## NEW YORK CITY

## DEPARTMENT OF CONSUMER AND WORKER PROTECTION

DCWP RULES HEARING - NEWSSTAND LICENSES

VIRTUAL PUBLIC HEARING

REMOTE - VIA TELECONFERENCE
April 29, 2024

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MS. KARLINE JUNG: Oops. I just realized that the recording did not start yet, so I will start over. Good morning. My name is Karline Jung. I have been designated as the Hearing Officer for the public hearing of the Department of Consumer and Worker Protection on the proposed rules to add rules to implement Local Law 128 of 2021, allowing businesses to hold newsstand licenses.

This hearing is being held via

This hearing is being held via teleconference call. It is now 11:02 a.m. on Monday, April 29, 2024, and I am hereby convening the public hearing on this proposed rule.

The proposed rule was published in The City Record on March 28, 2024. The published notice and rules are available online on the New York City Rules website and the Department's website. The Department has proposed rules pursuant to the authority vested in the Commissioner of Department of the Consumer and Worker Protection by sections 1043 and 2- 2203(f) and 2203(h)(1) of the New York City Charter, and section 20-104 the New York City Administrative Code.

This hearing affords the public the opportunity to comment on all aspects of the rule the Department has proposed. The Department will carefully review all testimony and written comments

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received at this hearing and will give due weight and consideration to proposals and recommendations that are submitted for the record at this hearing.

To ensure that everyone seeking to testify today will have an opportunity to do so, I ask that we all follow these ground rules. During the hearing, all participants should give due respect and consideration to the folks offering their testimony, and please mute your lines if you're not speaking.

Each witness will have a maximum of three minutes to provide oral testimony. If your comments take longer than three minutes, please synthesize your oral testimony and leave a written copy for the record.

Unlike the limit on the time for oral testimony, there is no limit on the number of pages you can submit as written testimony or as documents for the record. The written submission will be made part of the public record.

If you are looking to testify today and you have not yet let me know, please do so now in the chat. I'll give everyone a few minutes. For those that just joined, if you're looking to testify today, please let me know in the chat. Okay. Seeing no one present to offer testimony, I will adjourn the hearing until an individual appears to offer testimony.

1	MR. MAX BOOKMAN: Wait, wait, wait.
2	We had let you know. I e-mailed you.
3	MS. JUNG: Oh, did, did you? Okay.
4	MR. BOOKMAN: Yeah. So I, I had e-mailed
5	you previously. Do you want, did you want me to just
6	put it in the chat, as well?
7	MS. JUNG: Okay. My apologies. I thought
8	you had just provided comments. You can provide
9	testimony right now, if you'd like.
10	MR. BOOKMAN: Thank you. Yeah, in my e-mail
11	
12	MS. JUNG: You will have three
13	MR. BOOKMAN: I had said I'd be speaking
14	orally. But, yeah, thank, thank you for that. Can I
15	begin?
16	MS. JUNG: Yeah.
17	MR. BOOKMAN: Thank you. My name is Max
18	Bookman. I am counsel to the New York City Newsstand
19	Operators Association, the retail trade association
20	for sidewalk newsstands that's been in existence since
21	1988. We submitted written testimony, and thank you
22	for this opportunity to speak today.
23	The challenges facing the sidewalk newsstand
24	industry are not unique to the sidewalk newsstand
25	industry. It's what's facing all retail business

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the hybrid work environment, online retail, retail theft. Sidewalk newsstands are particularly susceptible to these challenges.

The Department has -- some, some of the, the, the ways that the Department could address this are out of its hands through statutory solutions, which we address in our comments. But the Department does have some regulatory power and we believe, by and large, that these rules make the sidewalk newsstand situation worse, and not better. I don't have time in three minutes to address all of the changes that we ask you to make in the regulations, so I will just address three.

First, and most importantly, is that the Department should not be enacting regulations that threaten to put existing sidewalk newsstands out of business. And you do that twice in your proposed regulations, one in the pedestrian plaza regulations and another in the, in the franchisee construction proposal.

The pedestrian plaza regulations are, by and large, retroactive, as currently drafted, which means that a sidewalk newsstand that is currently in a pedestrian plaza is threatened to being put out of business or having to be re-relocated, potentially

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relocated to a place that's, that's not acceptable.

That is not acceptable. The, the Department should not be having retroactive regulations for the pedestrian plazas. There's a lot of work done on the distinction between pre-1991 and post-1991 newsstands in the regulations. The reason why that exists, distinction even exists is because the last time you did rulemaking on this in 1991, you exempted new newsstands built after 1991 from the regulations you were doing at that time. So you previously understood that, that new regs shouldn't be made retroactive to threaten sidewalk newsstands from being put out of business.

