



September 5, 2024

The Honorable Jennifer Guitierréz  
Chair, Committee on Technology  
New York City Council  
New York City Hall, City Hall Park  
New York, NY 10007

Dear Chair Guitierréz:

On behalf of Chamber of Progress – a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advance – I write to urge you to **oppose Int. 0539-2024** as it would prohibit the sharing of location data by mobile application developers and telecommunications carriers.

While the intent behind this legislation may be to protect consumer privacy, it does not consider existing state- and federal-level privacy laws and would be disproportionately harmful to low-income New Yorkers including small- and minority-owned businesses.

### **Coordination with state-level efforts**

Int. 0539-2024 overlaps with existing and upcoming state- and federal-level data privacy laws, including ongoing efforts around children's data privacy. The New York State Legislature is actively considering comprehensive policies related to location data privacy with significant stakeholder input.<sup>1</sup> The City Council should avoid introducing additional, duplicative regulations before fully understanding the effects of these state initiatives to prevent confusion and consider the needs of businesses and consumers alike.

### **Disparate economic impact on low-income New Yorkers**

This bill's prohibition of location-based advertising would disproportionately impact low-income New Yorkers who depend on targeted ads to access relevant services and products. These ads often provide critical information about nearby services, discounts,

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<sup>1</sup> See S00365B [https://nyassembly.gov/leg/?default\\_fld=&leg\\_video=&bn=S00365&term=2023&Summary=Y&Actions=Y&Text=Y](https://nyassembly.gov/leg/?default_fld=&leg_video=&bn=S00365&term=2023&Summary=Y&Actions=Y&Text=Y)

and opportunities, which are especially valuable to individuals with limited resources.<sup>2</sup> Restricting location data sharing could unintentionally cut off a vital communication channel that helps low-income New Yorkers connect with essential resources in their communities.

Moreover, the bill introduces significant uncertainty into the ad-supported ecosystem, potentially leading to a reduction in the availability of free, ad-supported services. This would again disproportionately affect low-income residents who may lose access to these services or face new costs. The resulting shift in financial burden could exacerbate economic disparities in the city and harm individuals and families who are least able to bear additional expenses.

### **Disproportionate impact on small and minority-owned businesses**

Lastly, this bill would have a detrimental impact on small and minority-owned businesses in the City. These businesses often lack the substantial advertising budgets of larger companies and national chains. For them, traditional forms of advertising such as billboards and print ads are often cost prohibitive. Location-based advertising is a cost-effective tool that allows them to reach potential customers in their vicinity.

By prohibiting the sharing of location data, the bill would severely limit the ability of these businesses to compete in an already challenging market. This legislation would inadvertently stifle the growth and sustainability of the over 183,000 small<sup>3</sup> and over 64,500 minority-owned businesses<sup>4</sup> which are the backbone of New York's local economy.

Between 2019 and 2022, the net formation of small businesses in New York City surged from adding 5,000 jobs and \$677 million in direct economic output to approximately 32,000 jobs and \$3.2 billion in direct economic output.<sup>5</sup>

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<sup>2</sup> See "Use of Location-Based Marketing in Social Marketing Campaign Successfully Reaches Priority Communities in SNAP-Ed." Peralta et al. (2023). *Journal of Nutrition Education and Behavior*. 55. 103. 10.1016/j.jneb.2023.05.222.

<sup>3</sup> See NYC Economic Development Corporation, <https://edc.nyc/p/press-release/nycedc-announces-record-breaking-number-small-businesses-under-adams-administration>

<sup>4</sup> See Gotham Gazette <https://www.gothamgazette.com/city/11214-nyc-minority-owned-business-growth-mwbe#:~:text=The%20city's%2064%2C500%20minority%20Downed.to%20the%20city's%20overall%20recovery>.

<sup>5</sup> See Small Business Dynamism in NYC's Economic Recovery, [https://edc.nyc/sites/default/files/2023-05/Small\\_Business\\_Dynamism\\_in\\_NYC.pdf](https://edc.nyc/sites/default/files/2023-05/Small_Business_Dynamism_in_NYC.pdf)

While we support protecting consumer privacy, the Council's proposed bill could undermine the effectiveness of existing regulations, create unnecessary confusion, and threaten the livelihoods of low-income New Yorkers, as well as small- and minority-owned businesses. For these reasons, we ask you to **oppose Int. 0539-2024**.

Sincerely,

A handwritten signature in black ink, appearing to read "Brianna January". The signature is fluid and cursive, with the first name being more prominent.

Brianna January  
Director of State & Local Government Relations, Northeast US