

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES  
Of the  
COMMITTEE ON SMALL BUSINESS

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March 1, 2021  
Start: 1:15 p.m.  
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HELD AT: Remote Hearing (Virtual Room 1)

B E F O R E: Mark Gjonaj  
CHAIRPERSON

COUNCIL MEMBERS:  
Stephen Levin  
Bill Perkins  
Ydanis Rodriguez  
Helen Rosenthal

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

Jonnel Doris, Commissioner  
Department of Small Business Services

Lorelei Salas, Commissioner  
Department of Consumer and Worker  
Protection

Michael Tiger, Deputy General Council  
Department of Consumer and Worker  
Protection

Stephen Ettannani, Executive Director of  
External Affairs  
Department of Consumer and Worker  
Protection

Amna Malik, Associate Commissioner of  
Business Operations and Regulatory Reform  
Department of Small Business Services

Robert Bookman, Attorney  
Pesetsky and Bookman

Andrew Rigie, Executive Director  
New York City Hospitality Alliance

Ahyoung Kim, Associate Director of Small  
Business Programs  
Asian-American Federation

Michael Brady, CEO  
Third Avenue Business Improvement  
District

David Estrada  
New York City BID Association

Zach Miller, on behalf of Kendra Hems

Kathleen Riley  
New York State Restaurant Association

Susan Grant, Director of Consumer  
Protection  
Consumer Federation of America

Katherine Wellbeck, Civil Rights Counsel  
Student Borrower Protection Center



2

3 SERGEANT-AT-ARMS: Good afternoon. Will  
4 sergeants please start their recordings?

5 SERGEANT-AT-ARMS: PC recording underway.

6 SERGEANT-AT-ARMS: Thank you.

7 SERGEANT-AT-ARMS: Cloud recording good.

8 SERGEANT-AT-ARMS: Backup is rolling.

9 SERGEANT-AT-ARMS: Thank you. And good  
10 morning and welcome to-- Good afternoon and welcome  
11 to today's remote New York City Council hearing on  
12 the Committee on Small Business. At this time, would  
13 all Council members and Council staff please turn on  
14 their video? To minimize disruption, please place  
15 electronic devices on vibrate or silent mode. If you  
16 wish to submit testimony, you may do so at  
17 [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov). Once again, that is  
18 [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov). Thank you, Chair Gjonaj.  
19 We are ready to begin.

20 CHAIRPERSON GJONAJ: Thank you. Good  
21 afternoon. I am Council member Mark Gjonaj, Chair of  
22 the Committee on Small Business and I would like to  
23 welcome you to our virtual hearing today on two  
24 bills, Intro 2233 and 2234 that would dramatically  
25 improve the relationship between small business

2 owners and our city government. For too long, small  
3 businesses in our city agencies have had an  
4 antagonistic relationship. Small businesses view our  
5 local government as a hindrance to their success and  
6 the enemy. According to the 2016 report by the city  
7 Comptroller, there are 6000 rules and regulations,  
8 250 business related licenses and permits, and 15  
9 separate agencies that govern small businesses. As  
10 the report notes, the alphabet soup of agencies and  
11 regulations can leave even the most knowledgeable and  
12 sophisticated business owner frustrated. The  
13 Comptroller report found that nearly half of all  
14 business owners surveyed did not feel like they had  
15 been treated fairly by city inspectors and more than  
16 55 percent said agency inspectors had failed to  
17 adequately communicate expectations and requirements.  
18 Because of the pandemic and through no fault of their  
19 own, small businesses have tragically been closing en  
20 masse. According to a recent report by the  
21 Hospitality Alliance, for example, only 90 percent of  
22 surveyed restaurants, bars, and nightlife  
23 establishments were unable to pay their December  
24 rent. Small businesses are experiencing drastic  
25 declines in revenue and must decide whether they can

2 reopen or remain open and continue employing their  
3 staff during these challenging times. It is an  
4 absolutely shame that during this period, any  
5 business would receive a fine from a city agency for  
6 breaking an insignificant regulation. We must ensure  
7 that during the remainder of this pandemic, our city  
8 agencies forge a strong relationship with our small  
9 businesses. City agencies shouldn't work with  
10 businesses to collect potential violations instead of  
11 issuing burdensome fines that small businesses can't  
12 afford. As our city finally has been given the  
13 conversation of reopening and rebuilding after the  
14 pandemic, we must ensure that the administration will  
15 not balance the budget on the backs of our small  
16 businesses. This is why I'm proud of my bill,  
17 Introduction 2234 requiring the waiver and refund of  
18 certain civil penalties and allowing of additional  
19 civil penalty relief during the Covid 19 pandemic.  
20 This bill would provide temporary civil penalty  
21 relief for small businesses from certain sanitation,  
22 health, transportation, consumer affairs, noise  
23 control, and building violations. From the effective  
24 date of the legislation, establishing long-term civil  
25 and penalty relief until the expiration of New York

2 City's executive order number 98 of 2020 that would  
3 allow for additional periods of no penalties for  
4 second or third violations to point out that this  
5 bill only takes into consideration one third of the  
6 agencies that regulate small business. I'm also  
7 proud to be a prime sponsor on Intro 2233 which  
8 permanently transforms the way that the city enforces  
9 many small business related regulations. The bill  
10 would set fixed penalties at the bottom of existing  
11 penalty ranges, what we're existing penalty ceilings,  
12 and low were existing fixed penalties on certain  
13 regulations. It would also allow a cure or. For  
14 many first violation or it would eliminate the civil  
15 penalties and require a warning of first violations.  
16 As the Chair of this committee, it has been my  
17 priority to make New York City a friendlier  
18 environment for small business to start, succeed,  
19 grow, and expand. The hearing we are having to is  
20 one of the most important hearings we have had during  
21 my time as Chair. As we advance these bills through  
22 this committee, know that we will be transforming the  
23 regulatory environment for small businesses and keep  
24 more money in their pockets, allow hardworking  
25 business owners, allowing them to reinvest and

2 redevelop their business model to adapt to these  
3 challenging and overwhelming times. We can't wait on  
4 federal dollars or state action to save our small  
5 businesses and I hope the administration will not  
6 focus on that aid as a default answer as they have  
7 been doing so all along. I remind the administration  
8 that the fine penalizing a gotcha' culture existed  
9 prior to Covid 19 and continued during the crisis.  
10 The small business first initiative that this  
11 administration from will cut bureaucracy and remove  
12 outdated regulations and remove businesses getting  
13 fines and penalties to three years, 37 million  
14 taxpayer dollars failed and under the [inaudible  
15 00:07:11]. I look forward to hearing the  
16 administration's testimony today and to working  
17 together on these bills. The purpose of today's  
18 hearing is to hear from the stakeholders about these  
19 bills and what we can do to remove unnecessary  
20 government burdens and create a more business  
21 friendly environment that allows our small businesses  
22 to survive this crisis as they tried to rebuild so  
23 they can thrive in the future. While there would be  
24 unscrupulous actors, let me be clear that they, in no  
25 way, will be given a free pass to harm consumers such

2 as those who attempted to price gouge vulnerable New  
3 Yorkers during the height of the pandemic. We will  
4 not give aid and comfort to those who turn their  
5 backs on our city and its most desperate time of  
6 need. So, I ask the administration not to use fear  
7 and exaggerated scenarios to prevent these much-  
8 needed reforms. The intent is clear that 6000 rules  
9 and regulations, 250 business related licenses and  
10 permits, and 15 separate agencies that govern small  
11 business make New York City and anti-small business  
12 environment. Our small business owners want to  
13 comply with the laws. They just want to know the  
14 laws and, preferably, in a format that is easy to  
15 read and in their own native languages. Not all  
16 infractions are in immediate threat to the health and  
17 well-being of New Yorkers requiring heavy fines and  
18 penalties. A notice of noncompliance with cure.  
19 Would have the same result. With that said, I would  
20 like to thank the Chief of Staff, Reggie Johnson,  
21 legislative aide, Austin Sachar, our legislative  
22 counsel, Stephanie Jones, our policy analyst, Noah  
23 Miksler, financial analyst, Aliyah Ali, for their  
24 work in preparing for this hearing. I will also take  
25 this time to extend a special thank you to Indiana

2 Porter, Namika-- Denita John Tangai Wolster [sp?],  
3 Mark Chen, and Christopher Gerald for their hard work  
4 and the months that they spent on these bills. I  
5 want to now take the time to turn it over to my dear  
6 friend and colleague, Council member Vanessa Gibson  
7 for additional statements on her bill.

8 COUNCIL MEMBER GIBSON: Thank you so much,  
9 Chair Mark Gjonaj. Good afternoon, everyone. It's  
10 good to have everyone here at today's very important  
11 meeting at the Committee on Small Business. I am  
12 Council member Vanessa Gibson and I am proud to join  
13 with our Chair of Small Business, Chair Mark Gjonaj,  
14 in sponsoring Intro 2233 which would overhaul the  
15 administrative code to provide relief to so many of  
16 our small businesses across the city of New York.  
17 First and foremost, I would like to take this  
18 opportunity to thank all our small businesses. Our  
19 merchants, our business improvement districts, and  
20 all of our chambers of commerce for all of the work  
21 you have done during this global pandemic known as  
22 Covid 19. The fact that you have tried to maintain  
23 your business, to provide a critical service under  
24 some challenging circumstances between state  
25 regulations cope with the city regulations, capacity

2 issues, guidelines, and so many other things that you  
3 have been confronted with, we want to recognize all  
4 of you. Our frontline essential workers, many of  
5 whom operated during this pandemic. We know that it  
6 has not been state. We have heard from so many of  
7 you over the past year and we truly appreciate your  
8 commitment and firm and all the great work you are  
9 doing and trying your very best to survive and take  
10 care of you and your families. Our neighborhoods  
11 feel like home because of our mom-and-pop shops. Our  
12 restaurants, our beauty shops, our bodegas, grocery  
13 stores. So many of our critical partners are the  
14 fabric of our communities. All of you employee 26  
15 percent of New Yorkers, hundreds of thousands of  
16 jobs. You helped to generate billions of dollars in  
17 sales revenue, property tax revenues, sales tax, and  
18 income tax alone. Our economy would fail without all  
19 of you, our small businesses and so she to this  
20 recovery from Covid 19. Our top priority should  
21 always be supporting our small businesses. Working  
22 to educate all of you and not punishing you. We  
23 literally have thousands of laws and regulations  
24 today that apply to the school businesses. I bet you  
25 that not a single city employee can name or one of

2 the. Many of us can name all, but for some reason we  
3 expect small business owners to know about them.  
4 That is not fair. It's hard enough to run a business  
5 in the city of New York without the worry of surprise  
6 inspections and enforcement that could literally wipe  
7 out your profits for that day. This past year has  
8 been devastating for all of our businesses and for  
9 all New Yorkers and I truly, truly know the city can  
10 do more. The federal government can do more. The  
11 state government can do more. But at all local  
12 level, we need to do everything we can within our  
13 constraints to fix this problem. It wasn't easy to  
14 get. Our staff at the legislative division spent  
15 months pouring over laws to identify violations and  
16 punishments that simply didn't make sense. Hundreds  
17 of hours drafting language just to fix. So, if you  
18 don't have the correct sign hanging up in your store,  
19 you should get a chance to fix that, right? It  
20 shouldn't cost you \$375 because you had to make a  
21 delivery in a van that didn't have your name and  
22 address on it. That is not fair. That is punitive.  
23 Before the pandemic hit, the Department of Health and  
24 Mental Hygiene alone issued \$26 million and \$30  
25 million a year in fines. Consumer affairs over \$10

2 million. That from tens of thousands of violations.  
3 We cannot return to that. We need to do everything  
4 we can to give small businesses a real shot. A real  
5 shot. A tangible shot at recovery. And even though  
6 this bill amends more than 180 different laws, we  
7 know that our work is not done. This is a starting  
8 point. This is the foundation. This is a  
9 steppingstone. This is the beginning point for us to  
10 look at all of these existing regulations and somehow  
11 find common ground and common balance. I am excited  
12 to hear from our small businesses today, our business  
13 advocates, I chambers of commerce, our BID's and  
14 merchant associations. All of you representing small  
15 businesses right here in the city of New York.  
16 Certainly about today's agenda, but also about what  
17 we can do to help all of you as you survive this  
18 pandemic. Finally, I thank, again, our Chair of  
19 Small Business, Chair Mark Gjonaj. I want to thank  
20 the Speaker. Speaker Cory Johnson and Jason Goldman  
21 and the entire team at the Speaker's office for all  
22 of their work. Certainly, I want to thank the staff  
23 that has been recognized, Indiana Porter, Mark Chen,  
24 Tangia Wright, Jonathan Massorino, Zamina Fernandez,  
25 Cordero Perez, and I also want to thank Janita John.

2 Thank you, everyone. I certainly also want to  
3 recognize my committee staff of the Committee on  
4 Oversight and Investigations. Thank you to add  
5 Acting and the team and I look forward to today's  
6 hearing. Thank you, again, everyone. Thank you for  
7 all of your work. Thank you, small businesses. We  
8 are here for you every step of the way and I look  
9 forward to today's agenda. Thank you, Chair Gjonaj.  
10 I will turn it back to you.

11 CHAIRPERSON GJONAJ: Thank you, Council  
12 member Gibson. Before I turn it over to our  
13 moderator, committee counsel Stephanie Jones to go  
14 over some procedural items, I would like to  
15 acknowledge that we have been joined by Council  
16 members Holden and Rosenthal. Now I pass it to  
17 Stephanie Jones, our committee counsel.

18 COMMITTEE COUNSEL: Thank you, Chair  
19 Gjonaj. I am Stephanie Jones, Counsel to the  
20 Committee on Small Business and I will be moderating  
21 this hearing. Before we begin, I would like to  
22 remind everyone that you will be on mute until you  
23 are called on to testify. At which point you will be  
24 on muted by the host. During the hearing, I will be  
25 calling on panelists to testify. Please listen for

2 your name to be called as I will periodically be  
3 announcing who the next panelist will be. At this  
4 hearing, we will first be inviting testimony from the  
5 Department of Small Business Services followed by  
6 testimony from the Department of Consumer and Worker  
7 Protection and then from members of the public.  
8 During the hearing, if Council members would like to  
9 ask a question of the administration or a specific  
10 panelist, please use the zoom raise hand function and  
11 I will call on you in order. For all panelists, when  
12 called on to testify, please state your name in the  
13 organization that you represent, if any. We will now  
14 call representatives of the administration to  
15 testify. We will be hearing testimony from Jonnel  
16 Doris, Commissioner of the Department of Small  
17 Business Services and from Lorelei Salas,  
18 Commissioner of the Department of Consumer and Worker  
19 Protection. We will also be joined for questions by  
20 Amna Malik, Assistant Commissioner of business  
21 operations and regulatory reform at SBS, Mike Tiger,  
22 Deputy General Council of DCWP, and Stephen  
23 Ettannani, executive director of external affairs at  
24 DCWP. At this time, I will administer the  
25 affirmation. Panelists, please raise your right

2 hands. Do you affirm to tell the truth, the whole  
3 truth, and nothing but the truth before this  
4 committee and to respond honestly to Council member  
5 questions? Commissioner Doris?

6 COMMISSIONER DORIS: I do.

7 COMMITTEE COUNSEL: Thank you.

8 Commissioner Salas?

9 COMMISSIONER SALAS: I do.

10 COMMITTEE COUNSEL: Thank you.

11 Assistant Commissioner Malik?

12 ASSISTANT COMMISSIONER MALIK: I do.

13 COMMITTEE COUNSEL: Thank you. Deputy

14 General Counsel Tiger?

15 MIKE TIGER: I do.

16 COMMITTEE COUNSEL: Thanks. Deputy

17 Director Ettannani?

18 DEPUTY DIRECTOR ETTANNANI: I do.

19 COMMITTEE COUNSEL: Thank you. At this  
20 time, I would like to invite Commissioner Doris to  
21 present his testimony.

