



**Written Comments to the New York City Department of Consumer and Worker Protection
*Public Hearing on Proposed Rules Relating to the Cancellation of Subscriptions***

May 8, 2026

Good morning. My name is Jessica Walker, and I serve as President and CEO of the Manhattan Chamber of Commerce. The Chamber represents approximately 125,000 businesses across the borough, from sole proprietors and storefront shops to global enterprises headquartered in Manhattan.

The Manhattan Chamber supports DCWP's underlying goal. Consumers should be able to cancel a subscription as easily as they signed up for one, and deceptive cancellation practices undermine both consumer trust and the legitimate businesses that compete fairly. We thank the Department and the Mayor for their leadership on this issue.

Before turning to our specific recommendations, we want to flag a litigation concern that runs through several of them. The proposed rule expressly characterizes covered conduct as a "deceptive and unconscionable trade practice" under §§ 20-700 and 20-701. Although the rule does not itself create a private right of action, that framing is likely to be used by plaintiffs' attorneys as a per se predicate for class action claims under New York General Business Law § 349, which does provide a private right of action — recently strengthened by the FAIR Business Practices Act to permit statutory damages of \$1,000 per violation, plus actual damages and attorney's fees. Subscription practices are already a leading category of consumer class action litigation in New York. Ambiguity in the final rule will not just generate compliance burden; it will generate lawsuits. Precision in drafting therefore matters a great deal — and is particularly important for the small businesses that lack the in-house resources to defend such cases.

We have five specific recommendations.

First, the rule should clearly exclude business-to-business transactions. As written, the proposal appears to apply to subscriptions sold to businesses as well as to individual consumers. Commercial subscriptions typically involve negotiated contracts, dedicated account management, and sophisticated procurement processes that bear no resemblance to the consumer transactions this rule is designed to police. Very small businesses that purchase through standard consumer-facing channels would already be covered by the rule. We recommend that the final language clarify that

"consumer" means a natural person purchasing for personal, household, or family use — consistent with longstanding interpretations of consumer protection law.

Second, the "same medium" requirement in subsections (c) and (d) of § 5-110.1 is unnecessary. What matters is that cancellation be simple and easy — not that it occur through any particular channel. A consumer who signed up over the phone is not harmed if they cancel through a streamlined online portal; many will prefer it. We recommend that the rule require an easy-to-use cancellation mechanism without prescribing the medium.

Third, § 5-110.1(e)(2) risks chilling legitimate, pro-consumer retention practices and inviting class action litigation. "Save offers" — discounts, upgrades, or alternative plans presented at the point of cancellation — frequently put real money back into consumers' pockets, particularly when a customer is considering switching providers rather than discontinuing service altogether. Polling by Morning Consult found that roughly 80 percent of consumers believe providers should be permitted to offer alternatives or explain the impacts of cancellation before service ends. The current language is sufficiently ambiguous that any good-faith retention offer could be recharacterized by a private plaintiff as "unreasonable delay" — a § 349 predicate, multiplied across every NYC subscriber a business serves. Because the rule already prohibits obstruction and unreasonable delay, the additional language in (e)(2) is duplicative and dangerous. We recommend striking that subsection and expressly permitting save offers, provided the cancellation mechanism itself remains simple and easy to use.

Fourth, the exemptions in § 5-110.3 should be expanded to cover federally and state-regulated communications providers. The rule already exempts entities holding a franchise from a political subdivision, those regulated by the Department of Financial Services, licensed financial institutions, and several other categories — recognizing that comprehensive regulation elsewhere makes a duplicative City rule unnecessary. The same logic applies to telecommunications.

Members in the telecommunications and essential-services sector raise practical concerns the rule does not currently address:

- These services are heavily regulated by the Federal Communications Commission and the New York State Public Service Commission. Federal Customer Proprietary Network Information rules require carriers to authenticate a customer before disclosing account information — a requirement that may directly conflict with a click-to-cancel mandate.
- Abrupt cancellation can result in the permanent loss of a consumer's mobile number if number porting has not yet occurred.
- Immediate cancellation can trigger the acceleration of payments under device installment contracts.
- The proposal does not account for bundled services. In many cases, a customer wishes to cancel one component of a bundle — voice, broadband, or video — while retaining the rest.
- Annual renewal notices are largely duplicative for these services. Customers already receive monthly itemized bills detailing plan terms and costs.

We recommend the following carve-out language, modeled on the rule's existing exemptions:

"These regulations do not apply to any business or its affiliate where either the business or its affiliate is regulated by the Federal Communications Commission or the New York State Public Service Commission."

Fifth, the rule should provide a cure period for first-time violations and a good-faith safe harbor for small businesses relying on third-party platforms. The Mayor's Office of Operations certified that the proposed rule "does not provide a cure period because a cure period is not practicable under the circumstances." We respectfully disagree, particularly as applied to the small business community.

Most solo entrepreneurs and small operators in Manhattan do not build their own subscription, billing, or cancellation infrastructure. They rely on third-party platforms (e-commerce providers, payment processors, subscription management tools, scheduling software, and customer relationship management systems) to handle enrollment, recurring billing, renewal notifications, and cancellation flows. When those platforms are not configured for NYC's specific requirements — a mismatch most small business owners will not discover until a violation notice arrives — the merchant, not the platform, bears the legal exposure. Pairing that exposure with the absence of a cure period and the § 349 litigation risk described above creates a serious imbalance: the smallest businesses in the City face the largest relative penalty for compliance gaps they could not reasonably have detected in advance.

We recommend the Department:

- (a) provide a cure period for first-time violations of § 5-110.1, consistent with the framework established by Local Law 153 of 2013 and the small business penalty relief framework of Local Law 80 of 2021; and
- (b) include a safe harbor providing that a small business is not in violation where the noncompliant function is operated by a third-party platform on which the business is reasonably relying in good faith, provided the business takes reasonable steps to remedy the noncompliance once identified.

Conclusion

The Manhattan Chamber appreciates the Department's careful work on this rule and its continued engagement with the business community. With the targeted refinements outlined above, the rule can achieve its consumer protection objectives without imposing disproportionate costs on the small businesses that are the backbone of Manhattan's economy. We welcome the opportunity to provide additional detail in writing and to work with DCWP staff on the recommendations above.

Thank you.