

October 20, 2026

The Honorable Julie Menin
Speaker of the New York City Council
And Honorable Members of the New York City Council
City Hall
New York, NY 10007

Re: Coalition Opposing the Delivery Protection Act (Intro. 0518-2026)

Dear Speaker Menin, Deputy Speaker Nantasha Williams, and Members of the New York City Council:

We, the undersigned organizations and advocates, urge the New York City Council to reject the Delivery Protection Act (Intro. 0518-2026). As organizations committed to protecting taxpayers, consumers, workers, and small businesses, we believe New Yorkers deserve policies that expand economic opportunity—not policies that impose costly new mandates and dictate how private businesses must structure their operations.

The Delivery Protection Act goes far beyond establishing reasonable safety standards. It would fundamentally restructure the last-mile delivery industry by imposing a new licensing regime and extensive employment requirements on covered facilities, which have provided ubiquitous services that New Yorkers rely on. Among other provisions, the bill would regulate the use of contracted companies, impose significant recordkeeping requirements and introduce additional restrictions and obligations on covered employers. These requirements would impose substantial costs on businesses while doing little to address the underlying safety concerns the legislation purports to solve.

The City Should Not Eliminate Independent Businesses in the Name of Worker Protection

The delivery industry has created opportunities for entrepreneurs and small businesses to compete for contracts, build fleets, employ drivers, and provide logistics services to larger companies. The Delivery Protection Act would make that business model substantially more difficult to operate. By placing significant new obligations on facilities that use contracted workers—and imposing a \$500,000 bond for every non-employee delivery worker—the legislation creates a powerful incentive for businesses to abandon independent contracting altogether. That is not a minor regulatory adjustment. It is a fundamental intervention into the structure of private businesses. New York City should be encouraging individuals to start businesses and compete in the marketplace. Instead, this legislation risks creating another barrier to entry for entrepreneurs who want to build delivery companies and provide services to larger businesses.

Worker Protection Should Not Mean Eliminating Worker Choice

There is an important distinction between protecting workers from unlawful conduct and requiring every worker to participate in one government-approved employment model. Workers have different preferences and circumstances. Some may prefer traditional employment, while others may value the flexibility or entrepreneurial opportunities associated with working for an independent delivery company. Government has a legitimate role in enforcing wage, safety, discrimination, and other employment laws. But that does not mean government should prohibit otherwise lawful contractual relationships simply because policymakers prefer a different business model.

The city has already enacted significant protections for delivery workers. In January 2026, additional city requirements governing contracted delivery workers took effect, including expanded minimum-pay protections, pay-transparency requirements, payment protections, and other worker safeguards. Before imposing another layer of regulation, the council should first determine whether existing laws are being adequately enforced and whether specific gaps require legislative action.

More Regulation Means Higher Costs

Every new licensing requirement, reporting obligation, employment mandate, bond requirement, and compliance obligation carries a cost. Businesses ultimately must absorb those costs through some combination of higher prices, reduced investment, fewer available services, or changes to their operations. Consumers should not be expected to bear the cost of policies that have not demonstrated a corresponding benefit. This is particularly concerning for delivery services, where costs can be passed through the supply chain and ultimately affect the price consumers pay for goods.

A September 12, 2026, opinion piece in the *Washington Examiner* highlighted this broader concern of the consequences of the Delivery Protection Act, arguing that policies that substantially increase the cost of delivery operations can ultimately translate into higher costs for New York consumers. New Yorkers are already facing high living costs. The city should be looking for ways to reduce unnecessary costs and regulatory barriers—not add another layer of mandates to the businesses that provide essential services.

The Bill Could Strengthen Large Companies at the Expense of Smaller Competitors

There is also an important unintended consequence that deserves greater consideration. Large companies are generally better positioned to absorb new regulatory requirements than small businesses. A compliance regime that requires additional employees, legal resources, recordkeeping systems, insurance or bonding, and administrative infrastructure can be manageable for a large corporation while being cost prohibitive for a small contractor. That dynamic can reduce competition and make it more difficult for smaller businesses to compete for delivery contracts. Ironically, legislation intended to hold large corporations accountable could therefore make the market more concentrated by pushing independent operators out of it. Businesses are already finding it difficult to stay in New York City. According to a September 2026, analysis by the Economic Development Corporation, 5,100 more businesses closed their doors than opened in the city over the 2024-25 period.¹ Imposing new mandates would make the business climate even worse.

Worker and consumer safety are legitimate concerns. But the city should regulate unsafe conduct directly rather than imposing a sweeping employment mandate on an entire industry.

Worker protection, economic opportunity, and consumer affordability are not mutually exclusive. The council can protect workers without eliminating independent businesses, reducing competition, or imposing unnecessary costs on consumers.

For these reasons, we respectfully urge the New York City Council to reject Intro. 0518-2026, the Delivery Protection Act.

Sincerely,

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American Consumer Institute

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¹ https://edc.nyc/sites/default/files/2026-09/NYCEDC-NYC-Economic-Snapshot_September-2026.pdf.

Tom Schatz

President

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George Landrith

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