

Submitter: Lindsey Stuart

On Behalf Of:

Committee: House Committee On Business and Labor

Measure: HB2536

Chair Holvey and Members of the Committee:

Since opening B's Teriyaki in Prineville I've been thrilled with how well the community has received my small business. Unfortunately each winter, I notice a decline in the number of walk-up orders, as fewer people are willing to brave the elements for our food. That's where DoorDash comes in. Thanks to this service, we've seen a huge boost in sales, and we're able to help support the local Dashers in our community who use these deliveries to help make ends meet. I've learned that one-size-fits-all solutions don't work in the restaurant industry at any level, which is why I hope the Oregon State Legislature will reconsider its proposal for a permanent 15% delivery fee cap on third-party delivery services.

My industry is full of contradictions—restaurants are the third largest employer in the nation, yet the National Restaurant Association estimates that one in three won't survive their first year. Before voting on statewide price control legislation, I urge lawmakers to consider the full spectrum of its impact on Oregon's foodservice industry, which comprises 10% of employment and \$11.3 billion in revenue statewide. Price controls disincentivize delivery services from partnering with small restaurants and those in more rural areas—a disaster for the 33% of Oregonians living in rural areas where it's already hard to access food resources.

The sentiment towards delivery platforms has shifted dramatically. Oregon restaurant owners who once resisted third-party apps are looking for ways to embrace them as delivery continues to be an essential revenue stream after the pandemic. This shift is a reflection of larger national trends surrounding the "new normal" for the restaurant business, which has permanently replaced the pre-pandemic restaurant industry. The fact is the restaurant industry in every American city and state has changed and delivery services have become essential partners.

The idea that implementing a permanent fee cap would increase every restaurant owner's profit margins is a major oversimplification, as price controls impact more than just delivery.

Currently, I pay a 15% commission rate to DoorDash on delivery orders—the same rate the Oregon legislature is seeking to mandate. By doing this, they could force these platforms to make changes to the services they offer at different pricing plans. Forcing my business into the same bracket as every other restaurant in the state would put me at a disadvantage against the big chains who can afford to pay for more marketing and promotion on their own.

Despite the well-intentioned push for greater protections for restaurant owners like myself, a statewide third-party delivery fee cap will not protect our businesses. Price controls assume that restaurant owners face a shared set of industry challenges. To own a successful restaurant, you've got to be adaptable, creative and resilient. Making a hasty decision to implement a statewide restriction will only hinder our ability to make a full recovery.

I urge Oregon's elected officials to consider exploring other ways to help this state's restaurant owners in a way that won't potentially eliminate delivery options for those who see the value in their services.

Lindsey Stuart