

**Testimony of Commissioner Vilda Vera Mayuga  
New York City Department of Consumer and Worker Protection**

**Before the Committee on  
Consumer and Worker Protection  
Hearing on Introduction 1135 and 1133**

**December 9, 2024**

***Introduction***

Good morning, Chair Menin and members of the Committee on Consumer and Worker Protection. My name is Vilda Vera Mayuga, and I am the Commissioner of the Department of Consumer and Worker Protection (DCWP). I am joined by Elizabeth Wagoner, our Deputy Commissioner for the Office of Labor Policy & Standards, and Carlos Ortiz, our Assistant Commissioner for External Affairs. Thank you for the opportunity to testify today on Introduction 1135 and 1133, relating to the expansion of minimum pay protections and other rights to all contracted delivery workers.

DCWP provides fundamental consumer and worker protections, and financial empowerment programming in our city. In the past three years, we have helped deliver more than \$1 billion back to New Yorkers. We strive to ensure that consumers who have been deceived or exploited have recourse, that workers have a passionate defender of their rights, and that all New Yorkers have the support they need to improve their financial health.

***Third-Party Restaurant Delivery Workers and the Minimum Pay Rate***

Over a year ago, the City announced the nation's first of its kind minimum pay rate for third-party app-based restaurant delivery workers that apps classify as independent contractors. This has been the most significant advancement of workers' rights in New York City in the 21st Century. To implement this groundbreaking protection, DCWP conducted a comprehensive study of the industry, and considered thousands of comments from delivery workers, apps, restaurants, researchers, elected officials and other members of the public. Before the minimum pay rate was implemented, these workers received poverty-level compensation for their work, averaging approximately \$5.00 per hour before tips. After we began enforcing the minimum pay rate, tens of thousands of workers saw their pay increase to today's average of \$19.56 per hour, before tips. This has resulted in apps paying their workers \$500 million more than they did the year before.<sup>1</sup> This money not only supports some of the lowest-wage families in New York City, but also goes directly back into our local economy. My agency will continue to stand shoulder to shoulder with delivery workers and ensure their rights to fair and dignified pay are protected.

***Introductions 1135 and 1133 - Minimum Pay Rate Expansion***

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<sup>1</sup> <https://www.nyc.gov/site/dca/workers/Delivery-Worker-Public-Hearing-Minimum-Pay-Rate.page>

Moving to today's bills, I would like to enthusiastically commend the Council, and specifically Councilmembers Nurse and Gutierrez, for recognizing that there are many more New York City delivery workers in need of DCWP protections. Introduction 1135 would immediately require third-party grocery delivery apps to pay their workers the current minimum pay rate. Introduction 1133 would require all other delivery services to meet minimum pay obligations for their independent contractors within approximately 18 months, after DCWP analyzes the industry to set an appropriate rate and pay method. The legislation would also extend other key rights to all contracted delivery workers, including the right to receive specific disclosures about trip offers before accepting them and the right to set a maximum distance in the app.

Currently, the minimum pay rate only applies to independent contractors engaged by third-party food delivery services or third-party courier services that provide restaurant delivery. The law does not cover thousands of other workers classified by apps as independent contractors who perform deliveries of other goods, like groceries and household items, who lack employee benefits and who also bear the cost of the vehicles they need to conduct their work. This package of bills would close that gap, expanding minimum pay protections to cover at least 20,000 more delivery workers immediately and thousands more within 18 months, and creating a more level regulatory playing field for delivery companies. It would also allow DCWP to set a rate that appropriately compensates workers for their vehicles and for the lack of employee benefits.

Finally, the bills would correct a 2023 misinterpretation of the minimum pay law, which resulted in an unfair exemption for Relay Delivery, a third-party courier service. This exemption allows Relay to pay thousands of its workers only \$13.50 per hour, far below the \$19.56 per hour required for other apps. In April 2024, Relay was acquired by Wonder, a delivery app that specializes in delivery from food halls that it manages.<sup>2</sup> Wonder recently raised \$700 million in a round of funding valuing the company at \$3.5 billion.<sup>3</sup> Wonder also recently announced a deal to purchase Grubhub.<sup>4</sup> The judicially-created exemption just for Relay unjustly enables this major industry player to evade minimum pay protections to workers' detriment. It also violates Council's original intention to cover all restaurant delivery workers classified as independent contractors with minimum pay protections, and to include companies like Relay that do not offer a consumer-facing platform.

### ***Conclusion***

Delivery workers provide essential services to New York City and its residents, and we look forward to finalizing this legislation with the Council. We also continue to support Council legislation addressing issues such as unfair tipping methods and arbitrary deactivations on apps that prevent workers from accessing hours. Thank you for the opportunity to testify today and for your partnership in supporting working New Yorkers. We are happy to answer any questions you may have.

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<sup>2</sup> <https://foodondemand.com/04162024/wonder-invests-further-in-delivery-acquires-relay/>

<sup>3</sup> [Wonder, Marc Lore's Food-Delivery Startup, Raises \\$700 Million - WSJ](https://www.wsj.com/news/tech/wonder-raises-700-million)

<sup>4</sup> <https://www.prnewswire.com/news-releases/wonder-announces-acquisition-of-grubhub-302303774.html>