

NEW YORK CITY BUSINESS INTEGRITY COMMISSION

**NOTICE OF ADOPTION OF FINAL RULE ON AMENDMENT OF MAXIMUM RATES
ALLOWED FOR HANDLING OF TRADE WASTE**

NOTICE IS HEREBY GIVEN in accordance with the requirements of section 1043 of the New York City Charter and exercising the authority vested in the Commission by sections 1043(a) and 2101(b) of the New York City Charter that the New York City Business Integrity Commission (“BIC” or the “Commission”) adopts the following Amendment of Maximum Rates Allowed for Handling of Trade Waste. BIC published a Notice of Opportunity to Comment on the proposed rule in the *City Record* on March 6, 2018. On April 9, 2018, BIC held a public hearing on the proposed rule.

Statement of Basis and Purpose of Rule

Under section 2101 of the New York City Charter, the Commission is authorized to regulate the trade waste industry and ensure businesses are able to operate in an honest and competitive environment free from the influences of organized crime and criminality. BIC is also authorized under sections 16-504(b) and (i) and 16-519 of the Administrative Code to set by rule the maximum rates by weight and by volume that trade waste haulers can charge for the removal of putrescible and recyclable commercial waste. Rates were last adjusted in 2016.

In accordance with section 16-519 of the Administrative Code, any change that BIC proposes to the maximum rates must be based on a fair and reasonable return to the licensees who provide waste removal services to commercial establishments in New York City while also protecting those using these services from excessive or unreasonable charges. To achieve this balance, BIC established an administrative procedure that provides greater transparency, standardization and regularity in the rate-setting process. Pursuant to Title 17, Chapter 1, § 5-02(f) of the Rules of the City of New York (“RCNY”), BIC held a hearing on October 18, 2017, relating to the maximum rates charged by a licensee for the collection, removal, disposal, or recycling of trade waste. The hearing was attended by representatives of the trade waste industry and other interested parties, some of whom testified at the hearing and submitted written testimony.

The Commission has carefully evaluated the evidence provided throughout the process, including the oral statements made at the October 18, 2017 hearing and the April 9, 2018 hearing, as well as, the written statements provided both prior to and after the hearings. In accordance with the process outlined in RCNY Title 17, Chapter 1, § 5-02(g), BIC has reviewed the Producer Price Index, as published by the United States Department of Labor Bureau of Labor Statistics, and other relevant factors affecting the trade waste industry and its customers, including, but not limited, to data contained in financial statements that licensees are required to file with BIC, as well as certain data regarding increases in operating and capital costs provided to BIC by members of the trade waste industry. As a result of its analysis, BIC initially proposed to increase by 5.6% the current maximum rates that trade waste haulers can charge. However, after considering rising operational costs, regulatory costs, new capital investments for compliance with vehicle emissions laws, and changes to the organics and recycling regulations, BIC is now permitting an increase of 10% in the current maximum rates. This increase results in maximum rates of:

- \$20.76 per cubic yard
- \$13.62 per 100 pounds

BIC's authority for these rules is found in sections 1043(a) and 2101(b) of the New York City Charter.

New text is underlined; deleted text is in [] brackets.

Section 1. Subdivision (a) of section 5-02 of subchapter E of Chapter 1 of Title 17 of the Rules of the City of New York is amended to read as follows:

(a) A trade waste removal business [shall] must not demand, charge, exact, or accept rates for the collection, removal, disposal, or recycling of trade waste greater than the following maximum rates:

(1) [~~\$18.87~~] \$20.76 per cubic yard.

(2) [~~\$12.38~~] \$13.62 per 100 pounds.

(3) Exempt Waste. This subdivision [shall] does not apply to the removal of construction and demolition debris, infectious medical waste, covered electronic equipment as defined in § 421 of chapter 16 of the Code, waste from grease interceptors as defined in § 19-119(a) of title 15 of the Rules of the City of New York, and paper that is collected for the purpose of shredding or destruction by the licensee.