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New York City Department of Sanitation Announces Key Details and Contract Awards by Zone for Implementation of Sweeping Commercial Waste Reform, Local Law 199 of 2019

First Commercial Waste Zone to roll out in Queens; will bring increased safety and worker protections to entire commercial waste industry

Program will lead to 12 million fewer truck miles per year driven by private carting vehicles

Following significant planning, analysis, and contract development, the New York City Department of Sanitation (DSNY) today announced the next steps in the monumental overhaul of the City's commercial waste industry mandated under [Local Law 199 of 2019](#). While the Department of Sanitation collects trash, recycling, and compostable material from residents, businesses are required to hire private carters to collect their waste. Currently, any neighborhood may be serviced by dozens of these carters in an inefficient, hazardous, and unsustainable system.

Local Law 199 of 2019 was designed to reform this system, by establishing new safety standards for workers in the commercial carting industry, improving service for businesses, increasing diversion rates, and reducing vehicle miles traveled as well as harmful emissions from waste hauling vehicles. DSNY is today announcing that it has established new no-cost contracts with carters directly to reach the goals set out in the law. These selected carters are then authorized to operate in a given "Commercial Waste Zone" within the five boroughs and under the rules and requirements set forth by DSNY. Three carters were selected in each of the 20 zones to provide small businesses with service choices and competitive pricing.

Today, for the first time, DSNY is listing the [awardees by zone](#) and affirming the timeline to launch the first zone. Queens Central, which includes Jackson Heights, Corona, and Elmhurst, will come online as the pilot district of the Commercial Waste Zone program in the fall of 2024, fulfilling a commitment made by DSNY at the start of the Adams Administration. After extensive, thoughtful review, Queens Central was selected because of its wide variety of business types, and this pilot zone will inform the rollout timeline and methodology of subsequent zones. In addition to contracts with three authorized carters per zone, DSNY has also established contracts with five carters to operate citywide to pick up containerized waste from compactors and businesses that have loading docks. A map of all 20 zones can be seen [here](#).

One of the driving forces behind Local Law 199 of 2019 was the creation of stronger legal protections for the workers who collect and process commercial waste. To that end, as the program rolls out, DSNY rules will take effect requiring carters to install safety equipment including back-up cameras, auxiliary exterior lighting, and cross-over mirrors, as well as an integrated system for monitoring and recording GPS data. Each awardee and subcontractor is also required to provide annual certifications of worker safety training to DSNY, including training on collision avoidance, vehicle and equipment inspections, container management, and safe collection stops, as well as staffing plans to demonstrate that they have sufficient staff to perform awarded work.

While some awardees are still working to finalize their list of subcontractors, the current list of awardees and subcontractors contains a mix of small, medium, and large carters, which directly addresses concerns from advocates that this reform would lead to an industry dominated by a few large companies. 70 percent of the awardees or subcontractors currently hold less than 3 percent market share each, and 14 of the 30 hold less than 1 percent market share each.

Under the agreements being announced today, carters must charge their customers less for the collection of recycling and compostable material than they do for the collection of refuse, giving New York City's 200,000 businesses an opportunity to save money while helping divert material from landfill.

A DSNY analysis found that when fully implemented, this program will achieve the legislative goal of reducing by 50% commercial carter vehicle miles traveled, equivalent to 12 million fewer miles driven per year. In keeping with a key priority of the Adams Administration, each carter also submitted plans to utilize zero emission vehicles in the provision of their services.

In other cities that have attempted to reform their commercial carting systems, businesses suffered under substantial price increases. As a result of complex negotiations and smart, careful contracting by the Adams Administration, in 18 of the 20 zones, at least one of the three carters will operate at a maximum rate that is below the current Business Integrity Commission (BIC) rate cap for commercial carters. There are only two zones in which all awardees will be operating at a maximum price above the current BIC rate cap, and the amount over is in the low single digits – 5 percent in Bronx West and 2 percent in Upper Manhattan. Like the current BIC rate cap, these are maximum allowed prices and businesses may continue the practice of negotiating for lower pricing as carters compete against one another within their awarded zone. This pricing is a ceiling, not a floor.

The Adams Administration has included substantial measures to protect residents and businesses in these contracts. The Department may terminate any contract if: the awardee or any of its officers, directors, partners, five percent or greater shareholders, principals, or other employee or person substantially involved in its activities are indicted or convicted under any state or federal law for certain criminal offenses, including any offense possibly indicating a lack of business integrity. Each of the selected carters is licensed by BIC, and revocation of a carter's BIC license is grounds for immediate termination of its ability to operate within the Commercial Waste Zones program.

Additionally, DSNY has the authority to require an independent monitor of any of the carters at any time it deems necessary.

Before the law goes into effect in each zone, every business in that zone will receive substantial direct and multilingual outreach from DSNY, providing ample time to transition service if required. Businesses may also find all information about this program at nyc.gov/cwz or nyc.gov/commercialwaste.

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