In addition, the, your [unintelligible]

In addition, the, your [unintelligible]
[00:06:00] franchisee construction regulations allow
the franchisee to basically put an existing sidewalk
newsstand out of business on its own say so. That
can't, that, that really can't be.

And, secondly, the vacancy rules that you have in place are, are ones that we do applaud. We hope those stay in the final rules. The vacancy rules are important, especially in the context of the broader rules, because the broader rules, by and large, pretty much just make it harder to op-, to construct and open a new sidewalk newsstand in New

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York City. So, having an opportunity to get into an existing vacant newsstand, like the vacancy rules, is really important.

Third, and finally, we ask that you give some consideration to the ongoing retail theft issues

some consideration to the ongoing retail theft issues facing sidewalk newsstands. And we put, put a proposal in our, our, our written commentary asking for you to allow for some common sa- se-, common sense safety measures approved by the NYPD to, to be installed into sidewalk newsstands without threatening one of our members with a violation for altering the newsstand.

So, with, with those comments in mind, we ask that you please carefully review our written testimony and, and incorporate it into the final regulations. Thank you.

MS. JUNG: Great. Thank you. If there is anyone else who would like to testify today, please let me know now.

MS. ANDREA TAN: Hello. My name is Andrea

Tan with Volunteers of Legal Service, and I would like

to make a brief comment.

MS. JUNG: Okay, that's great. You will have three minutes for testimony, and you may begin whenever you're ready.

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MS. TAN: Okay, thank you. My name is

Andrea Tan. I am an attorney with Volunteers of Legal
Service. We are a nonprofit legal services provider.

We represent entrepreneurs and small businesses across

New York City by providing transactional legal
services pro bono.

We recognize that operating a newsstand is a form of entrepreneurship that provides many New Yorkers, particularly immigrant, minorities and veterans, with crucial economic opportunities. And newsstand operators foster connection with our communities and serve as our eyes on the street. We believe the proposed rules to prohibit newsstand licensees from renting the newsstands and to require licensees to derive most of their income, excluding investment income from the operation of up to two newsstands, would benefit small entrepreneurs and the community.

We also believe that the proposed rules to allow business entities to hold newsstand licenses enables newsstand operators to benefit from the limited liability protection and other advantages of having a business structure.

In our experience, individuals that operate newsstands often aren't the same individuals holding

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the newsstand licenses. Their existing formal arrangements in the newsstand system where individuals pay rent to newsstand licensees for the right to operate the newsstand as sub-licensees, these licensees may serve as the name on the license, but they do nothing more to operate the newsstand. sub-licensees are the ones who control and purch-, and, and the purchasing, the pricing, make the pricing decisions of the newsstands, and they assume the business risk. They may also pay licensees' license renewal costs, et cetera. You know, in some cases, sub-licensees have secured their positions in these arrangements by paying significant amounts of money. So, while far from the system envisioned by the City, it is the reality for many newsstand operators, and these sub-licensees should have a pathway to assuming the newsstand license in the event of vacancy or abandonment by the license holder.

So, to that end, we encourage DCWP to consider the following amendments to the proposed rules to provide a pathway for those who have long operated and worked in newsstands to formally become licensees. We have three recommendations.

So the first one would be the categories of eligible applicants who may apply to operate an

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existing newsstand upon the death or permanent disability of a newsstand licensee should be expanded to include an individual who was the principal person operating and working in such newsstand up until the time of the licensee's death or disability.

The next recommendation is that the categories of eligible applicants who may apply to operate an existing vacant newsstand should be expanded to include an individual who was the principal person operating and working the newsstand prior to the vacancy.

And the last recommendation is that section 2-64(c)(1) grant DCWP permission to revoke or refuse to renew a license for failure to operate a newsstand for two consecutive months, that should be revised to include an exception for licensees who are complying with any kind of suspension of their license, because sometimes, because they're trying to comply with that suspension, they can't operate for the two months and they need to be given the time to be able to resolve that issue and not be shut down.