22 COMMISSIONER DORIS: Good afternoon,

23 Chair Gjonaj and members of the Committee on Small

24 Business. Jonnel Doris, the Commissioner of the New

25 York City Department of Small Business Services or

2 SBS. I am joined by Lorelei Salas, our Commissioner  
3 of the Department of Consumer and Worker Protection,  
4 DCWP and from my senior leadership team, Assistant  
5 Commissioner of business operations and regulatory  
6 reform, Amna Malik. At SBS, we aim to unlock  
7 economic potential and create economic security for  
8 all New Yorkers by connecting them to quality,  
9 building stronger businesses, and fostering thriving  
10 neighborhoods across five boroughs. I am pleased to  
11 testify on the work SBS and partner agencies are  
12 doing to reduce the regulatory burden on small  
13 businesses. At the beginning of the administration,  
14 Mayor de Blasio tasked SBS, the Mayor's Office of  
15 Operation, and regulatory agencies to find ways to  
16 ease the city's regulatory environment for small  
17 businesses. The city launched Small Business First,  
18 a multi-agency initiative with four key goals.  
19 Provide clear information and coordinated services  
20 and support, help business owners understand and  
21 comply with regulations, reduce the burden imposed by  
22 complex regulations and penalties, and in sure equal  
23 access for all business owners. Using these  
24 principles, Small Business First worked with more  
25 than 600 business owners, CBO's, chambers of

2 commerce, local economic development corporations,  
3 BID is, industry professionals, elected officials,  
4 and over 15 city agencies to identify 30  
5 recommendations to target and implement. SB1  
6 streamlined the permitting processes and created an  
7 online business portal where businesses can complete  
8 applications, make payments, and get status updates.  
9 To date, there have been more than 7.2 million  
10 visitors to the portal with over 45,000 accounts  
11 created. We also produced 29 plain language guides  
12 and launched our compliance advisors program.  
13 Additionally punitive practice is needed to be rooted  
14 out and prioritized for change through the lens of  
15 equity. Although the city was successful in  
16 implementing all the recommendations from SB1,  
17 altogether the city was successful in implementing  
18 all the recommendations from SB1. These changes save  
19 businesses more than 50 million annually by reducing  
20 fees for licenses and permits, reducing processing  
21 times for applications, reducing penalties and  
22 educating businesses on how to avoid penalties. In  
23 total, SB1 reduced small business penalties by over  
24 40 percent. Building on the success of SB1, the  
25 Mayor committed to expanding civil penalty relief

2 further for small businesses, including eliminating  
3 penalties for first-time violations and expanding  
4 curable offenses. Ensuring that public health,  
5 safety, and quality of life were maintained, SBS  
6 worked with our partner agencies and identified 73  
7 additional violations for cure or first penalty  
8 elimination improve the business environment in the  
9 city. Expanding curable violations and eliminating  
10 first-time offense penalties allow enforcement  
11 agencies to prioritize education and compliance over  
12 financial penalties. To date, small business  
13 services have helped save businesses 118 million and  
14 penalties through education. Our compliance advisors  
15 and business advocates have completed over 8000  
16 consultations working with business owners on a  
17 recurring basis to help them navigate and succeed in  
18 the complex regulatory environment. We provide  
19 targeted guidance through our on-site consultations  
20 of and learn how to avoid common violations across  
21 city agencies. The advisors are able to conduct  
22 consultations on site and in a business owners  
23 preferred language. They cut through bureaucracy and  
24 red tape to bring equity and consistency to business  
25 as. You can be assured that we are taking it all--

2 taking in all of this field information and using it  
3 to inform our work going forward, now and in the  
4 future. In the midst of this work, we were thrown  
5 into the taps of the pandemic. SBS and city agencies  
6 had to adapt quickly and collaborate the design  
7 programs and services to support small businesses  
8 during the health and economic crisis. Brand-new  
9 programs like Open Restaurants and Open Streets were  
10 created to reduce the public health risks and create  
11 opportunities for businesses. And although SBS is  
12 not a regulating agency, we work with many of our  
13 partner agencies who made concerted efforts to the  
14 prioritize outreach and education over penalties and  
15 enforcement for businesses struggling during the  
16 pandemic. The number of civil summonses issued by  
17 the city's enforcement agencies fell significantly in  
18 2020. For example, compared to 2019, DOT issued 42  
19 percent fewer summonses this past year. NYPD issued  
20 56 percent fewer, and DOHMH issued 75 percent fewer.  
21 Despite the challenges of the pandemic, the city has  
22 successfully implemented changes to nearly 60 percent  
23 of the targeted 73 violations and we expect to  
24 complete the remaining changes this year. We  
25 estimate this will reduce penalties by an additional

2 10 percent, creating a total reduction in penalties  
3 of 50 percent by the end of this year. During the  
4 pandemic, we have seen the stark inequities our  
5 society calls and its framework laid bare. At SBS,  
6 we have witnessed this challenge in the city's  
7 neighborhoods because of the businesses that are  
8 impacted every day. From the 55,000 calls to our  
9 hotline, to the 74 business quarter towards visiting  
10 thousands of businesses across all five boroughs, to  
11 a deep collaboration with our BID's, chambers of  
12 commerce restaurant organizations and business  
13 groups, we recognize the problem and moved to address  
14 them. This work will not end with the pandemic. As  
15 you know, as laws are created, they need to be  
16 continually reviewed, modified and eliminated to  
17 ensure the remaining-- and remain relevant and  
18 uphold their intent. We have an obligation in  
19 government to continually search for laws and  
20 violations that lead to a deeper inequity and moved  
21 to correct them. This past year, we launched over  
22 two dozen programs and initiatives, fielded over  
23 55,000 phone calls, hosted over 350 webinars with  
24 nearly 50,000 attendees. We have done 74 walks  
25 reaching thousands of small businesses. Our focus

2 has been on supporting the needs of our small  
3 businesses and the hardest hit communities, including  
4 minority and immigrant owned businesses. Before  
5 closing, I would like to turn to the two bills being  
6 heard today, sponsored by Chair Gjonaj and Council  
7 member Gipson. We share the Council's goal to help  
8 small businesses by cutting penalties and allowing  
9 individuals to cure violations. We are still  
10 reviewing the extent of the proposals and look  
11 forward to working with the Council in coming up with  
12 a balanced approach that achieves our mutual goals  
13 while still giving our agencies the tools needed to  
14 deter those who seek to take advantage of New  
15 Yorkers. Commissioner Salas will go into more detail  
16 on the implications of the legislation on the city's  
17 consumer protection law. I and my testimony with the  
18 commitment from SBS to make the regulatory  
19 environment easier for small businesses, while  
20 protecting the public health, safety, and quality of  
21 life of all New Yorkers. We know there is always  
22 more work to be done and we look forward to continued  
23 partnership with the Council to identify new  
24 opportunities to reduce the regulatory burden on

2 small businesses across the city. Thank you and I am  
3 happy to take your questions.

4 COMMITTEE COUNSEL: Thank you,  
5 Commissioner. At this time, I would like to invite  
6 Commissioner Salas to present her testimony.

7 COMMISSIONER SALAS: Good afternoon,  
8 Chair Gjonaj, Council member Gibson, and members of  
9 the Committee on Small Business. I am Lorelei Salas,  
10 Commissioner of the Department of Consumer and Worker  
11 Protections, or DCWP. I am joined today by my  
12 colleagues, small business services Commissioner  
13 Doris and my colleagues, Michael Tiger, our Deputy  
14 General Counsel, and Stephen Ettanani, our Executive  
15 Director of external affairs. Thank you for the  
16 opportunity to testify today before the committee. I  
17 agree with an echo my colleague, Commissioner Doris  
18 and his testimony in support of the intent of both  
19 introductions and their consideration, but we oppose  
20 the proposal-- the dilution of DCWP's foundational  
21 law, the consumer protection law, also known as CPL.  
22 Diluting the CPL and not improving its protections it  
23 will have tremendously negative consequences for the  
24 most vulnerable of our cities constituents and stifle  
25 our agency's mission during a time of extreme crisis.

2 In fact, we look forward to working with the Council  
3 to strengthen the protections of the CPL. There is  
4 no question that the administration and DCWP supports  
5 small business relief. We have prioritized giving  
6 small businesses the tools they need for compliance  
7 and work with the Council to cut red tape for license  
8 fees and other businesses. Prior to the pandemic,  
9 our agency instituted robust language access and  
10 educational collateral to serve our small businesses.  
11 We established the visiting inspector program to  
12 educate licensees about the laws and rules applicable  
13 to their businesses with one-on-one personal visits  
14 where we provide businesses with plain language  
15 checklists so they know exactly what we will be  
16 looking for in the future. We have eliminated  
17 redundant license categories, famed business is up to  
18 \$9.8 million through 31,000 cure legible violations  
19 issued since 2014 and have proactively approached the  
20 Council with the new cure legible violations we  
21 believe should be implemented. At the onset of the  
22 Covid 19 crisis, we partnered with Council to refund  
23 \$12 million in consent fees to restaurants and  
24 extended the license and renewal periods for more  
25 than 50,000 licensees. We also suspended patrol

2 inspections at the start of the state of emergency  
3 and our team has actively been on the ground,  
4 educating more than 3500 small business is door-to-  
5 door on safe reopening guidance. This is all to say  
6 that the goals of these bills are broadly in step  
7 with our own efforts to support our cities small  
8 business as however, we can achieve the goals of  
9 providing relief to small brick-and-mortar businesses  
10 without abandoning our most vulnerable consumers.  
11 Likewise, we do not believe that businesses who  
12 egregiously decided to price gouge consumers on goods  
13 used to treat, prevent, and limit the spread of Covid  
14 19 should have their civil penalties returned to  
15 them. Since 1969, the CPL has been an essential  
16 component of our city government obligations to  
17 protect our constituents from harm, including from  
18 the minority of businesses and corporations that  
19 would seek to deceive our consumers. Significantly,  
20 before the Council's consideration is Introduction  
21 1622 which modernizes the CPL to reflect the  
22 Council's commitment to guard New Yorkers from  
23 deceptive online transactions, required documents be  
24 translated in a consumers language of preference, and  
25 provide penalties that are effective deterrence of

2 predatory conduct. That bill has the support of  
3 Council member Ayala, Chair of the Consumer Affairs  
4 and Business Licensing Committee, along with the  
5 majority of members with that committee. In 1969,  
6 the cost of bread for the consumer was \$0.20. Since  
7 that time, the CPL penalties have remained unchanged.  
8 Now they are among the lowest consumer protection  
9 penalties in the entire country and are not an  
10 adequate deterrent for businesses. Fair penalties  
11 that protect New Yorkers from real harm makes sense.  
12 Much like the civil penalties in Council's recently  
13 passed legislation to protect our small businesses  
14 from unreasonable fees from online delivery apps to  
15 require small businesses to disclose their collection  
16 of biometric data or to require hotels to report  
17 their service disruptions. The CPL enjoys broad  
18 support from labor and immigrant legal service as an  
19 economic development organizations. The youth  
20 organization made up of every day New Yorkers now the  
21 impact of the CPL on our lives. They know it is the  
22 shield that deters nefarious from preying on  
23 immigrant New Yorkers who are in search of the  
24 American dream. It is the safeguard that allows us  
25 to pursue cell phone companies who deceive consumers

2 into buying used phones marketed as new or for-profit  
3 schools to deceive students and taking grants that  
4 convert to private loans without the student's  
5 knowledge. In sum, the CPL gives the agency standing  
6 to pursue predatory practices citywide. Take, for  
7 example, price gouging. This is a work that we  
8 pioneered after public outcry for more than 12,000  
9 New Yorkers. Businesses that use the darkest hours  
10 of the pandemic to exploit their consumers should not  
11 be given a reprieve from those acts. We, at the  
12 city, should strengthen the CPL protections and we  
13 should be concerned by measures to reduce them or  
14 forgive pass penalties issued under its authority.  
15 DCWP supports the intent and efforts to help our  
16 small businesses, but are strongly opposed to  
17 weakening the nation's first-ever municipal consumer  
18 protection law. DCWP at its core is dedicated to  
19 protecting our consumers and workers and diluting  
20 this law would go against this very mission.  
21 Intrinsically tied to this is the work we have done  
22 to protect our city from endemic price gouging that  
23 arose during the pandemic. We encourage the Council  
24 to include Intro 1622 or its corporations with this  
25 legislative package. An update to the consumer

2 protection law is needed now more than ever. Thank  
3 you for the opportunity to testify and I look forward  
4 to any questions you may have.

5 COMMITTEE COUNSEL: Thank you,  
6 Commissioner. I will now turn it over to questions  
7 from Chair Gjonaj. Panelists, please stay on muted  
8 if possible during this question and answer period.  
9 Thank you. Chair Gjonaj, you may begin your  
10 questions.

11 CHAIRPERSON GJONAJ: Thank you so much.  
12 First, I want to thank both commissioners for  
13 participating and testifying today. In my opening  
14 statement, I referred to making sure that we look at  
15 the 6000 rules and regulations that truly are a  
16 burden on our small business as. Not all 6000 rules  
17 and regulations or all 250 license as that are  
18 required, and the 15 agencies that oversee 6000 rules  
19 and regulations are all life-threatening immediate  
20 hazards to the life New Yorkers. Not all 6000 rules  
21 and regulations are protecting consumers from ill  
22 intended small businesses. I put that into my  
23 opening statement. Make sure that we didn't get off  
24 the path. These two bills and know where they are  
25 meant to protect small business owners that

2 maliciously have taken advantage of or potentially  
3 risk New Yorkers or take advantage of vulnerable New  
4 Yorkers to price gouging. I put that in there and I  
5 don't want this hearing to become what we have to  
6 protect. We know our responsibilities. We know what  
7 our jobs require us to do and that is to protect New  
8 York. New Yorkers. I am looking at the 6000 of  
9 which only a little over 180 rules and regulations  
10 are highlighted in these two bills. The importance  
11 of this hearing is to hear from stakeholders  
12 including the agencies and small businesses on what  
13 more we can do. Commissioner Doris, you pointed  
14 out-- I believe it was Department of Health, NYPD,  
15 and DOT as the three agencies that reduced the number  
16 of summonses that were issued. Am I correct on that?  
17 You are on mute, Commissioner.

18 COMMISSIONER DORIS: Thank you, Mr.  
19 Chair. We just listed those three, but we did see a  
20 decline in summonses across the city. In all  
21 summonses across the city since last year.

22 CHAIRPERSON GJONAJ: Thank you for that,  
23 Commissioner. Although, there was a reduction in  
24 summonses that were issued, and DOT, in calendar year  
25 2020, when most of our businesses were shut down, New

2 Yorkers were ordered to shelter in place, they still  
3 issued 28,703 violations Department of Health, and a  
4 dramatic decrease, still issued 16,558 violations.  
5 BASNY issued 258,977 violations during a period of  
6 which most businesses were forced shut down. So I  
7 appreciate you mentioned a reduction in summonses,  
8 but as you can clearly see and as evident by the  
9 number of violations that were issued that the city  
10 continues to issue summonses at an alarming rate.  
11 Would you like to respond on that, Commissioner?

12 COMMISSIONER DORIS: Yeah. You know, I  
13 believe that your reviewing of the actual numbers,  
14 you know, we believe last year there was significant  
15 decrease in, look, we are working towards continuing  
16 to decrease. I think, you know, as you issue a  
17 summons, you know, there is a process where some of  
18 these can be cured, etc., and were still analyzing  
19 all of those numbers. But, certainly, we are here  
20 and support the intent of this bill and you know we  
21 have sort of taken towards around, as well and spoken  
22 to some of these businesses about some of these  
23 concerns and I think our concerns are aligned when it  
24 comes to making sure that we begin to streamline even  
25 further some of these, as well. We mentioned, also,

2 in our testimony about the additional 73 or so that  
3 we found that we are working on right now, over half  
4 of them completed, that we are also seeking to have  
5 changed and reduced input into cure periods, etc.  
6 So, we certainly are aligned on the intent here.

7 CHAIRPERSON GJONAJ: Thank you,  
8 Commissioner. Commissioner, would you happen to know  
9 which inspections have been put on hold during the  
10 pandemic?

11 COMMISSIONER DORIS: I'm sorry? Me?  
12 Yeah. So, what types of inspections have been put on  
13 hold?

14 CHAIRPERSON GJONAJ: Yeah.

15 COMMISSIONER DORIS: pardon?

16 CHAIRPERSON GJONAJ: Yes. What types of  
17 inspections, which departments have been put on hold  
18 from enforcing and overseeing whether it be expired  
19 licenses and permits, signage regulations? How many  
20 have been on hold in calendar year 2020 or, more  
21 specifically, during the pandemic.

22 COMMISSIONER DORIS: I know most of the  
23 agencies were focused on health and safety and then  
24 the Mayor, as you know, had declared that we were in  
25 in education first posture and for the changes that

2 were made to restaurants and other types of  
3 businesses. So, I do know that agencies were  
4 reviewing when health and safety and certainly  
5 focusing on those particular violations.

6 COMMISSIONER SALAS: If I may jump in, I  
7 can speak from DCWP's perspective, Chair Gjonaj.  
8 First, I just want to acknowledge that the remarks  
9 that you made at the opening of your introduction of  
10 this hearing and we are sure to hear that you are  
11 concerned also about price gouging, but I want to  
12 talk a little bit about the question that you just  
13 posed. From our data, I can tell you that when we  
14 compare 2019 to 2020, we have issued 50 percent less  
15 summons as during the year 2020 and we suspended  
16 patrol inspections right at the outset of the  
17 pandemic. So, the typical inspections where you  
18 would see DCWP, we suspended the house. The majority  
19 of our inspections where we respect to price gouging  
20 and respond to those complaints and also in our role  
21 working with other agencies during the business  
22 reopening work under that Office of [inaudible  
23 00:41:12] enforcement umbrella.

24 CHAIRPERSON GJONAJ: Thank you,  
25 Commissioner Salas. Case in point. Year-over-year,

2 calendar year 2020 over 2019, the city still issued  
3 529,732 summonses, a major reduction from the  
4 previous year, but that is still almost 530,000  
5 violations that were initiated and they all came with  
6 penalties and fines. So, I thank you for your  
7 response, Commissioner, but the question that I had  
8 asked was if we knew what inspections had been put on  
9 hold-- I understand your priority on health and  
10 safety and education with Covid. The reason I asked  
11 that question is if there were a hold on agencies in  
12 the department from enforcing, why didn't the city  
13 feel that these particular inspections could wait?  
14 Any better Commissioner can answer that question.

