# What Intro 518 Really Does

Last-mile delivery facilities are integral to the daily lives of New Yorkers and serve as a foundation of the city's economy. Int 0518-2026 – framed by proponents as the "Delivery Protection Act" – in reality undermines the system: causing drivers to lose their jobs and choice, New Yorkers to see costs rise, and our city to experience increased congestion and pollution as delivery trucks will be required to travel further as facilities move outside of NYC.

Below are some of the most troubling provisions in the bill, and what their consequences are for New Yorkers.

**DEFINITION OF LAST-MILE DELIVERY – § 20-566**

| Bill Language: | The Problem: |
|---|---|
| "The term 'last-mile facility' means a warehouse, storage facility, or other location that receives goods as part of a delivery supply chain, and from which such goods are delivered either to their final destination to consumers in the city." | This definition is overly vague – it does not differentiate:<br>● by land use classification or zoning, creating regulatory confusion<br>● between large facilities and micro-distribution hubs that use bikes and handcarts, stifling innovation in clean delivery<br>● a minimum size, hurting spaces where entrepreneurs, start-ups, small businesses, and artisans sell their items online<br>● by how DCP has studied facilities, undermining previous analysis<br><br>It's also unclear if this applies to a wide range of businesses, such as: grocery fulfillment, pharmacy distribution, newspaper printing, construction supply depots, beverage distributors, medical supply warehouses, food and floral wholesalers, retail back-of-house spaces, and nonprofits such as City Harvest. Because there is no clarity on who this impacts, businesses who don't consider themselves last-mile facilities may be at risk, complicating enforcement. |

**DIRECT EMPLOYMENT MANDATE – § 20-566.3**

| Bill Language: | The Problem: |
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| "All workers providing core warehouse services at last-mile facilities in the city shall be directly employed by the facility operator." | Operators use a contracting model where local, minority-owned and family-run small businesses run logistics/deliveries – this bill would ban such businesses.<br><br>This mandate limits companies' ability to meet seasonal demand. Many operators will move outside NYC to maintain the flexibility that is essential to success.<br><br>These resulting business impacts would result in significant driver job loss.<br><br>Importantly, many drivers and warehouse workers prefer existing arrangements that allow them to work with multiple operators or maintain flexible schedules. Eliminating contract work removes driver choice. |

NEW YORK DELIVERS

**ADDED FEES AND COSTS – § 20-566.4, § 20-566.5, § 20-566.7**

| Bill Language: | The Problem: |
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| "For each delivery worker retained as a non-employee, the facility operator shall post bond in the amount of $500,000." | Intro 518 includes several provisions that will add costs for businesses, including a mandate that companies that continue using contracted workers – even during an allowed transition period – must post a $500,000 bond per contracted worker.<br><br>This is a significant and unrealistic new financial burden on operators, especially those with thin profit margins. |

**LICENSING REQUIREMENTS – § 20-566, § 20-566.1 , § 20-566.2**

| Bill Language: | The Problem: |
|---|---|
| "Any license may be suspended or revoked by the commissioner, upon due notice and hearing, for the failure of a licensee to comply with any applicable provision of law or any rule duly promulgated by the commissioner." | The ability to keep a facility open depends not only on how it is operating today but also on its past compliance record, introducing significant risk for delivery operators. This creates more room for red tape and compliance hoops to stifle operations, especially since licenses are awarded by each location.<br><br>For example – a small business owner with multiple facilities who is in good standing could lose the ability for a site to continue operations based on something like traffic tickets at one facility.<br><br>Generally, this causes severe uncertainty in licensing outcomes that scares off the industry and pushes jobs outside of New York City. |

**REGULATORY AND LEGAL RISKS – § 20-566, § 20-566.9, § 20-566.11, § 20-566.13**

| Bill Language: | The Problem: |
|---|---|
| "For each violation [...] a facility operator is liable for a penalty of $1,000 per day.<br>[...]<br>Any person alleging a violation [...] may bring a civil action, in accordance with applicable law, in any court of competent jurisdiction." | These provisions create a regulatory and legal framework that significantly reshapes how last-mile delivery facilities operate in NYC, extending existing DCWP oversight into ongoing operational control.<br><br>For delivery operators, this means compliance errors can mean not only fines, but also the potential loss of the right to operate any facility.<br><br>In dense urban markets like New York City – where delivery services often operate on thin margins – these obligations will hurt pricing, service areas, and long-term investment decisions. |