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**Gale A. Brewer, Borough President**

## **Gale A. Brewer, Manhattan Borough President Testimony before the NYC Council Committee on Sanitation and Solid Waste Management on Intro 1574 on Establishing Commercial Waste Zones in NYC June 27, 2019**

My name is Gale Brewer, and I am the Manhattan Borough President. Thank you to Chair Reynoso and members of the Committee on Sanitation and Solid Waste Management for the opportunity to submit my comments regarding Intro 1574-2019 on establishing commercial waste zones (CWZs) in New York City.

In the summer of 2015, about 30 interns from my office visited businesses throughout Manhattan to survey owners and workers about their recycling habits. The findings were combined into a larger study conducted by the Transform Don't Trash NYC Coalition (TDTNYC) and resulted in the Coalition's small business report, published in October 2015 with recommendations that laid the groundwork for establishing CWZs in New York City.<sup>1</sup>

Four years later, I am pleased that the city is moving in the direction of establishing CWZs as a key strategy to move New York City toward OneNYC's zero waste to landfill goals. The Department of Sanitation's (DSNY) Commercial Waste Zones Implementation Plan, released in November 2018, marked the first step toward CWZs. If passed, Intro 1574 will serve as the enabling legislation to actualize CWZs.

I support the goals of the legislation, which will improve routing efficiency for curbside commercial waste pickups, ensure commercial carters meet certain labor and customer service standards, and mandate pickups for organics and recyclables that will be diverted from landfills. Furthermore, the expected environmental benefits for a zoned system are notable, with a projected 50% reduction of truck miles under a zoned system with 3-5 carters (DSNY's proposal) and by as much as 60% reduction of truck miles under an exclusive zoned system (Intro 1574), which will translate into expected reduction of greenhouse gas (GHG) emissions consistent with reaching the city's goal of 80% GHG reductions by 2050. And increasing the diversion rate of organics, which is about one-third of the city's waste stream, from the current level of 3% to a projected 6% will further decrease the city's carbon footprint by reducing the generation of methane gas of food waste in landfills.<sup>2</sup>

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<sup>1</sup> "TDTNYC proposes that New York City adopt a zoned collection system, an approach to commercial waste management that has proven successful in a number of other cities." *Not At Your Service: A Look at How New York City's Commercial Waste System Is Failing Its Small Businesses*, TDTNYC, October 2015, p. 3.

<sup>2</sup> NYC Commercial Waste Zone Program Draft Generic Environmental Impact Statement, p. S-9. Projected reduction of VMT for an exclusive zone model is calculated from alternative case study scenarios.

I also support the process that has led to this point of the CWZ conversation. The CWZ Advisory Board that DSNY and BIC convened met for two years and included a wide range of stakeholders including business improvement districts, environmental organizations, carting companies, business associations like Partnership for NYC, and real estate associations such as REBNY. Andrew Rigie, Executive Director of the NYC Hospitality Alliance, participated in advisory board meetings and said that “stakeholders with a lot of opinions worked together... looked at a lot of models to come up with a zoned system that would provide service to businesses.” Though not everyone reached complete agreement, the fact that DSNY’s CWZ plan was the product of a two-year process allowed for the deep level of stakeholder engagement that was needed for a feasible plan for New York City.

Intro 1574, while very similar to the zoned system that the CWZ Advisory Board developed and DSNY subsequently proposed, differs in that the bill mandates single-carter, exclusive zones rather than the 3-5 carters model allowed under DSNY’s model. I am particularly concerned about this change for two reasons.

First, I am an advocate of inclusive, direct stakeholder engagement on everything from land use to economic development. My office was a co-convenor for the East Harlem neighborhood planning process and the East Midtown rezoning working group. Most recently, I convened a small business task force, the SoHo rezoning working group, the Riker’s task force, and the Manhattan Complete Count census committee. And in instances where major stakeholders were left out of the conversation, such as the proposed development at Two Bridges that would have bypassed the community review process via ULURP, I took direct action against the city. So in the CWZ conversation, when stakeholder engagement resulted in a significant number of participants supporting—or at least not opposing—a non-exclusive zoned model, it came as a surprise to many that Intro 1574 veers from the DSNY plan and proposes exclusive waste zones.