15 COMMISSIONER SALAS: Again, I would just  
16 say that the inspections that DCWP conducted were  
17 mostly in response to complaints regarding price  
18 gouging situations. We had over 12,000 complaints  
19 from consumers regarding price gouging, so we  
20 actively were looking into that and that business  
21 reopening inspections that we did as part of the work  
22 with the Office of Special Enforcement. We were not  
23 actively patrolling and looking for other types of  
24 compliance reviews since March. The focus for us was  
25 price gouging and business reopening and I am not

2 aware of the other agencies use enforcement  
3 strategies going back.

4 CHAIRPERSON GJONAJ: Thank you,  
5 Commissioner Salas. Of the 12,000 reported incidents  
6 of price gouging, how many violations or how many  
7 small business as did you find that were in violation  
8 of our price gouging laws?

9 COMMISSIONER SALAS: Yeah. So, we  
10 received over 12,000 complaints and I am just looking  
11 for that information right now. We assured  
12 approximately 1100 summonses in response to those  
13 complaints. The 1100 summonses were about 300. Each  
14 in Manhattan, Queens, and Brooklyn, 200 in the Bronx,  
15 and 23 in Staten Island.

16 CHAIRPERSON GJONAJ: So, roughly 10  
17 percent of the complaints found ill intended small  
18 businesses.

19 COMMISSIONER SALAS: We may have  
20 received, you know, several complaints against the  
21 same business, right? So, yes.

22 CHAIRPERSON GJONAJ: The readings and I  
23 picked up on what you had brought up as an issue is  
24 because we keep focusing on price gouging and, again,  
25 I want to reiterate that these two bells are not

2 intended on undermining the laws that we have for  
3 price gouging, nor are they asking for refunds for  
4 two small businesses for the finds that they received  
5 and paid were price gouging? I'm hoping that we can  
6 stay away from that conversation altogether. That is  
7 not the intent. We want to keep away from that  
8 focus. There are 6000 other rules and regulations  
9 out there and not all of them are in immediate threat  
10 to the health and safety of New Yorkers or involve  
11 price gouging.

12 EXECUTIVE DIRECTOR ETTANNANI: I just  
13 want to-- and, again, I want to reiterate what the  
14 Commissioner mentioned. You know, your remarks were  
15 clear as day and we appreciate that. I think what  
16 our intent with testimony was to clarify something  
17 that a lot of folks don't know is that our price  
18 gouging laws were promulgated under our consumer  
19 protection law which is our foundational law. We  
20 completely agree and have, in fact, forwarded over 40  
21 cure violations to the Council that were incorporated  
22 in this package. We believe full heartedly in  
23 support the small business package by and large, but  
24 as it speaks to our consumer protection law and ipso  
25 facto as related to our price gouging work, that is

2 where our contention is because that law, in and of  
3 itself, is outdated as is and hasn't been updated  
4 since 1969 and I think was mistakenly implicated in  
5 the bill. But your intent and introductory remarks  
6 were clear and we appreciate that, as well.

7 CHAIRPERSON GJONAJ: Thank you. We will  
8 continue to work on strengthening the consumer  
9 protection act and keeping it up to date, that there  
10 is more out there that can be done. And, quite  
11 frankly, 15 agencies-- and I just got your agency,  
12 Commissioner, that we are focused on. There are a  
13 total of 15 agencies that are issuing tickets and  
14 violations on a daily basis. That's the point that  
15 I'm making. But the reason I asked a question about  
16 how many inspections have been put on hold during the  
17 pandemic and why did the city feel that these  
18 particular inspections could wait, is it also sees  
19 that perhaps those requires could also be candidates  
20 as to what regulations we would be looking at to  
21 extend a period or cure period that don't necessarily  
22 require a fine or a penalty. And in this case, it  
23 takes two to tango to get this done. If there is a  
24 willingness for the City Council and this  
25 administration to truly sit down and collaborate on

2 where we can agree, then we have a slew of laws that  
3 we can focus on and they are not focused on the  
4 consumer protections that we want to strengthen.  
5 There are slew of other laws with 14 other agencies  
6 and departments that we can look at to make sure that  
7 we still protect consumers, give small businesses a  
8 fighting chance. And I'm always underscoring  
9 whatever is not an immediate threat to the health and  
10 well-being of New Yorkers. A sign fine is not an  
11 immediate threat. A sign that is put behind the  
12 register instead of in front of the register is not  
13 an immediate threat. A wall that just to comply with  
14 the number of notices that the city mandates every  
15 employer should have posted in a conspicuous place,  
16 which means you have a wall that is 10 feet high and  
17 10 feet wide, is not an immediate threat. There's  
18 plenty of more things that we can focus on. So, my  
19 question continues and I'll ask this of Commissioner  
20 Salas, Intro 2233 reforms DCWP's notice of violation  
21 process. Will you please explain the current process  
22 and describe how the changes for [inaudible 00:48:51]  
23 were affecting enforcement in your agency?

24 COMMISSIONER SALAS: Thank you for the  
25 question, Chair Gjonaj. We are still looking at the

2 language, the proposed legislation and I just want  
3 to, again, reaffirm our commitment to working with  
4 you and the rest of the committee on finding ways to  
5 relieve small businesses from burdensome regulations  
6 that do not harm consumers or workers. Certainly, we  
7 are aligned and that intent. We do think that some  
8 of the sections that saved our enforcement process,  
9 like do processing data, tracking, and more, we want  
10 to work with you on ensuring that the process that  
11 you are attempting to get to, it's not unduly  
12 creating burdensome issues for businesses themselves,  
13 right? We have currently a curable process for a  
14 number of other violations that work well in our  
15 opinion and expanding just the types of violations  
16 that can be included in that I think is something we  
17 can work with and I'm not sure if Mike or Steve want  
18 to add anything else to that.

19 EXECUTIVE DIRECTOR ETTANNANI: Yeah. I  
20 think there is probably some, on the operational side  
21 of things, I know there are probably some tweaks that  
22 we would like to be made so that we can effectively  
23 enforce and fulfill our mission and as an agency to  
24 protect consumers. I think something like a  
25 protracted back-and-forth that would inhibit our

2 ability to patrol businesses and remove that posture  
3 from our agency is something that we wouldn't want as  
4 an unintended consequence of this legislation. But,  
5 as the Commissioner mentioned, we are looking at the  
6 language actively and we will be happy to work with  
7 you and your staff as this bill progresses in the  
8 legislative process.

9 CHAIRPERSON GJONAJ: Thank you, Steve.  
10 Commissioner, can you explain the current process of  
11 the enforcement of your agency? What goes through  
12 the day-to-day?

13 COMMISSIONER SALAS: Sure. First of  
14 all, just say that, for the last two or three years--  
15 actually probably more like four years now, we have  
16 had to balance our licensing businesses, right, and  
17 having to provide a service to small businesses and  
18 also enforcing our consumer protection and worker  
19 protection laws. So, we are always trying to find  
20 ways to address the need that you pointed to of  
21 having businesses that are educated on the laws that  
22 they have the tools to comply in their languages. We  
23 set up a process-- a new program, actually, called  
24 the Visiting Inspector program. It has been in place  
25 for the last couple of years and, basically, what it

2 does is, when you obtain a license for the first time  
3 from our agency, what you first see it is an  
4 inspector who comes to do a purely educational visit  
5 to your business. This is a visit arranged with the  
6 manager or an owner and we come in and we explained  
7 everything you need to comply with. So, we take  
8 outreach and education seriously and we have a number  
9 of materials in different languages, as well as our  
10 checklists. So, when we are coming to educate you  
11 and give you a copy of the checklist that our  
12 inspectors use when they need to the inspections,  
13 right? So, there is nothing hidden. It is in plain  
14 language and you will understand exactly what we well  
15 be looking for. In addition to that, we also conduct  
16 business education days and we have done it with a  
17 number of Counsel members who have asked us to come  
18 out to commercial corridors to go door-to-door  
19 talking to businesses that need information from us.  
20 We are required to do 10 business education days in a  
21 year. Last year we did 33 business education days.  
22 We went to some of the neighborhoods that were  
23 hardest hit by Covid 19 knowing that the business as  
24 needed a lot of information and education and  
25 understanding that there were new state guidelines

2 that were getting published. So, we take this very  
3 seriously. Additionally, we have adjusted our  
4 strategy for enforcement to focus on areas or  
5 industries where there is the greatest harm to  
6 consumers if there is no compliance with those laws,  
7 right? So, that is sort of the basis from where we  
8 start. Now, we do two things. We respond to  
9 complaints and we also to patrol inspections. We are  
10 supposed to look actively for compliance with the  
11 laws and rules of our licensees. Like I said, last  
12 year, again, we focused mostly on complaint response.  
13 Now, there are a number of curable violations in the  
14 law that the Council worked to pass and, you know,  
15 establishing the law and make sure that the first  
16 time we see a business for some signage and received  
17 violations, right, like failing to post a sign that  
18 says, you know, what is the minimum purchase for  
19 being able to use a credit card, right? Or the fact  
20 that a receipt has to include all kinds of  
21 information, including the license number. For some  
22 of those first time violations, businesses may  
23 receive a curable violation which means they get a  
24 notice that they are in violation of this particular  
25 provision of the law, but they have a chance to cure

2 it and to send us proof that they actually fixed the  
3 problem and, in that case, they will not incur a  
4 fine. And I just want to check with Mike and Steve  
5 to make sure that everything I have said is accurate  
6 or if there is anything else that you want to add to  
7 that and what is the next step on that?

8 EXECUTIVE DIRECTOR ETTANNANI: Yeah. I  
9 mean, yeah. Of course. What you said is accurate,  
10 Commissioner. I would also mentioned that, as we go  
11 on patrol inspections that consideration is given, of  
12 course, to that in any language barriers that we may  
13 encounter in the field as we enter a business. Our  
14 inspectors are multilingual in many cases and,  
15 certainly, if we have information ahead of time that  
16 are in our notations or in our software and process  
17 that indicate that a particular business owner is  
18 fluent in one language or another, we will assign the  
19 appropriate inspector with that capacity to go in.  
20 We also utilize language line to bridge those gaps  
21 and, of course, as the Commissioner mentioned, with  
22 our education and compliance work, our plain language  
23 checklists, were-- in collateral writ large are  
24 translated into all the languages that are designated  
25 city languages and, in many cases, we go above and

2 beyond that statutory requirement to ensure that  
3 folks have the information in the language that they  
4 most completely understand and are comfortable  
5 transacting in.

6 CHAIRPERSON GJONAJ: Thank you for that  
7 answer, Steve and Commissioner Salas. You mentioned  
8 that you historically have to do 10 days of education  
9 days per calendar year and last year was 33. How  
10 many sites did you actually visit? How many small  
11 businesses did you actually visit during those 33  
12 days?

13 COMMISSIONER SALAS: Yes. For each  
14 business education day, we able to visit anywhere  
15 between 70 to 110 or 120 businesses on that day and I  
16 am just looking right now at-- okay. The numbers of  
17 business as we visited in 2020 were about 2100  
18 business as visit it door-to-door. So, that means it  
19 is my agency coming in. We often invite other  
20 agencies like sanitation. Small Business Services  
21 usually comes along, too. This is in addition to the  
22 other work that they do, right? And we are simply  
23 coming to those corridors based on like the need that  
24 we see, but also partnering with Council members who  
25 say to us, I want you to come to this particular

2 area. This is where I see a lot of need for more  
3 outreach and education. And so, yes. We did 33  
4 business education days beginning in June. So, the  
5 moment the city started reopening we put our staff  
6 out in the field. I am often in the field with them.  
7 Business owners have an opportunity to talk to me  
8 directly and give me feedback if they see or they are  
9 finding that they have issues understanding what we  
10 are asking them to do or they have, you know, some  
11 constructive feedback which often comes along when I  
12 visit. So, you know, we are trying our best and we  
13 will welcome more ideas for work to do outreach in  
14 the city, but I want to just make a clarification  
15 because you asked me about our patrol strategy. You  
16 know, as I mentioned before, the consumer protection  
17 laws pretty broad, right? It doesn't just capture  
18 the types of violations that you see brick-and-mortar  
19 business as sometimes, you know, see themselves,  
20 right? Like the receipt and the signage. But with  
21 this law, we are also protecting consumers from the  
22 more deceptive fraudulent practices by some  
23 companies, right? I say that an example would be  
24 like immigrant New Yorkers who will all our defrauded  
25 by immigration service providers or attorneys who are

2 selling them this inexistent visa and charging that,  
3 you know, thousands of dollars and putting them in  
4 deportation proceedings. That is the type of  
5 protection that the immigrants need. We use the CPL  
6 to protect them. We use it to protect consumers who  
7 go to a used car dealership and ended up buying a  
8 lemon, right, and on alone with 24 percent interest  
9 rate and signing documents that they didn't  
10 understand. So, it is pretty broad in its coverage  
11 and all we are saying here today is that there is  
12 definitely a balance that we can find together to  
13 protect those consumers and also find ways to relieve  
14 the brick-and-mortar businesses that we, you know,  
15 make the-- make our neighborhoods what they are.

16 EXECUTIVE DIRECTOR ETTANNANI: And I  
17 will say that, you know, the I think that, you know,  
18 the 2500 businesses that we have visited by way of 33  
19 business education days this past year, that is our  
20 most intimate level of outreach in a lot of ways.  
21 It's our most resource intensive level of outreach  
22 that we conduct. And that work is informed  
23 particularly this past year, by ZIP Codes that fall  
24 within and have informed the racial inclusion and  
25 equity task force that the Mayor put together and

2 that the Commissioner serves on. So, we are going  
3 and using our limited resources in the most strategic  
4 way possible to visit businesses in those communities  
5 and corridors that really can't, from a business  
6 perspective, can't afford to be nickeled and dined by  
7 city agencies, but also whose consumers can't afford  
8 to be nickeled and dined by any predatory businesses.  
9 So, that is where we are putting our resources, first  
10 and foremost. Of course, as I am sure Mike, my  
11 colleague, can attest to, the General Counsel  
12 division puts on intensive presentations for license  
13 categories that we called TCA 101. Future  
14 iterations, I'm sure, will be called DC WP 101. Ones  
15 that come to mind speak to like the laundry license  
16 category. Again, the software borough wide  
17 presentations that are put on to give a legal  
18 presentation to the owners so that they know the laws  
19 and rules that they are being asked to comply to and  
20 for, often times after the Council acts two step up  
21 regulations. And we have, of course, materials  
22 online on our website and broader virtual based  
23 presentations that we do with community partners that  
24 have a scope and breadth of thousands of businesses  
25 citywide. So, I don't want to give the impression

2 that are only outreach is to a very small segment of  
3 the population. We highlight the business education  
4 days because that is our most intensive outreach and  
5 we are going, basically, where folks need us the most  
6 in the city.

7 MICHAEL TIGER: And just to add to what  
8 Steve said, you know, to give you the example that  
9 Steve gave of DCA going to be DCWP 101s, I mean, we  
10 gave one in the last couple of years on consumer  
11 protection law, but we also gave two very well  
12 attended DCA 101s, the home improvement contractor  
13 licenses the community in multiple pros and we got  
14 very positive feedback on that.

15 CHAIRPERSON GJONAJ: Thank you all for  
16 that. I have two more questions and I want to then  
17 pass it over to Council member Gibson who I am sure  
18 has her own questions and my other colleagues.  
19 Before I do, I just want to acknowledge that we have  
20 been joined by Council member Levin and Perkins.  
21 Commissioner Salas, I have a question for you and  
22 then I sure Commissioner Doris will correct me if I  
23 am wrong year. I believe the accepted number of  
24 small businesses that New York City acknowledges is

2 240,000 in the city of New York. Am I correct,  
3 Commissioner Doris?

4 COMMISSIONER DORIS: That is correct.

5 CHAIRPERSON GJONAJ: You have visited--  
6 I heard the number to 2100 and 2500. That represents  
7 one percent of the total small businesses in New York  
8 City. While it is commendable that you are doing the  
9 outreach-- and that is on a year that you did 33  
10 educational days versus the typical 10 days. We  
11 certainly can do a lot more in reaching out to these  
12 small businesses and it's in the best interest of New  
13 Yorkers, our city, and the small business as so that  
14 we can educate them. Commendable on the outreach  
15 attempt, but it certainly doesn't go far enough and  
16 we should be taking credit for the 2500 businesses  
17 that we reach but there are 240,000 businesses out  
18 there and there were 500,000 violations issued. My  
19 question to you, Commissioner Doris, last year the  
20 administration put forward a list of violations that  
21 could be amended to give business owners an  
22 opportunity to correct their violation and avoid  
23 penalty. How did the administration identify or  
24 choose the violations on its list? In the second  
25 part of that is what were the factors considered when

2 determining what type of relief was appropriate in  
3 each circumstance? And that is for you, Commissioner  
4 Doris and then I have a follow-up question for both  
5 of you and then I will pass it to my other  
6 colleagues.

