

Oregon Legislation Would Cut back on Food Delivery Services During COVID

The following is a statement by Dr. Krisztina Pusok, Directory of Policy and Research at ACI, regarding Oregon Bill LC 10:

“We are very concerned with the repercussions that the proposed [LC 10](#) could have on consumers and restaurants in Oregon. The proposal, which caps the fees that third-party sites can charge restaurants for deliveries to 10%, although intended to benefit small businesses, would backfire on the very same it is intended to help – namely, restaurants.

Due to the loss of dine-in service, delivery apps have been a lifeline to isolated customers during the COVID-19 pandemic, and modifying what is already working would increase only uncertainty during a time when restaurants are fighting for their survival.

The LC 10 proposal would essentially set price controls on food delivery. We believe this a very aggressive action by Oregon’s Legislature to get involved in how companies set their prices as it could ultimately lead to increased costs to Oregon’s small business owners and customers, and would lower the pay and employment for company delivery drivers due to decreased order volumes. Since the costs will have to get recuperated somehow, customer fees would go up and worker pay would suffer. Additionally, the added cost of restaurants having to hire and manage their own delivery would be just as, if not more, expensive than using third-party apps. Restaurants can make that choice now without this legislation.

Many restaurants would probably not have been able to be in business during the pandemic if it wasn’t for the delivery platforms to offer their products. Oregon’s Legislature should prioritize ensuring that restaurants are able to stay afloat and NOT jeopardizing their sales and survival at a time when they already do not have enough revenue coming in the door.”

Respectfully Submitted,

Steve Pociask
President / CEO
American Consumer Institute
1701 Pennsylvania Avenue, NW, Suite 200
Washington, DC 20006
703-282-9400
Steve@TheAmericanConsumer.Org
www.TheAmericanConsumer.Org