Second, restaurants are especially vulnerable under a single-carter system. A restaurant is recommended for a new or renewal liquor license depending on whether the local Community Board deems the business a good neighbor. Under Intro 1574, if the selected carter for the zone fails to offer timely pickup but is not otherwise in breach of its contract with DSNY, the impacted restaurant would have no recourse to secure better services and may lose its liquor license—a major source of revenue for food establishments. Under the multi-carter zoned system, a subpar carter would risk losing customers to better carters contracted for the same zone, thus providing the incentive for all carters to maintain good quality of service.

In addition to the above misgivings, I have the following recommendations for implementing CWZs in New York City.

**DSNY must be given sufficient resources to oversee the city’s transition into a zoned system.** Opponents to CWZs have pointed to troubles encountered by Los Angeles’ RecycLA single-carter zoned system reasons against implementation. According to Daniel Myers, Manager of RecycLA at the City of Los Angeles’ Sanitation Department, the majority of complaints were for missed collections during the six-month transition period as both carters and businesses had to learn to adapt to a new system. As soon as the transition into RecycLA was complete, missed collection complaints dropped precipitously, and current data shows a 99.98%

collection efficiency rate for RecycLA with missed collections complaints having dropped below pre-RecycLA level since June 2018 (see RecycLA graph on Missed Collections). This in turn lowered instances of illegal dumping that were exacerbated by missed pickups.

Like Los Angeles, New York City carters and businesses will encounter a learning curve as the city transitions into CWZs. DSNY must be ready to step in to provide backup services for businesses that experience missed pickups. There should be a dedicated hotline for businesses to call DSNY and BIC with any issues related to CWZ implementation. And for businesses requiring technical assistance, DSNY must have staff on hand dedicated to speaking with or visiting businesses to provide support on CWZ in multiple languages.

**Pricing must be clearly defined in CWZ contracts with selected carters.** New York City can look to RecycLA for best practices and lessons learned regarding CWZ contracts. LA's Sanitation Department was able to negotiate with a shortlist of bidding carters on a set base price that covers both solid waste (trash) and recycling pickups prior to final selection, so that the pricing was set regardless of which carters ultimately secured contracts with the city. However, the negotiation did not include a price cap or address fees (for additional distance between bins and the curb, "gate unlocking" fees, etc.), which increased the bill for certain businesses. As a result, the City of LA needed to restrict fees via an amendment.<sup>3</sup> While Intro 1574 already requires carters to set a price ceiling and disclose additional fees, since uncertainty about the new cost of service under CWZ is a main concern among businesses, DSNY should borrow best practices from LA and other municipalities on negotiating rates that are both affordable to businesses and commensurate with the quality of services that carters are expected to provide.

**Outreach and education must be a sustained effort throughout the entire phase-in period.** Intro 1574 requires carters to offer "lower rates for organics and recycling collection than for refuse collection services." Businesses would save money by disposing the same amount that is property sorted into recyclables, organics, and trash. However, Mr. Myers of RecycLA shared that repeated outreach and education to LA businesses was necessary to help them understand how best to lower their cost. For example, a business that puts out unsorted trash twice a week would pay \$450/week, while separating the same amount into trash for one collection and recyclables for the second collection would only cost \$250/week. Similarly, not all New York City businesses will know to tailor their recycling practices to the lowest pickup rate. The city must hold selected carters accountable to offer continued outreach and education in multiple languages to customers throughout the transition period.

I am confident that, with a model that allows for customer choice and includes the above recommendations, New York City can successfully implement CWZs. I look forward to working with members of the Sanitation and Solid Waste Committee to improve our environment and the commercial waste industry.

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<sup>3</sup> Most of the fees charged by RecycLA carters are not allowed under BIC regulation and would not apply to NYC, according to New York Lawyers for the Public Interest.