7 COMMISSIONER DORIS: Thank you, Mr.  
8 Chair. Yeah. So, look. SBS work with our  
9 participating agencies: DSNY, DCWP, DOB, DEP, DOT to  
10 really go over, again, some of those particular  
11 violations that we believe will be pertinent to  
12 business is that businesses generally, you know, our  
13 find for and also for as to look at where we believe  
14 the greatest impact would be. And so, out of the 73  
15 that we have, you know, we have already began working  
16 through those. More than half of them we intend to  
17 have the others completed this year, as noted in my  
18 testimony, and, you know, and most cases, legislation  
19 and is required to amend the administrative code. I  
20 know some DCWPs are in there. A significant number  
21 of that list, as well. In some cases, you know, they  
22 require amended rules which are associated with those  
23 particular violations, as well. In other cases, it  
24 is the administrative code. And so, we just were  
25 working with the agencies to figure out, you know,

2 what actually, you know, makes sense. And on the  
3 list-- and, by the way, on the list that the Council  
4 currently has, we have an overlap of about 42 of the  
5 181 that you have. So, there is absolutely some  
6 additional ones that we have identified that we would  
7 love to continue the conversation about working with  
8 the Council on adding to your particular list that  
9 you have, as well. And so, we put the list together.  
10 Everything from, you know, location of the key of the  
11 boiler room to the noise from the sound devices that  
12 are out there, things that should be curable. Things  
13 that we can work with that doesn't impact health and  
14 safety and also, you know, real quality-of-life  
15 issues. So, that is how we came up with the list of  
16 73 and the various, you know, reasons why we have  
17 done it. And, again, working with the agencies and  
18 what sort of frequented violation and I can make the  
19 adjustments on and also where we think we might have  
20 a greater impact for the small business.

21 CHAIRPERSON GJONAJ: Thank you,  
22 Commissioner. So, my question to each of you-- and  
23 I'll start with you, Commissioner Doris before I pass  
24 it over-- and he started touching on it. It's a  
25 great segue. Are there any other violations that you

2 would suggest relief for which are not included in  
3 these bills? Cure periods that would have the same  
4 result?

5 COMMISSIONER DORIS: Absolutely. So,  
6 again, we have our-- I'm trying to do the math  
7 really quickly here. I mean, we have got additional  
8 out of the ones that don't overlap with what you  
9 presented, and additional 30 plus that we would love  
10 to add on to your list, as well that doesn't overlap  
11 with our existing 73. So, I think this is a great  
12 opportunity for us to work through that.

13 CHAIRPERSON GJONAJ: Thank you,  
14 Commissioner and I am looking forward to adding even  
15 more to that list. That is the point of this  
16 hearing. It's to look at this holistically and  
17 collectively to determine and working together to  
18 achieve a result ease the burdensome regulations.

19 COMMISSIONER DORIS: Absolutely.

20 CHAIRPERSON GJONAJ: Commissioner Salas,  
21 do you have any violations that you would suggest  
22 relief for which are not included in this bill?

23 COMMISSIONER SALAS: Chair Gjonaj, I  
24 would say, again, that we had identified 40  
25 additional curable violations that weren't included

2 in our CPL update, but are now part of your proposal,  
3 to. We continue to think about any other violations  
4 that, again, approve burdensome to businesses, but  
5 are not causing harm to consumers and workers and we  
6 will be happy to continue to work with you. In the  
7 past, we also worked successfully together to the  
8 repeal licenses like the home improvement contractor  
9 sales personalized [inaudible 01:08:45] and if there  
10 any other ways that we can find, again, ways to  
11 relieve businesses, we will be happy to do that.

12 CHAIRPERSON GJONAJ: Thank you,  
13 Commissioner and let me pass it back to the committee  
14 counsel that will call on my colleagues that have  
15 their own questions. I want to thank both of you.

16 COMMITTEE COUNSEL: Thank you, Chair.  
17 I will now call on other Council members to ask their  
18 questions in the order in which they have raised the  
19 zoom raise hand function. If you would like to ask a  
20 question, if you've not yet used the zoom raise hand  
21 function, please raise it now. Please begin  
22 delivering your questions and asking your questions  
23 once I have called on you. First we will hear from  
24 Council member Holden member Gibson. Council member  
25 Holden?

2 CHAIRPERSON GJONAJ: Thank you for that  
3 because I also believe that Council member Holden,  
4 who is a co-prime on one of the bills would like to  
5 give a statement. Is that correct, Council member?

6 COUNCIL MEMBER HOLDEN: Yes. Yes.

7 CHAIRPERSON GJONAJ: Perfect.

8 COUNCIL MEMBER HOLDEN: All right. Thank  
9 you, Chair and thank you for this important hearing  
10 and thank you, Commissioner's testimony. Even though  
11 our businesses could barely function through the  
12 pandemic, that has not stopped city regulators from  
13 finding restaurants and many other small businesses.  
14 According to the Wall Street Journal, from July  
15 through October, the city health department which  
16 inspects restaurants collected about \$8.4 million in  
17 fines. The city Department of Consumer Affairs,  
18 which enforces licensing and other regulations  
19 collected \$2.9 million during that period. Both  
20 agencies handled the most small business finds. The  
21 Council understands and not everybody understands  
22 that the economic lockdown imposed real costs on our  
23 businesses in these bills are an important step in  
24 providing them some relief from regulatory burdens.  
25 The Department of Consumer Affairs aggressively

2 targets businesses across the city. Intro 2233  
3 brings timely raw form to the notice of violation  
4 process. By providing businesses a warning and time  
5 to correct serious issues, we are removing punitive  
6 fines while ensuring businesses are operating safely.  
7 During the pandemic, it has been tough to find  
8 something to do with your kids, right? Everybody,  
9 you know, was complaining about that and is still  
10 complaining. Arcades another family fund centers are  
11 hurting. They were closed all throughout the  
12 pandemic and they still haven't reopened. This bill  
13 will remove needless licensing requirements on these  
14 types of businesses. We finally need government to  
15 listen to businesses and help address their day-to-  
16 day needs. We are heading in the right direction  
17 with these bills, but I just want to, you know, ask  
18 Commissioner Salas because you mentioned to that, you  
19 know, you are trying to, you know, protect the  
20 consumer and I had a barbershop right across the  
21 street from my office which I called your office  
22 about and they got \$1000 fine-- it could be up to  
23 \$1000-- for not keeping a journal in the proper  
24 format. He kept the journal in a copybook of his  
25 cleaning process. He didn't put it on official city

2 letterhead or whatever form they had to put it on and  
3 this was the type of violation that we saw over and  
4 over again with businesses. Across the street, the  
5 nail salon got the same fine. We saw so many  
6 punitive fines and, Commissioner, these businesses  
7 were locked down for months. That means that  
8 barbershop-- how many haircuts would he have to do  
9 to make up a \$1000 fine? And he was closed for  
10 months. I mean, there is no rhyme or reason to  
11 defining these businesses coming out of the pandemic  
12 because they didn't have a piece of paper on the  
13 window or they didn't have a law and a special form  
14 that you require or that the agencies require. It's  
15 a little disingenuous to not say, yeah, let's work on  
16 this bill and let's come up with something that we  
17 can agree on. I tried to call your office. I never  
18 got a call back. You were too busy. But I had so  
19 many businesses that were descended upon by your  
20 agency in particular that was punitive and they  
21 complained to us and, you know what? We didn't  
22 really get satisfaction from the office,  
23 Commissioner. I'm not happy with your answers today  
24 either. You're saying that we don't really know  
25 about this and we don't know if this is going to--

2 you know, this is a problem and this is a problem.  
3 You know what the problem is? The problem is when  
4 inspectors come out and punish businesses that have  
5 already been punished by pandemic. That is the  
6 problem and then when you get city agencies not  
7 listening, that's a problem. And then when you get  
8 commissioners that are saying, we are not sure about  
9 this. You know, of course we want to protect them  
10 against price gouging. Of course we want to do that.  
11 But there are a host of other violations that you  
12 could work with us and work with the businesses and  
13 you haven't and this bill is necessary. These bills  
14 are necessary. So, I would like to hear from the  
15 Commissioner explain-- because I was told that we  
16 are in a yellow zone. That we were just lumped in  
17 and that is why you descended on our businesses.

18 COMMISSIONER SALAS: Thank you, Council  
19 member Holden, for your question. So, first let me  
20 just say that the \$2.9 million that was reported by  
21 the Wall Street Journal, we do not know what that  
22 number came from, to be honest. No one asked us. I  
23 will repeat what I said earlier that we were  
24 focusing-- Again, the decrease in the number of  
25 summonses last year by 50 percent. I will also say

2 that often times what people call collections is a  
3 combination of it could be fines, it could be license  
4 fees, payments that are overdue for years. But,  
5 anyway, we will be happy to look at that number and  
6 come back to you and explain to you more what that  
7 means once we have an opportunity. With respect to  
8 the specific situation you mentioned, I, you know,  
9 cannot address specific cases, but I have to tell you  
10 that if it is a logbook and it was an inspection that  
11 we conducted during the business reopening work,  
12 right, we were working under the guidelines set forth  
13 by the Office of Special Enforcement. That office  
14 had help from different city agencies sectors to make  
15 sure our businesses were reopening in a Safeway and  
16 complying with all of the safety health regulations,  
17 guidelines that the state had published. So,  
18 therefore, we were trying to follow and we had to  
19 follow the same guidelines that were treating  
20 businesses equitably throughout the city. We  
21 certainly don't make decisions on those guidelines  
22 and we will be happy to--

23 COUNCIL MEMBER HOLDEN: So, Commissioner,  
24 your inspectors have no discretion?

25 COMMISSIONER SALAS: No, sir.

2 COUNCIL MEMBER HOLDEN: From the office of  
3 OS you of what you just mentioned, the Office of  
4 Special Enforcement, and your-- they have to give a  
5 fine, you are saying?

6 COMMISSIONER SALAS: We follow the  
7 guidelines, right? And I have to say, in some cases  
8 if, you know, there was a change in guidelines, you  
9 know, in some circumstances and, when that happens  
10 and if anything was issued in error, we would have  
11 corrected that problem. But, in this case, when our  
12 inspectors are in the field, they don't have the  
13 discretion to go back-and-forth with the owner and  
14 try to negotiate any fines. They don't have to issue  
15 a fine. Often times what the issue is just a notice  
16 of violation. The fine is then set by that Office of  
17 Administrative Trials and Hearings. So, our  
18 inspectors don't have the discretion to start  
19 negotiating what the amount is.

20 COUNCIL MEMBER HOLDEN: Well, that's not  
21 what-- And I have spoken to some. That is not what  
22 I heard because some inspectors did warn certain  
23 businesses and they were from your office. Your  
24 agency. And then some businesses, when they did come  
25 into the area, were closed, like the barbershop. So,

2 he didn't get a warning. What he did get the next  
3 time they visited the next day, was a violation. So,  
4 these inconsistencies-- you just said that there is  
5 no discretion, but then they did use discretion.

6 EXECUTIVE DIRECTOR ETTANNANI: Can I  
7 just jump in? I do want to just make something very  
8 clear here. Public health and reopening guidelines,  
9 the protocols for enforcement are set by the Mayor's  
10 Office of Special Enforcement. Where we go as a  
11 regulatory agency, it leverages all the regulatory  
12 agencies in a global pandemic to ensure that there is  
13 enough sprawl so that we are giving out the  
14 appropriate guidance to small businesses if they are,  
15 and indeed, in violation of public health guidelines.  
16 I know that staff have been in touch with folks in  
17 your office, Council member. In early December there  
18 were discussions between DCWP and your office and an  
19 overwhelming majority of public health inspections  
20 that we need to get, and reopening guideline  
21 inspections that we did resulted in a warning.  
22 However, those warnings were pursuant to protocols  
23 and procedures that were set by the administration  
24 and the Office of Special Enforcement. We never--  
25 As the Commissioner mentioned, we, as an agency,

2 DCWP, do not have the discretion in and of ourselves  
3 to decide whether we are going to issue a violation  
4 or a warning as it relates to this specific instance.  
5 Those protocols, you know, need to change and I  
6 understand and we are completely sympathetic to a  
7 public health crisis that has evolved over several  
8 months and those protocols change perhaps from week  
9 to week and we understand and sympathize with  
10 frustrations related to that, but in no way was that  
11 a DCWP inspector or any kind of directive from the  
12 Commissioner on down to target or, quote, to send on  
13 any business in your district or otherwise in the  
14 city. That is--

15 COUNCIL MEMBER HOLDEN: Well, I don't think  
16 anybody-- and I think Council member Gibson  
17 mentioned this. We don't even know the rules and  
18 regulations because, as you said, they change from  
19 day to day and then so some people get warnings and  
20 others don't and I would like to see this spelled out  
21 and maybe OS E or maybe you could get us the  
22 regulations because we are not quite sure. So, I  
23 know some of the violations were overturned because  
24 they were written wrong or they were interpreted  
25 wrong. So, all I'm asking-- and maybe we should

2 talk to OS E, that Mayor's office, but maybe we need  
3 a little more cooperation or education from  
4 businesses coming out of the pandemic. This is  
5 common sense, right? This is common sense. Why  
6 would you to send on these businesses and get them on  
7 a technicality, a \$1000 fine? I don't care who is  
8 responsible, but I think that in your agency has to  
9 talk to the Mayor's Office, OSE, and say, look,  
10 folks. Let's come together here. Let's figure  
11 something out. We can't penalize these businesses  
12 like this. We can't. It's the last thing we should  
13 be doing.

14 EXECUTIVE DIRECTOR ETTANNANI: So, I  
15 completely agree and I think the public health  
16 ordinances and the reopening guidelines are very  
17 niche issue and I think, in general, on mass, or  
18 agency, led by our Commissioner, has done more than  
19 anyone in recent history to win short that we are  
20 doing education compliance for our small businesses  
21 and I think one of the things that we have certainly  
22 taken the Councils word on-- certainly Chair Gjonaj  
23 in terms of the intent of the legislation put forward  
24 today, is to clarify these nuances and I think, on  
25 our end, we put to gather 40 curable violations that

2 were adopted in the package before this. That cannot  
3 be lost here. Our Commissioner and our staff have  
4 put forward and we have rescinded license categories  
5 over the last three and four years to ensure that  
6 small businesses are not overburdened and we, as an  
7 agency, it should seven-- just over 7000 summonses  
8 in 2020. That is definitely not the overwhelming  
9 regulation of small businesses in New York City.

10 COUNCIL MEMBER HOLDEN: Well, with all due  
11 respect, most of the businesses were closed. Come  
12 on. You can state that summonses are down, but they  
13 are down because the businesses were closed mostly.  
14 Right?

15 EXECUTIVE DIRECTOR ETTANNANI: Well,  
16 certainly. I think what we are saying is that we  
17 just wanted to clarify what was stated in an article  
18 that said that DCWP--

19 COMMISSIONER SALAS: I get it everybody  
20 is doing a great job. I get it. Everybody's doing a  
21 great job. But we wouldn't have had these bills to  
22 be introduced at a hearing today if we felt that city  
23 agencies were listening and I don't feel they were.  
24 Including your agency. I didn't feel that you were  
25 listening when you just send it on businesses. And,

2 again, were going to get to the bottom of the OSE,  
3 but it's just unfair and whoever is responsible--  
4 you know, if your agency is not yet you did give  
5 warnings, so I still want to look at this and why our  
6 businesses were just stepped on it and kicked in the  
7 teeth when they were closed so long and they  
8 reopened. Especially the barbershops and the nail  
9 salons and the small guys. I mean, you've got to  
10 have some compassion here. But, thank you,  
11 Commissioner. I appreciate your answers. And thank  
12 you, Chair. I don't want to go on too long. Thank  
13 you.

14 COMMITTEE COUNSEL: Thank you, Council  
15 member. Next, we will hear from Council member  
16 Gibson. Council member?

17 COUNCIL MEMBER GIBSON: Thank you so much.  
18 Good afternoon, everyone, again. And thank you,  
19 Chair. Thank you, Council member Holden. A lot of  
20 sentiments I want to echo, as well. And I think, at  
21 the end of the day, we are all trying to work  
22 together to do the very best. We understand that the  
23 city has to continue to operate and we also know that  
24 there are rules that need to be followed, but I think  
25 we are trying to do our best to find a balance and

2 not be punitive. There has to be some real relief  
3 given, recognizing the challenge that businesses have  
4 faced. They have been closed fully, then they have  
5 been told to open 25 percent, 33 percent, 50 percent.  
6 Back down to zero. Back to 25 again. I mean, just  
7 to understand all of that is enough in itself and I  
8 remind all of us-- and you know many of our small  
9 businesses in the outer boroughs are very small in  
10 operation. They have a handful of staff. Usually  
11 the operators also the lawyer and the accountant, the  
12 bookkeeper, and they have multiple roles. So, when  
13 you talk about all of these regulations to  
14 understand, if we have trouble understanding them as  
15 legislators, imagine how are small businesses fail in  
16 our communities. So, a lot of questions have been  
17 asked and I just have a few that I wanted to raise  
18 because I do want to understand that in the midst of  
19 this pandemic, our efforts to do outreach. So, all  
20 of your agencies I partnered with prior to the  
21 pandemic when we were able do to walk-throughs and  
22 commercial visits. We have been walking up and down  
23 my community. I remember an effort by the Department  
24 of Consumer Affairs where we targeted it some of our  
25 new businesses and we went in and we gave them like

2 kind of a welcome kit that talked about some of the  
3 rules and violations and things of that nature to  
4 kind of help them understand almost like an  
5 orientation. So, outside of that, what types of  
6 education and outreach have we done on the ground  
7 during this pandemic, number one, to help the  
8 businesses understand some of their capacity issues  
9 that they have been experiencing? I remind all of  
10 you with a major issue that we have been having just  
11 with the commercial waste in terms of the pickup and  
12 the frequency of that. So, I want to hear from each  
13 of the agencies. If you can just provide me with an  
14 understanding of coordinating with all of you and the  
15 businesses on the ground and outreach to really  
16 streamline things that it's not always the best  
17 relationship in terms of cooperative understanding  
18 and patience. I mean, a lot of it, sometimes from  
19 the business perspective, it comes off as punitive.  
20 You were only there when you are there to issue a  
21 fine. You pop up, you show up. They don't know  
22 you're coming and then you catch people off guard.  
23 And so, I just want to understand what the outreach  
24 has looked like on the ground in our communities  
25 during the pandemic.

