.

CHAIRPERSON GARODNICK: And thank you or your testimony and with that, we're going to call up Mr. Lawrence Mandliker [phonetic] of NYMRA. And so, Mr. Mandliker, welcome. And as soon as you are settled it looks like that microphone is, in fact, on. So, I think you should be all set.

MR. LAWRENCE MANDLIKER: Testing?

It is. Good afternoon, thank you for the opportunity. My name is Lawrence Mandliker. I am testifying on behalf of New York Metropolitan Retail Association, known as NYMRA. Our customers are national chain retailers operating in the City of New York, among them is the National Association of Chain Drugstores. So, if I could divert from my written testimony for a second.

You're sitting there and you're saying, hey,
Mandliker, what are big box retailers and national
chain drugstores have a, how could they have a
problem with this simple bill? I'm going to tell
you why, as strange as it sounds. There are two
models that retailers follow, the first is the
specialty store model that sells only one type of
product, typically jewelry, hardware, shoes come
to mind. It's based on a customer needing one
type of product and purchasing it at a store known
for the sale of that product. The second model is
the general store model that sells many different
products. It's based on a customer entering to
buy one of the many different types f products
that are for sale and seeing and purchasing other
products that are for sale too. Department
stores, mass merchandisers and national chain
drugstores follow the general store model. By the
way, general stores, which we now call bodegas,
follow that model also. The purpose of Intro 1048
is to increase the number of products that can be
sold newsstands. If consumers will now be able to
purchase a product that a newsstand that the
formerly bought in a store, they will not enter

the store and see other products for sale that
they might also purchase. In other words, the
effect of Intro 1048 would be to divert traffic
from stores, particularly mass merchant retailers.
Recognizing this, the present law tries to balance
the need for newsstand owners to sell more
products with the need of store owners to prevent
potential customers from being diverted from
entering their stores. It does this by
prohibiting newsstands from selling certain
products, even if they can be sold within the
applicable price limit, and they are, apparel,
jewelry, hair ornaments, handbags, and video
cassettes. Because Intro 1048 would increase the
price limits by 100 percent without changing the
prohibitions it would, in effect, alter the
balance in favor of newsstands and against, I'm
saying the balance that was set when this bill was
first past, and against retailers in stores,
particularly since one of the prohibited products
is video cassettes and I don't think there is a
significant demand for that product. In order to
restore the balance the following additional
products should be prohibited, undergarments,

including pantynose, bathing, shaving and reminine
hygiene products, cosmetics, over the counter
drugs, batteries, and electronic products. The
prohibitions we suggest would allow newsstands to
sell many more products than they do now while
minimizing the diversion of customers for our
stores. The City has imposed many requirements on
retailers including but not limited to paid sick
leave, living wage, recycling of electronic
products, electronic waste. It cannot keep
imposing costs on retailers and then essentially
divert potential customers from retail stores.
Our stores are engines of employment and tax
revenues. We need and deserve the Council's
report. NYMRA therefore opposes Intro 1048 in its
present form and urges disapproval.

CHAIRPERSON GARODNICK: Thank you,
Mr. Mandliker. I have a couple questions and then
I know that the bill sponsor, Council Member
Koslowitz does too. First, can you help us
understand why you selected the particular items
that you did in your testimony that you believe
should be excluded from newsstand sales if we were
to pass this bill?

2	MR. MANDLIKER: Yes. What I did,
3	'cause what do I know about retailing? So, I
4	called the various members of NYMRA and said,
5	here's this bill, pretty simple bill, does it have
6	an effect on you? And they said, yes. I said,
7	well, how can it have an effect on you? And they
8	said, well, people come in, women come in to buy
9	pantyhose, that's the first thing they said, buy
10	pantyhose. People come in to buy batteries all
11	the time. people come in to buy shaving products
12	and feminine hygiene products and bathing
13	products, this particularly for the drugstores.
14	That's where people come in, they come in and then
15	while they're there we have all these attractive
16	other products are for sale. So, what I've
17	picked, you know, there are tons of products that
18	I could pick but I tried to get my client to tell
19	me, what other products, 'cause we have to be
20	reasonable, can't prohibit everything. So, what
21	are the products that attract traffic to our
22	stores that newsstands could divert? You know, a
23	Macy's isn't really affected by something like
24	this. It's more the targets, the chain
25	drugstores, the ones that have more undepartment

