

To the New York City Department of Consumer and Worker Protection,

I am writing to comment on the proposed rule recently published by the Department that would set a minimum pay rate for app-based restaurant delivery workers. I am the owner of POPRICE, a small business in Flushing that has been serving customers fried rice and wings since August of 2020.

While we have always loved welcoming customers into our restaurants, our business relies largely on takeout and delivery services, as we don't even have dining tables in our space. We joined delivery platforms like DoorDash, GrubHub and UberEats. in order to help us reach new customers and grow our business. We were never able to offer our own delivery service, due to the labor shortage and a lack of staffing at our restaurant, so we have relied on delivery platforms for access to delivery services. 80% of our business is from these delivery platforms.

Delivery workers became an essential part of New York's economy, especially during the pandemic, and I agree that they deserve to be paid a reasonable minimum wage and to have access to important protections. But I am concerned the City is not doing enough to consider how the current proposal for a minimum wage would actually negatively impact customers, delivery workers, and small business owners like myself.

While much of the responses to the initial study released by DCWP seems to be focused on the pay rate itself, what is deserving of further consideration is how the city is going to require platforms to meet that rate. The DCWP said it estimates about 60,000 workers use delivery apps during any week, and now they are proposing that these platforms will have to pay workers for the amount of time they have apps open, beyond just when they are making deliveries.

This is going to significantly increase costs for platforms, and these added costs are likely to be directly passed on to consumers. As a business owner, the likely outcome is clear to me: Higher cost means fewer orders. Just as we have seen when we have tested out different prices on our menu, we know that even slight changes to prices can deter customers from ordering delivery, either because people can't afford to do it as frequently, or at all. If the full costs are passed on to consumers, which the City estimates could be upwards of \$5 per order, many small businesses would not be able to survive such a stark drop in orders.

And the decrease in deliveries would be especially hard for restaurants and local businesses in further out areas of New York City like where my restaurant is located in Queens. If businesses in those areas are not receiving enough orders, the City's study makes clear that delivery platforms may need to severely reduce or eliminate service altogether. Our business will likely have to close if we are not able to get enough delivery orders. It is difficult enough to find good workers already.

The past two years have been a challenging time for the restaurant industry and we have been facing many of the issues that restaurants across the city have been struggling with, such as staffing shortages and supply chain challenges since the pandemic. I am also concerned that this will take labor away from the restaurants, because workers will see that they can make higher wages on delivery.

While I support a reasonable minimum wage for delivery workers, I urge DWCP to carefully consider the potential impacts of the rule and make some necessary changes. While establishing a meaningful pay rate for delivery workers is well-intentioned, small business owners need a balance to ensure we are not ultimately paying the price. With that in mind, we respectfully encourage the Department to revise the structure of this proposal to prevent higher costs for the local restaurants and small businesses that are at the center of our local economy and so many communities throughout New York City.

Sincerely,
Shuai Zhang
Owner of POPRICE