So we appreciate DCWP's attention to the needs of New York City's newsstand operators who are among New York's smallest business and, yet, form an essential part of our community. So thank you again

1	for the opportunity to provide comment on the proposed
2	rules governing newsstands.
3	MS. JUNG: Thank you for your comments. If
4	there is anyone else who would like to provide any
5	comments or would like to testify, please let me know.
6	MR. PATEL: Yes, do you hear me?
7	MS. JUNG: Yes, I hear you.
8	MR. PATEL: Thank you. I, I would like to
9	provide comments. I'm a newsstand owner. My name is
10	Patel.
11	MS. JUNG: Okay. You have three minutes for
12	testimony. You may begin whenever you're ready.
13	MR. PATEL: Thank you. I'm a little
14	puzzled, just as Mr. Bookman is, about these
15	retroactive rules. And I would like that, and, and
16	I've spoken with several of our colleagues who own and
17	operate newsstands, and they, too, they are most
18	shocked that these act- retroactive rules would be
19	applied to, or where the DCWP seeks to apply these
20	rules retroactively.
21	And I'm grateful to the advocacy of Mr.
22	Bookman on behalf of hundreds of us newsstand owners
23	and operators. And I will conclude my comments here.
24	Thank you.
25	MS. JUNG: Alright, thank you. For those

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1 that just joined, if you would like to provide comment 2 or provide testimony, please let me know. Alright. 3 Seeing no one present to offer testimony -- oh, am I missing someone? 4 UNIDENTIFIED MALE 1: Hi. I am so sorry. 5 6 Yes, I actually just joined a little bit late. I had 7 an issue trying to connect to the meeting. MS. JUNG: Mm-hmm. 8 IDENTIFIED MALE 1: Can, if, if it's 9 10 possible, are you able to kind of just recap what 11 happened? You know, what was discussed in the first 12 like five or 10 minutes? 13 MS. JUNG: Sure. So I just provided in-14 introductory comments that this is a Rules Hearing for 15 the proposed rules, to add rules to implement Local 16 Law 128 of 2021, which allows businesses to hold 17 newsstand licenses, and I just informed everyone that 18 if they would like to provide testimony or comments, 19 they have three minutes to do so. 20 UNIDENTIFIED MALE 1: But something was 21 discussed about, I don't know, like the, for the rent 22 or something, like sublease? I, I didn't catch that 2.3 part, because I joined right after, I think, when it

> Geneva Worldwide, Inc. 228 Park Ave S - PMB 27669, New York, NY 10003

MS. JUNG: You might be referring to

was being discussed.

1	testimony that someone else provided.
2	UNIDENTIFIED MALE 1: Okay.
3	MS. JUNG: Alright. If no one else would
4	like to provide testimony or comments, I will adjourn
5	this hearing until an individual appears to offer
6	testimony or until 12:00 p.m., whichever comes first.
7	MR. BOOKMAN: Thank you. And thank you to
8	all the newsstand operators who came out today.
9	MS. JUNG: Thank you, everyone.
10	UNIDENTIFIED MALE 2: Hi, there.
11	MS. JUNG: Hello. If you'd like to provide
12	any comments or testimony, please let me know.
13	UNIDENTIFIED MALE 2: Did the meeting start?
14	I, it took a long time for me to get into the meeting.
15	Did the meeting start yet?
16	MS. JUNG: Yes, the meeting is in progress
17	right now.
18	UNIDENTIFIED MALE 2: Okay. How do I get
19	into the meeting?
20	MS. JUNG: Oh, you are, you are in the
21	virtual meeting right now.
22	UNIDENTIFIED MALE 2: Oh, there I am. Oh,
23	wait. I don't know where I am. Okay.
24	MS. JUNG: Would you like to provide any
25	comments or testimony today?

1 UNIDENTIFIED MALE 2: I just want to here 2 what's going on. Has anybody said anything? 3 MS. JUNG: Yeah, we've had three people 4 provide comments. UNIDENTIFIED MALE 2: How do I hear the 5 6 comments? I didn't hear anything. 7 MS. JUNG: You might have to wait until the transcript of the record-, of the Rules Hearing is 8 9 posted to our website. 10 UNIDENTIFIED MALE 2: Oh. When, when will 11 that be posted? 12 MS. JUNG: I don't have an exact date for 13 you, but I can let you know once I have a timeline on 14 that. 15 UNIDENTIFIED MALE 2: Okay. UNIDENTIFIED FEMALE 1: A lot of us had 16 17 problems joining the meeting, just like this person 18 also did. So we request you [unintelligible] 19 [00:18:46] to recap a little further, because your 20 answer wasn't as explanatory as we would have liked 21 for the ones that did not hear the first, let's say 22 five, 10 minutes. If we're just sitting silently, 2.3 perhaps we could use that time for you to just be a 24 little bit more informative about what these