2                   COMMISSIONER DORIS:     All take a crack at  
3 it, first if that is okay, Council member. I  
4 appreciate the question. You know, SBS, I mean, that  
5 is primarily, as an advocate for small businesses,  
6 that is what we do. We want to also educator small  
7 businesses and we have been doing that throughout the  
8 pandemic. We have already delivered 110 services to  
9 businesses across the city. Primarily, our hotline  
10 was instrumental. 55,000 businesses called in and  
11 were helped understanding the regulations. The  
12 number one thing was 60 percent of what they asked  
13 for was about, you know, understanding the  
14 regulations and what we need to do to reopen and we  
15 took them through that process. Our business  
16 advocates are on those lines. Our compliance advisor  
17 on those lines. We also did webinars. So, specific  
18 webinars for businesses. We have done partnerships  
19 with our agencies like DCWP, literally walking the  
20 streets with them, as well in the communities to  
21 provide different resources and also not only the  
22 guides, the easy to read guides so that folks  
23 understand, we did also meet with them in the  
24 webinars, as well with multi agency webinars to talk  
25 a little bit about what the regulations were just to

2 let businesses know. And that is 50,000 attendees to  
3 those. And so, we want to, you know, say that. It's  
4 a very, very specific. Also, our compliance  
5 advisors, who are very specific in what they do, over  
6 1000 or so businesses we have already reached out on  
7 the ground. And, as you know, I've been around the  
8 city, as well in every corner of the city and every  
9 quarter, every borough multiple times over 35, 36  
10 corridor walks. Thousands of businesses and then we  
11 have got our compliance team and outreach team that  
12 went to a total of about 70 some odd quarters. If  
13 you do just the average about, you know, 20 or 30, 40  
14 businesses, depending on the size of the corridor  
15 just on one side and the other side, you are talking  
16 hundreds of businesses, you know, every other week or  
17 so. So, we are touching these businesses. We were  
18 on the ground and we were very, very strategic in our  
19 outreach efforts. Knowing that we had a hotline, we  
20 promoted it at every turn, we also were out in the  
21 field and in multiple languages, by the way. Our  
22 ERU, or emergency response team, as well, was on the  
23 ground. When we had a crisis of looting and also  
24 even now with flyers and other types of emergencies,  
25 we are on the ground and every time we go, we also

2 bring the resources about the pandemic. So,  
3 certainly agree with you on the necessity for  
4 businesses to understand regulations, but even with  
5 that we understand that there is clearly more that we  
6 continue to do and that is what we are doing now.  
7 Making sure that that is why we agree with the intent  
8 of this legislation, again, to clarify. We have our  
9 own list. You have a list, I think, combining them  
10 together. It would be great for us to continue to,  
11 you know, fight for our small businesses and be  
12 advocates for them while also explaining to them what  
13 the current rules and regulations are.

14 COMMISSIONER SALAS: And I am happy to  
15 just add a couple of things from DCWP's perspective.  
16 As I mentioned earlier, we conducted since June last  
17 year-- so, when the city began reopening, we  
18 conducted 33 business education days. Nine of them  
19 were in the Bronx. Another nine in Brooklyn. Seven  
20 in Queens and an additional event. Manhattan six.  
21 Staten Island two. Those are, again, those business  
22 education days are walk-throughs that are purely  
23 about education and outreach. Our inspectors, we  
24 usually have someone from our visiting inspector  
25 program comes with us. I, on those walks. We

2 partner with Council members and elected officials in  
3 those areas and it is simply about going door-to-door  
4 and giving time to those businesses to ask questions,  
5 to get the materials they need, to get contact  
6 information from people at my agency that they can  
7 email or call directly if they have follow-up  
8 questions, right? We did another 510 outreach  
9 virtual offense that were purely about communicating.  
10 Again, trying to demystify all of the guidelines that  
11 have [inaudible 01:30:14] reopen safely and to talk  
12 also about, basically, compliance had a very  
13 important law that both employers and workers have  
14 questions about. Additionally, we did visiting  
15 inspector program inspections. That is reserved  
16 purely for new licensees. So, anyone who first got a  
17 license at the beginning of the year-- believe it or  
18 not, some businesses continued to get licenses  
19 throughout the pandemic and those businesses all  
20 received a visit, dedicated visit from a seasoned  
21 inspector to learn about their business compliance  
22 with laws and regulations. We did 1500 of the house.  
23 Those are all personal touch one on one type of  
24 events. That is in addition to any other outreach

2 that we have done or work that we have done together  
3 with the Office of Special Enforcement and SBS.

4 COUNCIL MEMBER GIBSON: Okay. I appreciate  
5 all of that and I know that your agencies have been  
6 doing a lot of these webinars and informational's in  
7 multiple languages, but certainly it's great, but you  
8 know we always have to strive to do a lot more  
9 because there are still businesses that we still have  
10 yet to touch and I worry about interagency  
11 coordination. Every agency is providing this service  
12 unfulfilling its responsibility, but there are many  
13 instances where we are not talking to each other and  
14 that bothers me to no end. Interagency coordination  
15 is so important because you will have many businesses  
16 that have multiple agencies that oversee that man I  
17 don't know if DSNY is on here, but that has been a  
18 grave concern around sanitation. These tickets that  
19 are being issued are disturbing. They are enormous  
20 and many of them, to me, are punitive and businesses  
21 are responsible for their outdoor, as well as  
22 interior and they are being find for garbage that is  
23 not theirs, for violations that don't belong to them  
24 and there has been this system that, you know, we  
25 have kind of encouraged that we really have to change

2 the behavior on. So, I wanted to ask two quick final  
3 questions. Are there advocacy in the outreach to  
4 immigrant owned businesses specifically? And I know  
5 some of your agencies have specific initiatives that  
6 work with the immigrant owned operators. And then I  
7 also wanted to ask about MWBE, one of my favorite  
8 topics. Are there any specific programs or  
9 initiatives that we have in place pre-pandemic, as  
10 well as during the pandemic that will help many of  
11 our MWBEs and immigrant businesses that will say they  
12 don't have the money to pay these finds, the  
13 timeframe on curing that violation. They need  
14 extended time. Are we working with them? Are we  
15 giving them flexibility? How is all of that  
16 happening with many of our immigrant owned and MWBE  
17 businesses?

18 COMMISSIONER DORIS: Thank you for that  
19 question. So, generally, as you know Being the  
20 cities for senior advising director of the Mayor's  
21 office on MWBE, where we started a triple utilization  
22 of our MWBE and I think by the time we left, 14  
23 billion, this is a big concern for us and we know,  
24 generally speaking, within the MWBE community and  
25 overall, 50 percent or so of the New York City small

2 businesses are foreign-born or immigrants and so a  
3 significant portion of our work that we do ties into  
4 the Democratic community and we are very clear on the  
5 language access component of our work which is  
6 critical to what we do, how we communicate out, and  
7 also, by doing these outreaches and also providing  
8 resources and language is that they do understand and  
9 also they are comfortable with, we are able to assist  
10 those businesses. From the MWBE standpoint, we need  
11 to have here at SBS, we need to have our MWBE program  
12 and compliance program and also our capacity building  
13 programs. A dozen or more programs where we help  
14 these MWBEs. If you are an MWBE with the city and  
15 you have a contract with us, how we have adjusted  
16 during the pandemic that the, what we call a contract  
17 finance loan fund that helps MWBEs to fulfill their  
18 requirement with the city to provide the contract and  
19 services with where you can get up to \$1 million in  
20 accounts and a year at zero percent interest, zero  
21 percent. And so, you know, we need to very much work  
22 with our MWBE and immigrant owned businesses, in  
23 particular. One, the access. Make sure they  
24 understand what is available to them. Two, on a  
25 capacity building program, three, on the access to

2 capital programs. We have already assisted New York  
3 City small businesses, 5000 and 135 or so million  
4 dollars connecting them and also working with our  
5 CDFI, our community development financial  
6 institutions that actually deal with those particular  
7 communities such as the Renaissance and axion which  
8 is [inaudible 01:35:39] now and true fund and others  
9 that we work with that really deal with those  
10 specific communities and we will certainly continue  
11 to do that and doubled down on our efforts, but we  
12 were very strategic, even with the programs that we  
13 put out and making sure that we are targeting the  
14 areas that we know that need it the most. You know,  
15 high Covid impacted areas which also are layered with  
16 I am a great communities which are also layered on  
17 top of, you know, minority businesses and women-owned  
18 businesses. And so, we were very focused on that.

19 COUNCIL MEMBER GIBSON: Okay. Anyone else?  
20 I just want to make sure.

21 COMMISSIONER SALAS: This is Lorelei  
22 Salas. So, similarly, a lot of other business  
23 educator should work was in those same neighborhoods  
24 where we saw the highest rates of Covid 19  
25 infections. So, the neighborhoods were where black

2 and brown communities live, or immigrants live. And,  
3 you know, I am an immigrant myself. I understand how  
4 important it is to bridge the language. But not just  
5 that. It is also important to make sure that we, as  
6 government agencies, are seen as accessible. So, we  
7 take that very seriously. A lot of the  
8 collaborations with the BID's, you know, we often  
9 have to bring and do bring inspectors to our walks  
10 that speak multiple languages. We are often a  
11 combination of Spanish, Chinese and Urdu and we come  
12 out and we are trying to serve every small business  
13 owner wants to ask us questions. So, we are very  
14 committed to that work. We always go far above the  
15 10-- you know, we are required to translate our  
16 materials into 10 languages, approximately. We often  
17 have 14, 15, 20 languages translated, even some that  
18 are indigenous languages because we know how  
19 important it is to be accessible and providing  
20 information in a way that is understood by our  
21 businesses.

22 COUNCIL MEMBER GIBSON: Okay. Great. The  
23 final question I have is, obviously the Council wants  
24 to work with you, so any suggestions you all have for  
25 us on what do to even, you know, strength and this

2 legislation before us, but also the education and  
3 outreach. We are starting our budget hearings  
4 tomorrow for FY 22, so this is the opportunity for  
5 all of you to present your budget priorities and  
6 certainly coming off of, you know, FY 21, a lot of  
7 painful cuts. Some programs that had to absorb cuts  
8 which we were not happy about, we obviously want to  
9 have those conversations again moving forward. And  
10 in the Covid 19 recovery, I think our work is even  
11 more important because we have to be creative now.  
12 We can't gather and join in large spaces, but we  
13 still have to reach people on the ground. The final  
14 question I have is a tough one. Get ready. It is  
15 challenging for me to understand as a city how can we  
16 better, as a city agency, continue to work with our  
17 state partners? So, there are state agencies that  
18 also have oversight on our businesses and their own  
19 roles that are different from ours and they don't  
20 necessarily talk to us. It is frustrating sometimes  
21 when I hear from businesses-- my colleagues will  
22 allude to this-- that our restaurants another's and  
23 they have been visited by the state liquor authority  
24 and their licenses have been revoked, they have been  
25 fined and, you know, there are things that are

2 happening. So, I wonder from your perspective what  
3 can we do as a city to improve our partnerships and  
4 collaborations with the state? How can we help as a  
5 city Council because it is enough to deal with the  
6 thousands of regulations and the city, let alone  
7 having to deal with state agencies on your back, as  
8 well. So, if you can just give me some ideas and  
9 some suggestions in this moment to see how we can go  
10 on working better with the state so that there is  
11 some coordination, some partnership, conversation so  
12 that we are at least on the same page to the best  
13 extent as possible.

14 COMMISSIONER SALAS: If you don't  
15 morning, Jonnel, if I can jump in first--

16 COMMISSIONER DORIS: Sure.

17 COMMISSIONER SALAS: my computer is  
18 dying. Just quickly I want to stay I don't have any  
19 brilliant ideas for you, Council member Gibson, about  
20 that.

21 COUNCIL MEMBER GIBSON: Me neither.

22 COMMISSIONER SALAS: we do, however, and  
23 for some state laws. You know, as DCWP, we have  
24 actually the delegation to enforce the state tobacco  
25 laws, for instance, right? So there are some

2 synergies there and, you know, we could potentially  
3 sit down and discuss some more whether there are  
4 other ways to collaborate further with the state so  
5 that, yeah, there is more consistency. I appreciate  
6 that. And I just want to say one last point is that  
7 we certainly think we can accomplish both goals of  
8 what you are set out to do which is provide small  
9 business relief and strength and our consumer  
10 protection law for those types of issues that our  
11 consumers-- many times, are limited who are also  
12 often times small business owners, right? We are all  
13 consumers, right? And the updates of what we are  
14 proposing under 1622 would actually make it so that  
15 consumers that are targeted in their language get  
16 important key contractual documents in their  
17 languages and that online [inaudible 01:40:57] can  
18 clearly cover under the statute. We know that our  
19 small businesses have to compete with the big online  
20 retailer. It is just that the online retailers are  
21 also subject to our consumer protection law. So, I  
22 look forward to working with all of you in achieving  
23 that right balance. Thank you.

24 COUNCIL MEMBER GIBSON: Thank you. Thank  
25 you. And I agree and appreciate you saying that,

2 Commissioner and I, again, I know that we are moving  
3 to these online retailers and flagship stores, but  
4 there is nothing that provides a better human  
5 connection inconsistency than a local merchant and a  
6 local small business.

7 COMMISSIONER DORIS: Absolutely.

8 COUNCIL MEMBER GIBSON: And that will  
9 always be the case and I think every effort that we  
10 undertake is to really try to find balance to  
11 understand rules have to be followed and we can do  
12 this in a right way that is fair, that is balanced,  
13 that provides equity and certainly Chair Gjonaj and  
14 I, as well as Council member Holden, we are outer  
15 boroughs and so we don't always get access to  
16 everything that comes to a central location, so we  
17 need special services. We need extra services. We  
18 are very unique in nature in the Bronx and when you  
19 look at some of the, you know, loans and grants that  
20 we were not given access to, less than 10 percent,  
21 that it is alarming and it reminds us that a lot of  
22 work must be done. So, I think this is a good  
23 conversation and a good way to start. I am looking  
24 forward to seeing where this goes. We want to keep  
25 working with you because we believe that these bills

2 put forth today are a good platform and a good  
3 conversation to take as to an environment where we  
4 can provide the much-needed relief to give small  
5 businesses the support that they have rightfully  
6 deserved all this time during the pandemic. So, I  
7 think you, everyone. Thank you to the team and thank  
8 you, Chair Gjonaj, for your time today and I look  
9 forward to working with all of you. Thank you.

10 CHAIRPERSON GJONAJ: Thank you.

11 COMMITTEE COUNSEL: Thank you, Council  
12 member. I will now turn it over to the Chair to say  
13 a few words before we move to public testimony.  
14 Chair?

15 CHAIRPERSON GJONAJ: Thank you. I want  
16 to thank Council member Gibson in Council member  
17 Holden for their input. I want to thank both  
18 commissioners for the time they spent with us and the  
19 willingness that they are showing going forward. Not  
20 only look at these 183 opposed pieces of regulations,  
21 how many more of the 6000 and can we really look at  
22 that would give our small businesses a fighting  
23 chance whether it be a cure period or removing  
24 outdated regulations that no longer shut apply,  
25 including the one that we all highlighted,

2 sanitation. It's one thing for tickets to be issued  
3 for dirty sidewalks. Now, the Commissioner of  
4 sanitation is not here, so I don't expect either one  
5 of you to answer, but during the height of the  
6 pandemic, when our businesses were closed and our  
7 streets were dirtier than ever, this administration  
8 will remove garbage cans from our street corners,  
9 well, what did you think the outcome would be? Of  
10 course there would be more later. And to penalize  
11 property owners and small businesses for the letter  
12 in front of their establishments when they were  
13 closed, forced closed and shut down is unfair. And I  
14 will point out another that was brought to my  
15 attention and I'm sure we will hear many more today  
16 of unfair practices of violations. There was a small  
17 business, a fast food establishment that, during the  
18 pandemic, the height of the pandemic, installed  
19 plexiglass to protect employees and customers at the  
20 register. The fire department-- which the  
21 commissioners not here-- made an inspection and  
22 issued a \$5000 fine for temporary plexiglass that was  
23 put in place to protect the consumer and employee and  
24 comply with the Covid policy of protecting both.  
25 These are outrageous examples of what is been going

2 on in New York City and I'm going ask that both of  
3 you, or your team, stick around that are going to  
4 testify today as they share their horror stories  
5 during the Covid experience, as well as throughout  
6 the decades. Commissioner Salas, can you tell me the  
7 revenue that has generated in calendar year 2019 due  
8 to fines and issuance of violations? Do you have  
9 that information?