2	store type goods in them, but that's how we picked
3	it.
4	CHAIRPERSON GARODNICK: So, if I
5	were to characterize your testimony as not being
6	opposed to the concept of raising the price from
7	five to ten but that if we were to do it you
8	wanted to exclude more items. Is that the fair
9	assessment of your testimony?
LO	MR. MANDLIKER: It's more than
11	fair, it's exact.
12	CHAIRPERSON GARODNICK: Okay, good.
L3	So, in other words, when we change, we, the
L4	Council, predates me, raise the limit from \$2.00
15	to \$5.00 back in 2002 was there any impact on mass
L6	merchant retailers that could have been causally
L7	connected in any way here to that change?
L8	MR. MANDLIKER: I don't know the
L9	answer to that.
20	CHAIRPERSON GARONDNICK: And, okay,
21	all right, I don't know the answer either, but I
22	figured I would ask. Okay, Council Member
23	Koslowitz.
24	COUNCIL MEMBER KOSLOWITZ: Thank
25	you. Pantyhose is apparel and apparel is not

included in this, it never was. I introduced th	e
first bill, a \$2.00 bill in 1991. To sell, let'	s
say, an aspirin, if I'm walking along a street a	nd
I have a bad headache and I need something	
quickly, I want to be able to not stand on line	
and go into a drugstore but go to a newsstand an	d
buy a little thing of aspirins. And if you go	
into a drugstore aspirin are more than \$10.00.	
You can't buy an aspirin for more than \$10.00	
unless you're buying the small packets or any	
other kind of drugs, like, the sinus, you know,	
tablet, or whatever. So, I don't think that it'	S
in this bill that would hurt any kind of a	
drugstore. People go into drugstores for	
prescriptions. I know I certainly would go into	а
drugstore if I needed, you know, quite a few	
items. But I don't see how this hurts any kind	of
drugstore. The Fast when you go into on the	
corner where I live in Forest Hills, the Fast	
Break sells aspirins, it sells all those small	
quantities of drugs, if I wanted an aspirin. So	,
I don't see how this effects, if the newsstands	
sell this, how it's going to affect anybodies	
life. More, most people go in for a bottle of	

1	COMMITTEE ON CONSUMER AFFAIRS 17
2	aspirins, which, like I said, is more than \$10.00
3	so, I would still go into the drugstore if I
4	wanted Advil or any other product like that. So,
5	I don't understand how it hurts the drug industry.
6	MR. MANDLIKER: So, if I
7	understand, you're focusing on, like, packets of
8	aspirin?
9	COUNCIL MEMBER KOSLOWITZ: Right.
10	MR. MANDLIKER: And if I wanted, in
11	my office, if I have a headache I can take out a
12	packet that has two aspirins.
13	COUNCIL MEMBER KOSLOWITZ: Right.
14	MR. MANDLIKER: You're talking
15	about buying a single packet of aspirins as
16	opposed to
17	COUNCIL MEMBER KOSLOWITZ:
18	[interposing] Or two, but that may be as five, as
19	MR. MANDLIKER:a big carton of
20	them that has
21	COUNCIL MEMBER KOSLOWITZ:
22	[interposing] Right.
23	MR. MANDLIKER:multiple
24	aspirins. And, you know, quite frankly, if you're

talking about something like that, you know, a

MR. MANDLIKER: I think I see one

of aspirin are for drugstores.

MR. MANDLIKER: Drugstores, a

packet of aspirin, I don't have a problem with

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2	that,	I	said	I	don't	have	а	problem.
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3 COUNCIL MEMBER KOSLOWITZ: Jewelry

4 is apparel.

5 MR. MANDLIKER: You know--

COUNCIL MEMBER KOSLOWITZ:

[interposing] I'm wearing a necklace, apparel,
it's part of my outfit.

MR. MANDLIKER: I know. just looking at apparel and at jewelry. It had them both listed so that tells me that there's, I'm not arguing with you, I think it is apparel but I'm dealing with a law that I see and I'm just trying to parallel it, expanding the products but paralleling it a little bit. Because, I've tried to give you the items that are most important to my client. And, you know, you've said to me about a packet of aspirins, okay, a packet of aspirins, I can't be against that. You mentioned battery chargers. You haven't heard me say anything about cell phone chargers or anything like that and $\ensuremath{\text{I'm}}$ sure it's very much in demand. I own one, actually own two of them, that is chargers, not cell phones. And okay, but, I mean, this I what I'm saying, I'd like to, you know, we're balancing