proceedings are for and what the proposed things are,

1	please.
2	MS. JUNG: Please give me one minute while I
3	get back to you.
4	UNIDENTIFIED MALE 2: By the way, Ka- Ka-
5	Ka Karline.
6	MS. JUNG: Karline, yeah.
7	UNIDENTIFIED MALE 2: Yeah. I wanted to let
8	you know that the, the telephone, I tried to dial in
9	on the phone.
10	MS. JUNG: Mm-hmm.
11	UNIDENTIFIED MALE 2: And the code number is
12	not acc-, being accepted. You, you, you I mean, in
13	other words, the, the so I can keep in late,
14	because the 10 minutes I've been trying, there was a,
15	a code number, 517021702, that's not recognized. And
16	then I put in 231517021702 and it wasn't recognized.
17	And then I put in the pass code, which was CIZMD6, and
18	it wasn't recognized. So, if anybody is trying to
19	call in, that, you know.
20	MS. JUNG: It's not working?
21	UNIDENTIFIED MALE 2: Yeah, it's not
22	working.
23	MS. JUNG: Okay. Sorry about that. I'm not
24	really sure what's going on with Teams.
25	UNIDENTIFIED MALE 2: So I don't know what

1	happened the first 10 minutes, so I, I'd like to hear
2	it again, also.
3	UNIDENTIFIED FEMALE 1: Same here. If you
4	can discuss what you were saying, please, that would
5	be great.
6	MS. JUNG: Okay. If everyone could just
7	give me one minute.
8	MR. BOOKMAN: Oh, I Sorry, my mic
9	wasn't working. Before you go, Karline, I mean, I,
10	I'd also, once you get back, I'd be happy to restate
11	my testimony, if that is, is useful for the folks who
12	had technical difficulties.
13	UNIDENTIFIED MALE 2: Now you see me?
14	MS. JUNG: Yeah. So, unfortunately, we only
15	allow people in the the prescribed time to give
16	everyone a chance to provide testimony. But our
17	transcript will be posted on our website as soon as
18	possible.
19	UNIDENTIFIED MALE 2: So, so, in other
20	words, whatever transpired the first 10 minutes or 15
21	minutes, you can't repeat?
22	MS. JUNG: I don't believe so.
23	UNIDENTIFIED MALE 2: Okay.
24	UNIDENTIFIED FEMALE 1: Well, why don't you
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[CROSSTALK] [00:21:37]

UNIDENTIFIED FEMALE 1: -- you, Karline, if you can at least repeat your, your spoken words in the beginning, that would help the ones that came in late. And also, Mr. Max B. was generous enough to say that he could repeat what he said. And that would give us a little bit more information. So if, if, you know, because it's not very informative for us to sit quietly. If you can take that time to let us know and fill us in.

MS. JUNG: Yeah, I can definitely repeat my introductory comments on the Rules Hearing. But, unfortunately, we are only allowed to prescribe a certain amount of time for everyone.

But I let everyone know that this is a Rules Hearing on adding rules to implement Local Law 128 of 2021, allowing businesses to hold newsstand licenses. And I also informed everyone that this hearing afford public opportunity to comment on all aspects of the rules that we've proposed, and that we will carefully review all testimony and written comments received at this hearing.

And, so, if you would like to testify or give comments, this is your opportunity to do so.

Everyone who provides comments will be given three

1 minutes.

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2 MR. PATEL: Hello?

MR. BOOKMAN: Karline, would, do you want me to, would like me to -- am I able to repeat what I said for the folks who apparently had tech- technical difficulties being able to join?

MS. JUNG: Okay, yeah, you can re-, you can repeat your testimony.

MR. BOOKMAN: Okay, thank you. So, for those who were unable to join and had technical difficulties -- and thank you for that, Karline -- my name is Max Bookman. I am an attorney representing the New York City Newsstand Operators Association, the industry trade association representing sidewalk newsstands since 1988.

When we, when I spoke previously, I thanked the Department for allowing us the opportunity to, to speak today. I also submitted written testimony, so anyone in this hearing will, will have access to our written testimony. They could either e-mail me or check it out on the Department's record when they, when they post it.

The written testimony is detailed. These are, these are complicated regulations and we don't have the time on this call to get into the, the

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technical details. So, when I had my chance to speak, I made three main points.

The first is that we are strongly in opposition to the portion of the rules that apply retroactively, new rules that could basically, in their operation, have the effect of putting a sidewalk newsstand either out of business or forcing them to relocate to a place where may or may not be available for them to, to, to continue being in business, particularly the pedestrian plaza regulations that have been proposed.