10 COMMISSIONER SALAS: I had to move to  
11 charge my laptop. I'm really sorry. Steve or Mike,  
12 do we have that information? I'm not sure that we  
13 do.

14 EXECUTIVE DIRECTOR ETTANNANI: So, in  
15 terms of finds that were collected--

16 CHAIRPERSON GJONAJ: So, there's a  
17 difference between collected and finds that were  
18 issued. So, I just want to know the total dollar  
19 amount of fines that were issued.

20 COMMISSIONER SALAS: Oh, yeah. Do you  
21 have it, Steve?

22 EXECUTIVE DIRECTOR ETTANNANI: Yeah.  
23 I'm looking.

24 COMMISSIONER SALAS: Let me--

2 EXECUTIVE DIRECTOR ETTANNANI: One  
3 second. I'm looking. So, we have a 2020 number of  
4 finds issued, but we may have to get back to you on  
5 2019.

6 CHAIRPERSON GJONAJ: What was the 2020  
7 fines issued by consumer affairs? What was the  
8 dollar amount?

9 EXECUTIVE DIRECTOR ETTANNANI: In 20--  
10 I'm sorry, Commissioner. Did you want to--

11 COMMISSIONER SALAS: the only number I  
12 had was sort of a number of summonses issued, right?  
13 And that is what I said during my testimony is that  
14 the number of summonses it should in 2019 were 16,154  
15 summonses and in 2020 it was 7176 summonses. That  
16 doesn't tell you the fall like the number amount of  
17 the finds. I don't have that in front of me and I'm  
18 not sure if we do for today.

19 EXECUTIVE DIRECTOR ETTANNANI: Yeah.  
20 Four 2020 in terms of finds issued, the number is  
21 going to be around 24 million, but I want to catch  
22 that in a couple of ways. One is finds issued is a  
23 very particular term that doesn't speak to what small  
24 businesses ultimately had to deal with on the back  
25 and after a fine is adjudicated, for example. There

2 is a hearing process as you know, Chair, at OATH  
3 small businesses are given the opportunity to either  
4 settle or to argue their case before an independent  
5 tribunal and then a majority of those finds issued in  
6 2020 related to infractions such as tobacco sales  
7 infractions where you are talking about underage  
8 sales to minors, ceiling violations, and things of  
9 that nature. So, I am happy to, you know-- I want  
10 to have a protracted conversation with you about like  
11 the breakdown of that and we can certainly work with  
12 you and your staff to the kind of gave you a further  
13 breakdown and gave you the 2019 number, as well.

14 CHAIRPERSON GJONAJ: Thanks, Steve. The  
15 point I was making is you issued 7176 violations  
16 which netted a revenue for total dollar amounts of  
17 violations issued 24 million looking at calendar  
18 year-- am I correct there?

19 EXECUTIVE DIRECTOR ETTANNANI: Well, it  
20 is not necessarily revenue for us. Those are like  
21 the finds that would be issued, but, again, it  
22 doesn't speak to like the--

23 CHAIRPERSON GJONAJ: But issued. We're  
24 talking about issued only. Not--

2 EXECUTIVE DIRECTOR ETTANNANI: Right.

3 Revenue would be a much smaller number potentially.

4 CHAIRPERSON GJONAJ: But issued. Dollar  
5 amounts of finds issued compared to 2019 which was  
6 16,000 which I'm going to assume was double that  
7 dollar amount of issued violations which would put it  
8 in the neighborhood of 50 million. And I just want  
9 to point out that although that is a major reduction,  
10 that is a tremendous increase from 2012 when the  
11 total dollar amount of finds issued was 14 million.  
12 So, before we start patting ourselves on the back to  
13 say what a great job we are doing to, you know, stop  
14 issuing finds [inaudible 01:49:45] small businesses,  
15 and 2012 at the start of this administration, it was  
16 14,000. So, in 2019-- and I'm not sure if that was  
17 the year at the height, went to 16,000 violations and  
18 using basic back, that would be four times at least  
19 three times the amount of 2012 and your back down to  
20 24 million. We've got a long ways to go. We have  
21 plenty to work with and I'm going as both  
22 commissioners today keep an open mind, an open  
23 invitation as we look at roughly 6000 rules and  
24 regulations and which ones we can take off the books  
25 and I hope to add a zero to the 183. I am hopeful we

2 can actually make it 1000 violations and regulations  
3 that we can remove penalties from that we can give  
4 cure. Stu and still achieve the same result. So I  
5 want to thank both of you for your time and your  
6 input in the work that we have ahead. In the  
7 importance of this hearing is to outline the  
8 framework that we have moving forward to remove these  
9 regulations that are truly crushing our small  
10 businesses. Thank you.

11 COMMISSIONER DORIS: Thank you, Mr.  
12 Chair.

13 CHAIRPERSON GJONAJ: I will pass it back  
14 to the committee counsel.

15 COMMITTEE COUNSEL: Thank you, Chair  
16 Gjonaj. We will now turn to public testimony. I  
17 would like to remind everyone that, unlike our  
18 typical Council hearings, we will be calling on  
19 individuals one by one to testify. Each panelist  
20 will be given three minutes to speak. Please begin  
21 once the sergeant has started the timer. Council  
22 members who have questions for particular panelist  
23 should use the raise hand function in Zoom and I will  
24 call on you after that panelist has completed their  
25 testimony. For panelists, once your name is called,

2 a member of our staff will unmute you and the  
3 sergeant-at-arms will give you the go-ahead to begin  
4 upon setting the timer. Please wait for the sergeant  
5 to announce that you may begin before delivering your  
6 testimony. I would like to now welcome Robert  
7 Bookman to testify. After Robert, I will be calling  
8 on Andrew Rigie and then Ahyoung Kim. Robert?

9 SERGEANT-AT-ARMS: Starting time.

10 ROBERT BOOKMAN: Hi. Thank you very  
11 much. I will need a couple more than three minutes.  
12 My name is Robert Bookman. I am an attorney. I am  
13 Council to the New York City Hospitality Alliance, as  
14 well as the New York City Newsstand Operators  
15 Association. I am also the counsel appointee to the  
16 Health Department Advisory Board and the counsel  
17 appointee to the Nightlife Advisory Board and I have  
18 been dealing with this issue in working with the  
19 Council for decades now. A little history I think  
20 would be helpful. The legislation is the culmination  
21 of over 15 years of work with the city Council which  
22 has slowly been moving the ball forward on regulatory  
23 reform. Going back to Speaker Gifford Miller when he  
24 asked me for a list of silly and outdated laws and  
25 regulations to eliminate, to Speaker Quinn who

2 actually passed over the objections for Mayor  
3 Bloomberg a number of regulatory reforms, to Speaker  
4 Cory Johnson who has made this a priority and whose  
5 support we greatly appreciate in this effort, as well  
6 as you, Chair Gjonaj. It is important to remember  
7 that, in the last year of Mayor Bloomberg's final  
8 term, this Council passed legislation very similar to  
9 what we are looking at now, requiring multiple  
10 agencies that regulate small businesses to report to  
11 the Council within six months a list of laws and  
12 regulations where finds can be eliminated and  
13 replaced with warnings and an opportunity to cure.  
14 Having objected to this legislation, Mayor Bloomberg  
15 made sure that the agencies gave the most minimal  
16 response possible when it reported, listing only  
17 signed violations and, even then, the Health  
18 Department was excluded altogether by the Mayor.  
19 Yet, even that legislation saying to millions of  
20 dollars on needless fines on first time violations on  
21 the signs. Signs that often no one even reads. At  
22 that time, Public Advocate and Mayoral candidate Bill  
23 de Blasio was highly critical of Mayor Bloomberg and  
24 his agencies for its addiction to finds and even  
25 issued a report where he complained that the Council,

2 as well as the Mayor needed to do more to reduce  
3 finds, what he called a hidden tax on small  
4 businesses. He correctly argued that the laws needed  
5 to be changed. He was right then. The laws needed  
6 to be changed and, unfortunately, they still do  
7 because, while policies of this administration may  
8 have reduced fines somewhat in the past seven years  
9 in some areas, they are still way too high and  
10 policies can change overnight and with every  
11 administration. We need the laws to be changed once  
12 and for all and that is what you are starting today.  
13 A fundamental change of the relationship from the  
14 traditional wanted of fines, fines, and more fines  
15 the one that stresses compliance as the goal and to  
16 have that compliance achieved not with fines, but  
17 with education and opportunities to cure and  
18 warnings, reserving finds only for the most egregious  
19 violations and repeat offenders. The education first  
20 makes sense during the pandemic, but it also makes  
21 sense every day.

22 SERGEANT-AT-ARMS: Time expired.

23 ROBERT BOOKMAN: Let's put some of this  
24 in context. Put some of these findings in context.  
25 As cited by the Public Advocates old report from

2 2013, consumer affairs revenue-- and, by the way,  
3 they seem to-- It is shocking to me that they came  
4 to a hearing today without revenue figures when this  
5 is a bill about small fine revenues. In any event,  
6 the revenues for consumer affairs was \$4 million in  
7 2002. It jumped at the end of 2012 to \$14 million,  
8 so if they have come down to about \$10 million in  
9 revenue, good for them, but that is still a lot more  
10 than 4 million in 2002 when Bloomberg went on his  
11 tear and the Health Department is even worse. In  
12 2002, they had \$8 million in fines against the  
13 restaurant industry, the most famous restaurant  
14 industry in the world, that went up to 52 million  
15 dollars a year in 2012. The Health Department  
16 Advisory Board, which I am on, representing you, that  
17 number at the end of 2019, the real number is-- 2020,  
18 which is pandemic numbers, they don't mean anything--  
19 was around 30 million. So, yes. We went down from  
20 52 million, in large part because laws passed by the  
21 city Council in the last year of Bloomberg  
22 administration over his objection, such as example no  
23 fines if you get an A, moving the hearings from the  
24 Health Department's own hearing offices to OATH where  
25 those hearing offices are more independent. So,

2 those fines have come down to 30 million. They have  
3 come down to 30 million from \$8 million when nobody  
4 was dropping dead in the streets from domain  
5 poisoning in the city of New York and they are still  
6 not. So we need to put all that in context. This  
7 legislation accomplishes many goals discussed over  
8 the decades. It allows for warnings for the most  
9 minor violations, it allows an opportunity to cure  
10 and, most importantly, it reduces the maximum fine  
11 that can be imposed at a hearing on some other  
12 violations. This is critical because the agencies  
13 over the years, by rule and by policy, have been  
14 increasing the fines without Council action and they  
15 have been doing that by raising the minimum that the  
16 ALJ can impose. So, for example, if you in the law  
17 have a fine range of zero to 200, that means it could  
18 be anywhere from-- excuse me. No more than 200  
19 dollars is what the statute would say. That means it  
20 could be anywhere from zero to 200. But what the  
21 agencies have been doing by policy and regulation is  
22 they have raising that minimum to, let's say, 100  
23 dollars. So now it's not zero to 200, it's 100 to  
24 200. And by doing that, they've been raising revenue  
25 without the Council acting. This bill would end that

2 injustice. It's important to note, by the way, that  
3 particular violations listed in the legislation, and  
4 you asked these agencies over and over again,  
5 especially in health and consumer affairs. It's a  
6 good starting point, but only a starting point.  
7 There are many, many more small business violations  
8 which should be subject to a warning or an  
9 opportunity to cure rather than a fine. Hundreds  
10 more. And we look forward to working with the  
11 committee and your staff in identifying those  
12 additional rules and regulations. A couple of quick  
13 examples. A sidewalk newsstand got a violation  
14 because a bag of potato chips was staking out a  
15 couple of inches too far. That, I think, could get a  
16 warning. Another sidewalk newsstand one, and it is a  
17 consumer protection law, an inspector did an  
18 undercover inspection, couldn't find anything wrong,  
19 bought a bottle of water and didn't get a receipt, so  
20 he gave him a consumer protection law violation for  
21 not issuing a receipt. How many times have you ever  
22 asked for a receipt from a sidewalk newsstand? I  
23 know I never have. Finally, I just want to conclude  
24 with a couple of quotes, actually, from then Public  
25 Advocate, Mayor de Blasio. And I appreciate your

2 extra time. Because he really said it best when he  
3 was advocating for this. He said New York City is  
4 less about enforcing the laws than it does about  
5 raising revenue any way it can. All these fines  
6 belie the myth that New York City hasn't increased  
7 taxes in recent years. On the contrary, these hidden  
8 taxes have been hurting businesses more and more with  
9 every passing budget. City Hall now counts on the  
10 annual Hall from fines just like it does any other  
11 tax. It budgets for the revenue it needs at the  
12 beginning of the year and then it sends out. But  
13 when aggressive fines prevent employers from adding  
14 new staff or drive them to shut their doors, we can't  
15 look the other way. It's long past time to shine  
16 some sunlight on what this hidden taxes doing to the  
17 struggling business across the city. He wrote that  
18 and 2012. And I will conclude with his final  
19 statement, we cannot hold small businesses hostage to  
20 the city's budget. It's time to start treating small  
21 businesses like an ATM and take an honest look at  
22 what the fines are really costing the city. We can  
23 protect New Yorkers without running neighborhood  
24 business into the ground. I couldn't have said it

2 any better myself. Thank you. Happy to answer any  
3 questions you have.

4 CHAIRPERSON GJONAJ: Thank you so much  
5 for being just a hair over the three minute time  
6 allocation. Robert, I just want to correct you on  
7 something that the Commissioners team just pointed  
8 out. Consumer affairs, calendar year 2020, the total  
9 dollar amount of fines that were issued was 24  
10 million. That was just made public and that is  
11 still, from 2012, I believe you mentioned 14 million.

12 ROBERT BOOKMAN: You know, that's apples  
13 and oranges, though. A lot of--

14 CHAIRPERSON GJONAJ: [inaudible  
15 02:00:48]

16 ROBERT BOOKMAN: Actual revenue collected  
17 went from four to 14 million and it may have gone  
18 down a couple of million in the last seven years, but  
19 it is nowhere near 4 million. A lot of these  
20 violations, you know, Council member Holden said get  
21 dismissed. They are written improperly and, you  
22 know, so, that figure, to me and what we have always  
23 counted as revenue collected against small businesses  
24 and that bursts like never before under Bloomberg  
25 when we were not a lawless city. We need to get

2 back, as the baseline to fiscal year 2002 where  
3 Health department fines were \$8 million, when  
4 consumer affairs were \$4 million and other agencies  
5 were much lower, as well. When we get back to that,  
6 it will be an accomplishment.

7 CHAIRPERSON GJONAJ: Robert, I am  
8 looking forward to working on regulations that we can  
9 agree that should be reduced and not only removed  
10 from the books, but definitely reduced in the form of  
11 the penalties that are assessed. So, we've got a lot  
12 of work ahead of us, so thank you, Robert.

13 ROBERT BOOKMAN: Thank you. You know,  
14 I've been testifying before the Council for over 30  
15 years now, ever since I left consumer affairs. I  
16 want to tell you that this law has the potential to  
17 being one of the most significant pieces of small  
18 business legislation that I have ever testified. It  
19 could fundamentally change the way small businesses  
20 interact with local government and I commend you for  
21 it.

22 CHAIRPERSON GJONAJ: From your lips to  
23 God's ears, Robert. Let's see what it looks like at  
24 the end of the day. Thank you.

25 ROBERT BOOKMAN: Thank you.

2 COMMITTEE COUNSEL: Thank you, Robert.

3 ROBERT BOOKMAN: Thank you, counsel.

4 COMMITTEE COUNSEL: Thank you. Next,  
5 we will hear from Andrew Rigie, Ahyoung Kim, and the  
6 Michael Brady. Andrew?

