

Submitter: Michelle Newton

On Behalf Of:

Committee: House Committee On Business and Labor

Measure: HB2536

House Committee on Business and Labor
Oregon State Legislature
900 Court Street, NE
Salem, OR 97301

February 9, 2023

Re: House Bill 2536 (Nosse) Relating to third-party food platforms

Chair Holvey and Members of the Business and Labor Committee:

I am writing to you as a restaurant owner, and small business owner in Oregon to express my concerns with House Bill 2536 regarding third-party delivery platforms. I have owned a business in Oregon for a few years, and have partnered with app-based delivery platforms for 3 ½ years. The revenue and marketing my business receives from using these platforms has boosted my sales, and helped grow my business in unique ways.

As it is written, this bill could harm my business directly, as well as many others across the state by enforcing a price cap. Since COVID, it has been difficult for smaller businesses to bounce back and stay afloat, and we need every resource available. Third-party delivery platforms help level the playing field against larger businesses, and provide the boost we need to survive long-term.

We opened our business - Doughy Donuts and Sandwiches - a month before COVID hit. It was extremely difficult to build a customer base, and grow our community, even though we poured our heart and soul into it. We were immediately faced with lockdowns, and mask restrictions, and we understood the need for such caution. However, we could not have predicted the obstacles we had yet to face in order to establish ourselves.

Thankfully, the third-party platform - DoorDash- came in at just the right time. While our community could not come to us, we could still share our donuts with them. Restaurants just like mine struggled with the very same issues of not being able to provide what their customers needed, and platforms like DoorDash helped bridge that gap.

Price-control legislation like HB 2536 worries me because of the increased costs that I will have to incur. Naturally, when costs keep rising after price caps are introduced, I have to alleviate the pressure by raising customer fees. However, the moment customer fees are raised, I put my own business in jeopardy. Customers may start looking elsewhere to businesses, specifically larger ones, that can afford to bear the burden of higher costs.

We understand that legislatures are looking to protect restaurants, but HB 2536 is not the best option as it disproportionately and negatively affects small businesses. Historically, placing caps on fees does not provide restaurants with the monetary relief needed to support restaurant recovery. Instead, the bill undermines the delivery ecosystem for Oregon restaurants, especially independent, mom-and-pop businesses just like mine.

Thank you for your issue, and please consider businesses like mine when discussing this legislation.

Sincerely,
Michelle Newton