For the most part -- there are some exceptions, but for the most part, the way that they operate is that an existing sidewalk newsstand that is now in an area that DOT has designated as a pedestrian plaza in a process that, that DOT has, which is not very clear, could be put out of business, which is completely unacceptable.

I pointed out that there, there's a lot of words in the regulations currently about pre-1991 and post-1991 newsstands. The reason why that's in the regulations is because the last time the Department did a significant rulemaking on sidewalk newsstands, which was in 1991, and they added new siding criteria, they recognized that it was not acceptable to have

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those criteria apply retroactively. And, so, there was an old set of rules for pre-1991 newsstands and a new set of rules for post-1991 newsstands. We need the same thing here.

Similarly, there's reg-, there's, there's words in the regu-, in the proposed regulations that could operate to put a, where the, where, by which the franchisee, which is currently J.C. Decaux, could potentially put a sidewalk newsstand out of business based on certain vague construction determinations that they could make in, in the renewal of an existing sidewalk newsstand. That's not acceptable, and we propose a solution in our, in our, in our written submission.

We do applaud the Department for its proposal on the vacancy rules, which is building on an informal process that's already been in existing for a few years in the Department for existing sidewalk newsstand operators -- par- pardon me, for sidewalk newsstand applicants to be able to get a vacant newsstand. We, we think that's particularly important and needs to stay in the final rules, especially because most of these rules are designed to make it extremely hard to have a new sidewalk newsstand built in New York City. And so, if we're not going to be

building new sidewalk newsstands in New York City,
which we've stopped doing for a few years now, then
there needs to be more opportunities for people to get
into this industry in existing newsstands, and the
vacancy rules do that.

And then, finally, in my, I, I, I noted in our, in my, my oral testimony, as well in our written testimony, that we, we really encourage the Department to give, to give sidewalk newsstands that are suffering from retail theft, there's been a lot of theft, assaults, terrible crime being, you know, put onto sidewalk newsstand operators right now. We've been talking to the NYPD about it. The regulations need to give sidewalk newsstand operators the ability to make certain common sense safety modifications to their newsstands without fear that doing so could result in them getting summonses by the Department for modifying the newsstand in ways that are currently not permitted.

So, all of that, again, is in our, our written testimony. And thank you again, Karline, for giving me this opportunity to recap for those who were not able to join.

UNIDENTIFIED MALE 2: Can I say something?
MS. JUNG: Yes, you can provide comments.

1	It just has to be in, under three minutes. That's the
2	only
3	UNIDENTIFIED MALE 2: Okay. I just wanted
4	to ask Max something. You said, you said about,
5	because there's a lot of crime. What, what, what
6	would be the modifications so that the, the crime rate
7	would, that, that the, the news- newsstand operator
8	would be protected?
9	MS. JUNG: I'm sorry.
10	MR. BOOKMAN: Karline is going to stop me, -
11	_
12	MS. JUNG: Yeah.
13	MR. BOOKMAN: because we're not allowed
14	to ask any questions.
15	MS. JUNG: Sorry.
16	MR. BOOKMAN: But if you'd like
17	UNIDENTIFIED MALE 2: Oh.
18	MR. BOOKMAN: to contact me afterwards or
19	get our written testimony, you'll see what we're
20	talking about.
21	UNIDENTIFIED MALE 2: Okay, great. Thank
22	you. I didn't know you're not allowed to ask
23	questions. Okay, no problem.
24	MS. JUNG: Yeah. If, if you'd like to
25	provide any comments or testimony, you can do so.

1	UNIDENTIFIED MALE 2: No.
2	MS. JUNG: Okay. If anyone else would like
3	to provide any comments or testimony, please let me
4	know. Thank you.
5	UNIDENTIFIED MALE 2: I'm not allowed to ask
6	questions, so it doesn't matter. We can only give
7	comment or, or right? No questions allowed.
8	MS. JUNG: Okay. Seeing no one present to
9	offer testimony, I will adjourn this hearing until an
10	indi- individual appears to offer testimony or until
11	12:00 p.m., whichever comes first.
12	For those who just joined, if you would like
13	to provide any comments or testimony, please let me
14	know. Thank you.
15	Seeing that it is now 12:00 p.m., I will
16	adjourn the hearing. Thank you, everyone, for
17	participating.
18	[END OF PUBLIC HEARING]
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## CERTIFICATE OF ACCURACY

I, Ryan Manaloto, certify that the foregoing transcript of DCWP Rules Hearing - Newsstand Licenses on April 29, 2024, was prepared using the required transcription equipment and is a true and accurate record of the proceedings.

Certified By

Phhlot

Date: May 17, 2024

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