7 SERGEANT-AT-ARMS: Starting time.

8 ANDREW RIGIE: Good afternoon. I am  
9 Andrew Rigie, the Executive Director of the New York  
10 City Hospitality Alliance. So, you know, I don't  
11 know how much hard to follow up after our counsel,  
12 Robert Bookman's comment and then couple those with  
13 Mayor de Blasio's comments when he was Public  
14 Advocate. I think it really says it all. New York  
15 City restaurants and other small businesses have felt  
16 for too long that they are the personal ATM of the  
17 city. It does not have to be this way. We have been  
18 advocating for many years to look at the countless  
19 fines that are issued to these small businesses and  
20 those that don't pose an immediate hazard to the  
21 health of the public or the workers should have what  
22 is sensible: a cure. Or a warning and that is  
23 exactly what this legislation does. That is why we  
24 support it and that is why we need to fundamentally  
25 change the way city government interacts with our

2 local businesses. When you speak with them, the  
3 frustration, the amount of time that they spend  
4 paying times, paying people to defend these fines  
5 over the years is just astronomical in this  
6 legislation is so critically important and we need to  
7 use this opportunity. You know, one of the bills  
8 today will provide refunds for fines that were issued  
9 that shouldn't have been issued, really, during the  
10 pandemic, but it also seeks, the other bill, to fix  
11 these long-standing inequities. These long-standing  
12 regulatory burdens that have plagued our industry. I  
13 mean, the numbers really are outstanding if you think  
14 about them. Back in early 2000's, less than \$10  
15 million in fines issued by the city health  
16 department. In 2012, it skyrocketed to over 50  
17 million and now it has come down to 30 million?  
18 Yeah. The reduction is good, but we are so far past  
19 where we should have ever been in the first place.  
20 We need to ensure that anything we do with this  
21 legislation really gets to the core and, as Rob  
22 Bookman said, gets us back to those fine levels in  
23 the early 2000's. And I think another part that we  
24 need to address is not only the fines, but changing  
25 the interactions that are small business owners, our

2 workers, have with inspectors. You hear and I have  
3 heard from inspectors that they feel that if they go  
4 in and focus on education and training and don't  
5 issue fines, it is going to be a problem. It's  
6 almost like they are not doing their job. And you  
7 hear from restaurant owners and other small business  
8 owners who say it's like when the inspector comes  
9 and, they just feel like they have to issue me  
10 violations because, if they go back and they don't,  
11 well, then it appears that they are not doing their  
12 job. So, there is this incredible tense relationship  
13 that exists between the businesses and the  
14 inspectors, but by building in warnings, cure  
15 periods, reducing or eliminating fines for basic  
16 types of violations, you change the dynamic and that  
17 we can focus on education and training instead of  
18 jumping to punitive measures. Inspectors who come  
19 in, this is why it is a violation. This is how to  
20 correct this violation. If I come back in the future  
21 and it is not corrected, well, perhaps then you will-

22 SERGEANT-AT-ARMS: Time expired.

23 ANDREW RIGIE: And the fines need to be  
24 associated with the level of violation. So, all in  
25 all, I just want to say that we are thankful to Chair

2 Gjonaj, Council member Gibson and, of course the  
3 Speaker and so many other Council members. I see  
4 Holden and others on here that are really fighting to  
5 use this as an opportunity to fundamentally change  
6 the way city government regulates our small business  
7 community and when we are on the other side of this  
8 pandemic, we want to be able to look back and say, we  
9 took the momentum we had and we made changes to make  
10 New York City more supportive of our small businesses  
11 because, over the past year, more than 140,000,  
12 140,000 New Yorkers work in our city's restaurants  
13 and bars and have lost their jobs. Thousands of our  
14 beloved local eating and drinking spots have  
15 shattered. So many more on the edge of survival. We  
16 deserve to pass this legislation for them and for our  
17 city and we look forward to working and making sure  
18 that all the fines or violations that should allow  
19 cure periods, warnings, eliminate fines is included  
20 in this legislation. So, I want to thank you all  
21 again and, once again, the New York City Hospitality  
22 Alliance strongly supports both pieces of legislation  
23 and look forward to working to their ultimate passage  
24 and being signed by Mayor de Blasio into law. Thank  
25 you.

2 CHAIRPERSON GJONAJ: Thank you, Andrew.  
3 Thank you so much. We've got our work cut out for  
4 us.

5 COMMITTEE COUNSEL: Thank you, Andrew.  
6 Next, we will hear from Ahyoung Kim followed by  
7 Michael Brady and then David Estrada. Ay Yun?

8 SERGEANT-AT-ARMS: Starting time.

9 AHYOUNG KIM: Thank you, Chair Gjonaj, for  
10 this important hearing and the opportunity to  
11 testify. My name is Ahyoung Kim and I am the  
12 associate director of small business programs at the  
13 Asian American Federation. Asian small business  
14 owners across the city have consistently contacted  
15 the Federation to share their concerns about city  
16 agency practices and enforcing regulations, even  
17 before the pandemic brought our economy to a  
18 screeching halt. And my grant small business owners  
19 have been struggling with lack of language access,  
20 adequate information and outreach, inconsistent or  
21 hostile inspection practice that is, and little  
22 guidance on how to navigate the city agencies systems  
23 to follow up on violations. While the intent behind  
24 city agencies have [inaudible 02:07:51] to assist  
25 small businesses are well understood and we must

2 still recognize the level of engagement in such  
3 programs for the immigrant small business community  
4 remains very low. I appreciate the concerns and  
5 every horror story we have heard in this hearing by  
6 the Chair and Council member Holden and Gibson. For  
7 our community, you can assume the same problems, but  
8 double the pain. There is simply not enough  
9 meaningful outreach to the EMI grant small business  
10 community to overcome the fear of inviting an  
11 inspector that they normally see as a figure of  
12 authority. There is also no way for our small  
13 business owners to hold an inspector accountable in  
14 the case of hostile or unfair inspection practices.  
15 This struggle for our small business community has  
16 only deepened over the duration of this pandemic and  
17 in the rush to enforcement of the Covid 19 related  
18 regulations, inspectors gave verbal instructions to  
19 immigrant small business owners with limited English  
20 capacity and then later held them accountable for not  
21 adhering to these instructions that they could not  
22 understand. Inspectors of various task forces and  
23 agencies make multiple routes of inspection in a  
24 short span of time and often gave wrong or  
25 contradictory information which formed a sense of

2 insecurity and lack of trust in the community. Our  
3 business owners would call me to ask how come  
4 inspectors are so punitive and so on cooperative when  
5 the Mayor is promising support for small businesses  
6 to survive this pandemic? So, we welcome this first  
7 important step towards lessening the unfair burdens  
8 that are small business community faces today. Our  
9 community needs the support and recognition for their  
10 contribution and the challenges they face. We are  
11 encouraged to see this effort in reviewing city  
12 regulations and look forward to working closely with  
13 you to ensure your immigrant small business  
14 communities most pressing regulatory concerns are  
15 heard and addressed. We see a lot of room for new  
16 regulations to be considered, as well. Going  
17 forward, we request that Council to actively reach  
18 out to immigrant small business owners through CBO's  
19 and business groups who already have established the  
20 trusting relationship with the community. We also  
21 welcome the discussion of waiving civil penalties on  
22 the first time offenses. This is something we have  
23 been pushing for for a long time and we are very  
24 happy to see this. This effort gives the recognition  
25 to the small business owners who have been struggling

2 to survive this pandemic, all the while doing their  
3 best to cooperate with this fast-changing--

4 SERGEANT-AT-ARMS: Time expired.

5 AHYOUNG KIM: relations to keep their  
6 communities safe. If I may say my recommendations--

7 CHAIRPERSON GJONAJ: Yes, please, Ms.  
8 Kim.

9 AHYOUNG KIM: Thank you. We have four  
10 recommendations in light of the challenges that we  
11 feel for the Asian American small business community.  
12 First of all, we urge the Council to actively invite  
13 immigrant small business owners or their business  
14 groups for and feedback on the regulations under  
15 review. Many of these industries in the city are  
16 disproportionately represented by immigrant  
17 communities of certain ethnicity and a lot of these  
18 groups don't have legal counsel or somebody to  
19 represent them in every single hearing. We need to  
20 reach out to them actively. Second, probably by  
21 meaningful language support for the immigrant small  
22 business community to ensure timely outreach and  
23 information dissemination. We appreciate the  
24 appointment of the Asian liaison in the SBS and his  
25 outreach work that is shown that it is possible to

2 engage our small business owners more directly. We  
3 request to the Council to support this effort and to  
4 expand this effort to appoint more liaisons with  
5 language capacity with a working directly with small  
6 business owners. Third, we request the Council to  
7 allow ample time for a cure.. While 30 days may seem  
8 like a long time, administrative barriers and lack of  
9 procedural assistance requires more time for in my  
10 grant small business owners to cure a standing  
11 violation. And, lastly, we would like to ask that  
12 the Council commit to better informed small business  
13 owners of their rights, such as the right to language  
14 access or the right to ask for the inspector to show  
15 an ID card before entering a business practice or  
16 demanding to see the behind-the-scenes of the  
17 business itself. We want to make sure that the  
18 Council-- we want to make sure that are small  
19 business owners have a fair chance and also the  
20 access to make sure that they can cure violations as  
21 you intend. For this opportunity to testify.

22 CHAIRPERSON GJONAJ: Thank you, Ms. Kim.  
23 We're going to continue to dialogue and I look  
24 forward to working with you as we look at the bills  
25 and the impact that these bills can have on our small

2 business community, especially our immigrant small  
3 businesses. Thank you.

4 COMMITTEE COUNSEL: Thank you, Ahyoung.

5 Next, we will hear from Michael Brady followed by  
6 David Estrada and then Kendra Hemps. Michael?

7 SERGEANT-AT-ARMS: Starting time.

8 MICHAEL BRADY: Good afternoon, Chair  
9 Gjonaj and members of the New York City Council  
10 Committee on Small Business, specifically special  
11 thanks to Council member Holden, Council member  
12 Gibson, and Council member Perkins. I do have to say  
13 I am a bit shocked at the lack of attendance by other  
14 Council members after the last stated where so many  
15 members of the progressive Caucus said that, during  
16 the March stated they were going to get serious about  
17 small business, but c'est la vie. We see how serious  
18 they are. Thank you so much for the opportunity to  
19 speak on the recently introduced legislation for  
20 small businesses, specifically Intro 2233 and 2234.  
21 Before starting, I would be remiss if I didn't  
22 acknowledge the anniversary of the first case of  
23 Covid 19 in New York City and the catastrophic loss  
24 of life that has severely shaped how our city  
25 prepares for and reacts to disasters. So many New

2 Yorkers have died and the economic and public health  
3 impact of this disease rages on in our communities.  
4 My personal thoughts are with every family member who  
5 has lost a loved one in every individual that is  
6 grappling with the economic fallout of this pandemic.  
7 My name is Michael Brady and I am the CEO of the  
8 Third Avenue Business Improvement District and  
9 Brockton Boulevard commercial corridor located in the  
10 South Bronx. Collectively, these organizations  
11 represent roughly 1000 S. Bronx, largely immigrant  
12 owned mom-and-pop businesses. I am here today to  
13 lend our organization supports of Intro 2233 and 2234  
14 as part of what I hope will be followed by a series  
15 of commonsense policies and rollbacks which genuinely  
16 prioritize small businesses and local economies an  
17 attempt to counter a decade of punitive measures that  
18 have been placed on small and micro business owners.  
19 The introduction of this legislation is a significant  
20 step forward and must be accompanied by a pro-small  
21 business policy which cultivates a message  
22 accompanied by actions which clearly state that New  
23 York City is open for business. It should be noted  
24 that, after hearing the administration's testimony  
25 today, out of the 6000 plus New York City regulations

2 for New York City's small businesses, that the  
3 administration has been able to come up with a list  
4 of approximately 80 acceptable legislations that they  
5 deemed curable. That is after they have had over a  
6 year and a half to analyze that. I am not a  
7 mathematician, but I would say the administration's  
8 actions and analysis are slow and disingenuous. In  
9 business, we can say that their analysis has no  
10 timely value add. Over the past decade, the anti-  
11 small business sentiment in New York City has had a  
12 damning impact on our neighborhoods and local  
13 economies. While educational towards have been  
14 refreshing, they are often little more than handing  
15 out flyers and facemasks during 2020. The  
16 commissioners, as you have heard, call this touching  
17 businesses. To compound matters, often these  
18 towards, unknown to the agency staff, were followed  
19 up by inspectors the next day, which very often fined  
20 the very businesses that were being educated just the  
21 day before. You can see where this lack of  
22 communication between agencies would appear unstable-

23 SERGEANT-AT-ARMS: Time expired.

24 MICHAEL BRADY: and unfair to small  
25 business owners. These two bills that are being

2 presented today are a meaningful part of countering a  
3 decade of neglect where small businesses were seen as  
4 the proverbial piggy bank and not the foundational  
5 investment for our city's neighborhoods. I would  
6 caution that the success of Intro 2233 and 2234 is  
7 all about the rollout and getting into the weeds.  
8 Refunds on violations must be easy to submit,  
9 language ready, and take into account the severe  
10 digital divide that exists in our city. A divide  
11 that this administration has not yet fixed. It  
12 cannot be owners and refunds must be processed  
13 swiftly if these bills have any hope of having  
14 positive impact. Education for businesses must be  
15 timely, readily available, language ready, online and  
16 in person, and speak to the communities that the  
17 small businesses serve. They must also include  
18 robust communication between agencies which, at  
19 present, is sorely lacking. The Covid 19 pandemic  
20 and a decade of anti-small business sentiment created  
21 a perfect storm that has led to the closure of over  
22 30 percent of New York City's small businesses. Only  
23 higher and industry specific areas like hospitality  
24 and hotels. We need to fix this and fix it quickly.  
25 It is time for New York City to put small businesses

2 first, prioritize business needs, grants, and capital  
3 over progressive soundbites. This is also a warning  
4 for the incoming class of city Council  
5 representatives. Legislation has consequences that  
6 far outlast your time in government. Smart  
7 legislators will evaluate those consequences and not  
8 stick their heads in the sand. Climbers, seeking  
9 higher office without properly evaluating legislative  
10 impact beyond a term in office will continually be a  
11 detriment to New York City's growth and ability for  
12 small businesses to succeed. Small businesses are in  
13 the struggle of their lives. We must mobilize every  
14 tool quickly and efficiently to protect as many small  
15 businesses as we can and also deeply engaged with  
16 entrepreneurs to fill the market left by so many  
17 closers over the past year. The public health impact  
18 has been great and the subsequent economic impact  
19 will have a lasting impact on our city for at least a  
20 decade. It is my hope that this body not only  
21 understands the severity of Covid 19's impact, but  
22 will take meaningful and purposeful steps to  
23 implement a comprehensive plan to address it. These  
24 two bills represent a step in that direction. Thank  
25 you for the opportunity to speak today, Councilman

2 Gjonaj, on a personal note, I was saddened to hear  
3 that you will not be running for reelection. You up  
4 in a tenacious and fierce advocate for small  
5 businesses and I am personally fearful of the next  
6 class of council members who are coming in, but I'm  
7 grateful for your leadership. Thank you so much.

8 CHAIRPERSON GJONAJ: Thank you, Michael.

9 COMMITTEE COUNSEL: Thank you, Michael.

10 Next, we will hear from David Estrada followed by  
11 Kendra Hems and then Kathleen Riley. David?

12 SERGEANT-AT-ARMS: Starting time.

13 DAVID ESTRADA: Good afternoon, members  
14 of the New York City Council. My name is David  
15 Estrada. I am testifying today on behalf of the New  
16 York City BID Association. I am also Executive  
17 Director of the Sunset Park Brooklyn Fifth Avenue  
18 BID. Thank you, Chair Gjonaj, for holding this  
19 hearing. The BID Association represents some 76  
20 individual BID's throughout the city and we serve as  
21 stewards of our diverse commercial corridor is the  
22 neighborhood public spaces. Our mission has always  
23 been to support the almost 100,000 local businesses  
24 we serve, to keep our neighborhoods clean and safe,  
25 and to bring prosperity to our communities. Our work

2 has never been more vital than during the Covid 19  
3 pandemic. The BID Association has long called for  
4 reductions in overly punitive city measures that hurt  
5 small business and that was long before the pandemic  
6 hit. However, this last summer, as the pandemic  
7 raged, we released a nine point plan to save the  
8 small businesses that are the backbone of our  
9 neighborhoods and city. That plan will be attached  
10 to our testimony. And one key point of it includes  
11 the review of outdated and overly burdensome city  
12 rules and laws, so we are very, very glad to see the  
13 two bills being considered today, 2233 and 2234 which  
14 will make some strides in reducing fine severity,  
15 lengthening cure periods, and hopefully putting our  
16 city on a path toward a less punitive small business  
17 policy. You know, if the success of Open Restaurants  
18 and Open Streets and open storefronts programs have  
19 taught us anything, it's that the city can act  
20 quickly to allow small business to operate without  
21 unnecessary bureaucracy. You know, simple forms to  
22 fill out, mostly easy to understand rules and  
23 warnings before findings are issued should be all  
24 within the new formula for the city's small business  
25 policy moving forward and we should continue to move

2 away from the city's countless arcane and punitive  
3 measures, some of which are being addressed by these  
4 bills today. The New York City BID Association  
5 strongly supports any effort to lessen the  
6 administrative burden and operational costs on small  
7 businesses, especially now when so many are just  
8 barely, barely surviving through tremendous struggle.  
9 We hope that these bills will provide a modicum of  
10 relief to small businesses that have made it this far  
11 in the face of staggering odds and also that it will  
12 provide some motivation to the next generation of  
13 entrepreneurs who will hopefully open up new  
14 storefront businesses and call New York City home.  
15 Our city's future depends on it and the New York City  
16 BID Association looks forward to being an active  
17 partner with the city Council and the administration  
18 on these bills and hopefully others and all the other  
19 efforts to help our small businesses in the city's  
20 economic recovery. I want to thank you for the  
21 opportunity to testify and I look forward to more  
22 work. Thank you.

23 CHAIRPERSON GJONAJ: Thank you, David.

24 We have got a lot of work ahead and I'm looking  
25 forward to really rolling up our sleeves as we take

2 the challenges on together. Thank you for what you  
3 doing.