2	something, that's what legislation does all the
3	time. We balance, we have the interest of these
4	newsstand owners, they're entitled to make a
5	living, but the stores are entitled to make a
6	living also.
7	COUNCIL MEMBER KOSLOWITZ:
8	Absolutely.
9	MR. MANDLIKER: And these
10	COUNCIL MEMBER KOSLOWITZ:
11	[interposing] And personally I don't think this
12	would hurt any store of what they're
13	MR. MANDLIKER: [interposing] I
14	understand.
15	COUNCIL MEMBER KOSLOWITZ:able
16	to sell.
17	MR. MANDLIKER: And with great
18	respect, I say to you that I didn't pull these
19	products out of the air, you know, I consulted to
20	try to see what were the products that would most
21	affect or have the potential to most affect. And
22	that's why I came up with the products that I came
23	up with. I mean, I personally, I couldn't tell
24	you what would affect anything. What do I know?
25	COUNCIL MEMBER KOSLOWITZ: No, but

I'm just saying, you know, you have cosmetics. I
certainly would never buy cosmetics at a
newsstand, no offense to the newsstand operators.
I would never think of going, how would they have
the room enough for the shades that you wear, you
know, makeup, I'm very experienced with makeup.
And, you know, whatever you put on your face,
people put on different colors on their face.
They don't have the room to handle all these
products. I mean, it's like common sense that
they couldn't sell cosmetics. So, a lot of the
things that you have mentioned I don't' see in any
way how it would hurt any drugstore because I know
I go to the drugstore many, many times.
MR. MANDLIKER: So, therefore,
there's no, well, the things, the only thing that
I've mentioned that you said that you don't see
hurting the drugstores is the packet of aspirins.
COUNCIL MEMBER KOSLOWITZ: And
cosmetics because
MR. MANDLIKER: [interposing]
'Cause they're not going to sell cosmetics.
COUNCIL MEMBER KOSLOWITZ: Right.
MP MANDITKER: And so therefore

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4	COUNCIL MEMBER	. KOSLOWIIZ•

[interposing] They're not big enough. They would have to expand.

MR. MANDLIKER: And therefore if we put it in the bill as a prohibited product it doesn't hurt the people that it's supposed to help..

COUNCIL MEMBER KOSLOWITZ: Well, if we don't put it in the bill and they do sell it...

MR. MANDLIKER: Where are they going to sell it from? where's the room for it?

you just answered my, [laughter] you just answered my question, where is the room? So, how can they sell it so why do we have to put it into the bill?

COUNCIL MEMBER KOSLOWITZ:

MR. MANDLIKER: Because, I think it will give comfort to a very important economic and job creation sector of the city's economy because people are very smart and they can figure out lots of ways to do things. And if it's, if saying that newsstands can't sell cosmetics when they're not going to sell it anyway, it doesn't hurt.

COUNCIL MEMBER KOSLOWITZ: I'll take that under consideration.

Ferreras and Oliver Koppell.

COUNCIL MEMBER KOPPELL: Actually,

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you--

1	COMMITTEE ON CONSUMER AFFAIRS 25
2	CHAIRPERSON GARODNICK:
3	[interposing] Council Member Koppell has a
4	question.
5	COUNCIL MEMBER KOPPELL: I don't,
6	I'm not sure whether I think that cosmetics should
7	or should not be sold in these but why do you say
8	that they wouldn't be sold? I don't understand.
9	MR. MANDLIKER: I didn't.
10	COUNCIL MEMBER KOPPELL: Oh, you
11	didn't say that? Oh.
12	MR. MANDLIKER: Your Council, your
13	colleague, Council Member Koslowitz said that they
14	wouldn't be sold because there's not enough room
15	to sell them.
16	COUNCIL MEMBER KOSLOWITZ: How do
17	you offer different shades of cosmetics?
18	COUNCIL MEMBER KOPPELL: Yeah, but
19	you could have a small stand of cosmetics. Well,
20	we can discuss it, I thought you had said they
21	wouldn't be sold.
22	MR. MANDLIKER: No, I was just
23	responding to Council Member Koslowitz.
24	COUNCIL MEMBER KOPPELL: I see,
25	okay, 'cause I don't agree with Council Member

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Koslowitz on that. I don't agree with her. I
think they would be sold. But, we will, we ca
discuss that privately.

5 CHAIRPERSON GARODNICK: Thank you-6 MR. MANDLIKER: [interposing] Thank

7 you very--

much, Mr. Mandliker. We appreciate your testimony. And seeing no other witnesses wishing to testify on Intro 1048, we want to thank all of our witnesses for coming and members of the public for participating, thank our bill sponsor, Council Member Koslowitz for introducing this matter and Committee Counsel, Rachel Cordero. And with that, this hearing, did I note that Council Member Nelson was present? Just wanted to make sure I did. With that, this hearing is adjourned.

I, Tara Juhl certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

Date 6/12/13

Tanapull