4 DAVID ESTRADA: My pleasure.

5 COMMITTEE COUNSEL: Thank you, David.

6 Next, we will hear from Kendra hems followed by  
7 Kathleen Riley and then Susan Graham. Kendra?

8 SERGEANT-AT-ARMS: Starting time.

9 ZACH MILLER: Good afternoon. In light of  
10 spring training and in honor of opening day being  
11 around the corner, my name is Zach Miller and I will  
12 be pinch hitting for Kendra hems who is the president  
13 of the Trucking Association of New York. I would  
14 like to thank Chairman Gjonaj as well as the members  
15 of the Committee for the opportunity to testify and  
16 certainly would like to begin by commending the bill  
17 sponsors, as well as the Council for proposing two  
18 pieces of legislation that will provide much-needed  
19 relief to the small business community. The vast  
20 majority of trucking companies are, in fact, small  
21 businesses. Many of our member fleets consist of  
22 less than 10 trucks and are family-owned and  
23 operated. As the Council examines a variety of  
24 regulations to temporarily reduce or suspend fines,  
25 we ask you to consider the addition of one regulation

2 that is germane to the trucking industry.

3 Specifically, the reconciliation of the New York City  
4 Department of Transportation marking laws with that  
5 of the federal Department of Transportation. We  
6 would like to thank Council member Gibson for  
7 mentioning this earlier in today's hearing. Under  
8 current federal and state law, commercial trucks must  
9 be marked on both sides of the vehicle with the legal  
10 business name or DBA as it appears on the US DOT  
11 registrations. The lettering must be written in a  
12 color that contrasts with the background color of the  
13 vehicle and it must be visible from a minimum  
14 distance of 50 feet. However, NYC traffic rule  
15 mandates an additional requirement that commercial  
16 trucks include their full address and characters at  
17 least 3 inches high on both sides of the vehicle with  
18 such display being in a color contrasting that of the  
19 vehicle and placed approximately midway vertically on  
20 doors or side panels and, if that is a mouthful to  
21 you, imagine what it is to the trucking companies.  
22 If the vehicle is not marked in this manner, it is  
23 deemed an unaltered vehicle and would not be in  
24 compliance with NYC laws for purposes of commercial  
25 vehicle parking. The subjects the company to the

2 stacking of tickets for not having an altered motor  
3 vehicle, as well as being in violation if that  
4 vehicle is parked in a commercial loading zone.  
5 Essentially, how does the truck not be, truck if it  
6 is unaltered? Additionally, an exception for this  
7 marking requirement exists for vehicles which display  
8 widely recognized logo type markings such as UPS,  
9 FedEx, writer, and other nationally known companies.  
10 This truly is a small business specific burden. Many  
11 of our members do not operate solely within the  
12 confines of New York City and are often not aware of  
13 this unique marking requirement until such time as  
14 they receive a ticket, even though they are otherwise  
15 in compliance with both state and federal  
16 regulations. Requiring these companies to pull the  
17 trucks out of operation to add additional markings is  
18 a tremendous administrative and financial burden, in  
19 addition to the tickets and finds that they receive.  
20 There is no need for this Street address to be marked  
21 on the vehicle as it is easily accessible by looking  
22 up the US DOT number four vehicle registration  
23 information. This additional requirement has no  
24 impact on safety, yet results in a significant number  
25 of violations and subsequent fines for our members.

2 We respectfully ask that the bill sponsors examine  
3 the additional requirement and consider repealing the  
4 full address requirement into Intro 2233. This  
5 measure will go a long way--

6 SERGEANT-AT-ARMS: Time expired.

7 ZACH MILLER: to ensuring that our members  
8 are not saddled with significant fines for regulation  
9 that does not comply with federal and state laws. We  
10 look forward to working with the Council to address  
11 our concerns with the current legislation. Thank  
12 you.

13 CHAIRPERSON GJONAJ: Zach, I want to  
14 thank you and I just want you to know that I put NOS  
15 request that addresses this exact issue and I had  
16 mentioned it at this hearing, but it is important  
17 because it allows us to give up other regulations  
18 that can be brought in as well and this is one of the  
19 ones that I printed out that can be added to the list  
20 of 183 and I am hopeful that the list will continue  
21 to grow as we really look for real solutions.

22 ZACH MILLER: Thank you so much. And we  
23 really appreciate it and we appreciate all the hard  
24 work and dedication that you put into helping our

2 small businesses. I'd like to echo what Michael  
3 said. You will be greatly missed in this Council.

4 COMMITTEE COUNSEL: Thank you, Zack.

5 Next, we will hear from Kathleen Riley followed by  
6 Susan Grant and then Read well back. Kathleen?

7 SERGEANT-AT-ARMS: Starting time.

8 KATHLEEN RILEY: Thank you, everyone.

9 Good afternoon. My name is Kathleen Riley with the  
10 New York State Restaurant Association. And now,  
11 whole year into the Covid pandemic, our industry has  
12 been disproportionately damaged in New York City.  
13 The hardships that are experienced by the restaurant  
14 industries, specifically mandated closures, rigid  
15 limitations on business operations have led to losses  
16 in jobs, income, and entire businesses. Even today,  
17 indoor dining has only been back for a little over  
18 two weeks and we are still operating at a mere 35  
19 percent capacity, which is compared to 50 percent in  
20 the rest of the state and beholdng to a curfew.  
21 Costs incurred by restaurant operators have been  
22 immense and, in many cases, operators are finding  
23 themselves in debt, unable to pay rent, unable to  
24 retain or rehire the staff they had pre-pandemic, and  
25 really struggling to see the light at the end of the

2 tunnel. In a recent survey we conducted in early  
3 February in partnership with the National Restaurant  
4 Association, we found the following: 92 percent of  
5 New York operators have lower sales in January 2021  
6 compared to January 2020, 46 percent expected their  
7 sales to be lower in February and March 2021 compared  
8 to January 2021. 83 percent of operators expect  
9 their staffing levels to be lower in February and  
10 March and they were in January, all of 2021. New  
11 York operators are struggling to be optimistic. 32  
12 percent think it will take 7 to 12 months before  
13 their business returns to typical levels and an  
14 additional 29 percent think it will take more than a  
15 year. An additional 10 percent doubt it will ever  
16 happen. These next few months will be critical to  
17 seeing the surviving restaurants through and, in this  
18 precarious atmosphere, we are so grateful to the city  
19 Council, specifically Council members Gibson, Gjonaj,  
20 and the other sponsors for bringing forward In trials  
21 2233 and 2234. We are here today to express our  
22 wholehearted support for this legislation. The pair  
23 of Intros would waive or reduce the fines on  
24 businesses and, in some cases, refund fines paid  
25 during the course of Covid and increase the ability

2 for businesses to correct violations without penalty  
3 by expanding cure periods. These changes would be a  
4 welcome relief for the struggling restaurant  
5 industry. We applaud an enforcement strategy that is  
6 focused more on education and less on extracting  
7 fines from small businesses. We find that education  
8 focused enforcement to still be very effective at  
9 correcting mistakes and it fosters a much more  
10 collaborative relationship between enforcement  
11 agencies and the business community. At the end of  
12 the day, restaurants are working incredibly hard to  
13 meet vast and frequently changing regulations from  
14 both the city and the state and we welcome the  
15 recognition by city Council that businesses are doing  
16 their best and eager to fix any errors that come to  
17 their attention. Moreover, any dollar that can be  
18 kept in the pocket of a restaurant operator can truly  
19 be the difference between staying open and rehiring  
20 workers or closing for good. The New York State  
21 Restaurant Association is so appreciative to city  
22 Council and to this committee for turning the  
23 necessary attention towards the enforcement strategy  
24 used for this small business community. A shift  
25 towards education focused enforcement and away from

2 the extract [inaudible 02:29:21] model is the kind of  
3 common sense change that can really make a  
4 difference. We fully support these two Intros and  
5 thank you so much for your time today.

6 CHAIRPERSON GJONAJ: Kathleen, and,  
7 again, I invite you to roll up your sleeves so that  
8 we can [inaudible 02:29:38] and write so many wrongs.  
9 Thank you.

10 COMMITTEE COUNSEL: Thank you,  
11 Kathleen. Next, we will hear from Susan Grant  
12 followed by Katherine Wellbeck. Susan?

13 SERGEANT-AT-ARMS: Starting time.

14 SUSAN GRANT: Good afternoon and thank you.  
15 My name is Susan Grant and I am director of consumer  
16 protection and privacy at Consumer Federation of  
17 America, which is an association of consumer  
18 organizations and state and local consumer protection  
19 agencies across the US, including the New York City  
20 Department of Consumer and Worker Protection. You  
21 have my written testimony, so I am going to depart  
22 from that and address some of the really good points  
23 that have been made so far in this hearing. Owning  
24 your own business is a great way to do what you love  
25 and provide for your family, but with it also comes

2 the responsibility to comply with the laws that apply  
3 to you. Not all violations of consumer laws are  
4 intentional. Sometimes business owners simply don't  
5 know what they are doing, but other times they are  
6 irresponsible or even incompetent and their actions  
7 can still have very serious impacts on consumers.  
8 For instance, if you open up a small used car lot and  
9 you offer financing and you don't give consumers the  
10 disclosures that are required explaining how much  
11 they are going to be paying and under what terms,  
12 that can have a really serious detrimental effect on  
13 consumers or if you are a home improvement contractor  
14 and you are incompetent or you overbook yourself and  
15 can't do the job, again, that can have a really  
16 serious impact on people. Not all violations merit a  
17 cure or waiver of the penalty, so I think it is  
18 really important for the Council to work with the New  
19 York City Department of Consumer and Worker  
20 Protection to figure out where a cure is appropriate,  
21 where it is not, what is an appropriate penalty.  
22 Perhaps son penalty should be raised another should  
23 be lowered. But I'm really encourage so far by what  
24 I have heard in the back-and-forth that you are  
25 willing to work with the Department. Certainly, the

2 last thing in the world that you want to do is impose  
3 a new regime that is going to cost the department a  
4 lot of time and money that it doesn't have to totally  
5 retool. The other thing I heard that is encouraging  
6 is that you want more outreach by the department to  
7 business owners to make sure that they know what they  
8 should be doing and to the extent that the city  
9 Council can provide for more funding to help the  
10 department do that, I'm sure that they would  
11 appreciate it. So, once again, I really appreciate  
12 your interest in this and I hope that you can find a  
13 solution here that works for small businesses, as  
14 well as for the department which is mandated to  
15 protect your constituents. Thank you.

16 CHAIRPERSON GJONAJ: Susan, I want to  
17 thank you and I truly believe that we can achieve  
18 this while protecting consumers and worker rights.  
19 And that is the balance. So I'm grateful we have  
20 6000 rules and regulations to look at and I'm sure  
21 that we can find those that don't have to be punitive  
22 with their penalties or fines. So, thank you, Susan.

23 SUSAN GRANT: Thank you. I just would like  
24 to say that it is not necessarily the number of  
25 regulations or the amount of the fines that is

2 important. To me, clearly, we've had a lot of  
3 inflation since several years ago as some of the  
4 panelists have alluded to the difference in the  
5 amount of fines between then and now. We've got a  
6 lot more businesses. There are a lot of factors that  
7 have gone into the increase in rules and laws to  
8 protect consumers, as well as the amount of fines.  
9 So, we wouldn't just look at numbers. I think you  
10 really need to dig deeper to understand what is  
11 actually necessary to protect your constituents and  
12 due to our bad practices and also to win sure that  
13 businesses that want to play by the rules know what  
14 the rules are.

15 CHAIRPERSON GJONAJ: Thank you, Susan.

16 COMMITTEE COUNSEL: finally, we will  
17 hear from Katherine Wellbeck. Katherine?

18 SERGEANT-AT-ARMS: Starting time.

19 KATHERINE WELLBECK: Wonderful. Good  
20 afternoon, Chairman Gjonaj, members of the committee.  
21 My name is Kat Wellbeck. I am civil rights counsel  
22 at the Student Protection Center, a nonprofit  
23 organization focused on alleviating the burden of  
24 student debt and I want to just start by thanking the  
25 Committee for the opportunity to speak today, but

2 also I just want to thank you, Chairman Gjonaj. I  
3 appreciate your opening remarks reiterating your  
4 support for consumer protection and I would like to  
5 echo Commissioner Salas' remarks to the importance of  
6 consumer protection and enforcement across the city  
7 and just understanding that, although this  
8 legislation is specifically intended to provide much-  
9 needed economic stimulus to the local businesses in  
10 the community, my concern lies with the breath of  
11 regulatory and Worker Protection from effectively  
12 enforcing the laws against companies that do prey on  
13 consumers. I guess, strong consumer protections are  
14 essential to a robust economic recovery, keeping  
15 dollars in the hands of consumers and out of the  
16 reach of predatory companies that are seeking to  
17 enrich themselves at the expense of consumers. And  
18 so, without meaningful consequences, those companies  
19 can and will operate with impunity. So, rigorous  
20 consumer protection and enforcement and civil  
21 penalties send a message, necessary message to the  
22 predatory companies that they will be held  
23 accountable for any kind of illegal acts and  
24 practices and so, what I want to do is just provide  
25 an example in how this operates. For example, the

2 student debt crisis. So, in New York City, more than  
3 one in six, approximately 1 million adults have a  
4 student loan collectively amounting to \$35 billion.  
5 And so, this burden ripples because our financial  
6 lives affecting their ability to buy homes, start  
7 families, start businesses, and save for retirement  
8 and this burden is especially amplified for the most  
9 financially distressed borrowers, especially with the  
10 consequences that are associated with student loan  
11 delinquency and default. And so, what we see is that  
12 this crisis affects our local communities and  
13 research has shown that, you know, it stymies  
14 professional development, professional ability, small  
15 business formation. And, again, also what we see is  
16 that borrowers aren't bearing this burden equally, so  
17 we see that the fall out of this crisis, many of the  
18 delinquencies and defaults are really impacting black  
19 and Latino borrowers. And so, but this crisis is  
20 more than just ballooning balances and monthly bills,  
21 but it is also consumer protection crisis where we  
22 are seeing predatory companies build entire business  
23 models by targeting black and Latino communities that  
24 bolster the bottom line. So, we see private student  
25 loan companies routinely target communities with high

2 costs, high risk credit products that leave borrowers  
3 to struggle. We see student loan companies and debt  
4 collectors single out communities of color  
5 specifically with illegal and predatory tactics and  
6 amplified racial disparities in the student loan  
7 system. And as we saw in DCWP's case against Berklee  
8 College, for-profit schools routinely engage in  
9 reverse redlining practices that exploit communities  
10 of color and drive--

11 SERGEANT-AT-ARMS: Time expired.

12 KATHERINE WELLBECK: and leave the  
13 borrowers in distress. And so, really pointing out  
14 that these illegal practices in the predatory  
15 companies that perpetuate them impose billions of  
16 dollars in the needless student debt interest and  
17 fees on borrowers. And so, that is why any  
18 meaningful solution to end the student debt crisis  
19 also requires action at every level of government,  
20 including the cities that bear witness to this every  
21 day. And so, just really want to point out that  
22 consumer protection has to be an essential component  
23 of Covid 19 recovery efforts and consumer protection  
24 is critical to economic growth. And so, with that, I  
25 know I am over time, but I think we saw after the

2 last economic crisis, recovery efforts, a lot of them  
3 had, unfortunately, ill intended effects of further  
4 entrenching economic inequality and so, as you are  
5 going down the road and thinking about pandemic  
6 recovery, just really prioritizing a relief effort  
7 and legislation that centers communities that are all  
8 too often forced to the margins and understanding the  
9 role of consumer protection in that. And so, a  
10 reduction of enforcement mechanisms really can  
11 further injury to struggling borrowers. And so, what  
12 we see is that the student loan market is not a  
13 market that needs less regulation and enforcement,  
14 but rather more capacity to employ all the tools to  
15 protect consumers in the wake of the pandemic,  
16 especially at a point when many families are  
17 struggling with dual crises, both the public health  
18 crisis in an economic crisis, in many of the same  
19 communities that were disproportionately impacted by  
20 Covid 19 are also disproportionately impacted by the  
21 student debt crisis. And so, really, we just want  
22 New York to continue to take this critical step of  
23 ensuring that consumer protection is a part of this  
24 pandemic recovery. Thank you so much for your time.

2 CHAIRPERSON GJONAJ: Katherine, thank  
3 you. Great points and I promise you that we are  
4 going to continue [inaudible 02:39:13] and force the  
5 consumer protection laws. That is not the intent  
6 here and no one that is violated those laws is going  
7 to be receiving a refund. We have plenty of other  
8 laws that we can look at, but I'm grateful to you for  
9 your testimony. Thank you.

10 COMMITTEE COUNSEL: Thank you,  
11 Katherine. If we have inadvertently missed anyone  
12 who is registered to testify today and has yet to be  
13 called, please use the zoom hand raise function and  
14 you will be called in the order that your hand has  
15 been raised. Seeing no hands raised, I will now turn  
16 it over to Chair Gjonaj to offer closing remarks.

17 CHAIRPERSON GJONAJ: Thank you. I want  
18 to thank all of you that took the time to participate  
19 today to be a part of these incredible hearings.  
20 Keep in mind that these are historic bills that can  
21 truly shape the way New York City government  
22 interacts with small businesses. All of your  
23 testimonies are going to be looked at in highlight  
24 all of the areas that we can revise our regulations.  
25 I'm grateful to you and I'm truly a believer that

2 this is the beginning to a great future, provided  
3 that we have the commitment and the wherewithal to  
4 continue to look at this and do the deep dive that is  
5 necessary. So, thank you, again. This will conclude  
6 today's hearing. God bless you.

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C E R T I F I C A T E

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 April 15, 2021