From:	Board of Supervisors, (BOS)
To:	BOS-Supervisors
Cc:	Calvillo, Angela (BOS); Somera, Alisa (BOS); Ng, Wilson (BOS); Laxamana, Junko (BOS); Mchugh, Eileen (BOS); Carroll, John (BOS)
Subject:	FW: Opposition letter 210492
Date:	Monday, June 21, 2021 4:48:33 PM

From: Gerardo Perez <gerardoperez415@gmail.com>
Sent: Thursday, June 17, 2021 1:41 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Opposition letter 210492

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

After gaining experience with other delivery services, I started driving for DoorDash and fell in love with the independence it gives me. As a Dasher, I can choose my own hours and fit driving into my busy schedule. Since I started dashing two years ago, I've completed more than 4,200 deliveries!

I've heard about the proposed price control legislation and fear that it would significantly reduce my earnings. If it passes, countless drivers would encounter hardship as a result of lower incomes. With fewer drivers and longer wait times, the entire industry will suffer.

In the wake of the pandemic, I understand that the Board of Supervisors wants to help restaurants and keep delivery services, such as DoorDash, affordable to consumers. But with my experience as a San Francisco Dasher, I know how the unintended consequences of price controls would hurt everyone involved. While Dashers lose jobs and earnings, restaurants lose an outlet to reach consumers, and consumer choice rapidly decreases. With the world just starting to open up, I urge you not to interfere with the delivery of food and other necessities to San Francisco residents. By opposing proposals that call for price control, you are supporting Dashers, restaurants, and our community.

Sincerely,

Gerardo Perez San Francisco <u>Gerardoperez415@gmail.com</u> 415-240-1999

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

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Gerardo Perez San Francisco <u>Gerardoperez415@gmail.com</u> 415-240-1999

From:	Adam Kovacevich
To:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS);
	<u>Chan, Connie (BOS); Peskin, Aaron (BOS); Preston, Dean (BOS); Melgar, Myrna (BOS); Mandelman, Rafael</u>
	(BOS); Ronen, Hillary; Walton, Shamann (BOS); Safai, Ahsha (BOS)
Subject:	Letter regarding Third Party Delivery Services
Date:	Wednesday, June 16, 2021 8:38:13 PM
Attachments:	SF Board of Supervisors - Commission Caps 061621.pdf

Supervisors and Staff - Please see our letter below and attached regarding the Third Party Delivery Services issue. Thank you for your consideration.

June 16, 2021

San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco CA 94102-4689

File #210492 / [Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services. (Bill Sponsor: Supervisor Aaron Peskin)

Time to Lift SF's Food Delivery Tax That Hurts Families, Restaurants, and Drivers

Dear Supervisors:

As a center-left tech industry coalition, the Chamber of Progress encourages the City of San Francisco to reject the proposal to impose a permanent fee cap on restaurants utilizing third-party delivery services.

Our organization works to ensure that all Americans benefit from technological leaps, and that the tech industry operates responsibly and fairly. Our organization's commitment to a progressive society, economy, and workforce sets us apart from other business groups. For example, we strongly support legislation to protect voting rights; support President Biden's proposed corporate tax increase to fund infrastructure investments; and back a national emissions reduction target of 50% by 2030.

Food delivery services helped make it possible for San Franciscans to stay home safely during the pandemic. Beyond simply handling the logistics for a network of drivers, third party delivery services also provide marketing, insurance, background checks, credit card processing, and even customer service. Services like Doordash, Grubhub, and UberEats now offer a range of services to restaurants at different fee levels. Restaurants (through fees on each order) and customers (through delivery fees) help fund them.

In a well-intentioned effort last year to protect restaurants, the Board of Supervisors imposed a temporary 15% cap on the fees paid by restaurants to delivery services. The cap may have offered some relief to restaurants in challenging times, but it also made it more expensive for San Francisco families who were trying to support local restaurants, particularly minority- and immigrant-owned restaurants, safely through

delivery.

That's because while restaurants might have been paying lower fees, delivery services still had to pay drivers, conduct background checks, and handle customer inquiries. Families ordering local delivery ended up covering restaurants' tabs through higher prices or recovery fees.

And that in turn led families to place smaller or less frequent orders. DoorDash recently reported that restaurant sales volume decreased 4% year over year in St. Louis and 7% in Philadelphia—two cities where prices went up due to city-imposed restaurant fee caps.

That translated into lost wages for delivery drivers and lost sales tax revenue. In San Francisco, increased prices meant that DoorDash's drivers lost more than \$5 million annually in potential earnings, and the city and state lost more than \$1 million in sales tax revenue.

Delivery services were a crucial lifeline for restaurants during the pandemic. When Chinatown restaurants saw their weekday tourist and office worker foot traffic decline, delivery services were a crucial connection into neighborhoods. In fact, eight in 10 restaurant managers said delivery services kept them from cutting hours or laying off staff.

The State Legislature recently considered a proposal to impose a statewide 15% fee cap — but is proceeding cautiously for now given' restaurants' improved outlook. We urge the Board of Supervisors to do the same.

As you know, Governor Newsom has allowed restaurants to return to full capacity starting June 15. And the Small Business Administration is administering \$29 billion in grants to restaurants through the Restaurant Revitalization Fund. Thanks to these initiatives, local restaurant owners will soon be on the path to recovery.

San Francisco and other cities imposed fee caps as temporary measures in response to the pandemic. While well-intentioned, their adverse consequences are now clear.

As we emerge from the pandemic, we encourage the Board of Supervisors to leave the delivery fee cap in the trash heap of the year 2020.

Sincerely,



Adam Kovacevich CEO and Founder Chamber of Progress



Adam Kovacevich Founder and CEO adam@progresschamber.org 202-470-3046 progresschamber.org



June 16, 2021

San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco CA 94102-4689

<u>File #210492</u> / [Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services. (Bill Sponsor: Supervisor Aaron Peskin)

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As we emerge from the pandemic, we encourage the Board of Supervisors to leave the delivery fee cap in the trash heap of the year 2020.

Sincerely,

Adam Kovacevich CEO and Founder Chamber of Progress

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors:

Dashing has become an important aspect of my life. I am so grateful to be a vaccinated worker and am especially proud to serve my community on the DoorDash platform. For these reasons, I donated my first \$1,000 earnings to deliver food to hospitals and front-line workers in countries that are still battling high COVID-19 infection rates.

The pandemic has not been easy for anyone – including restaurants. I understand that price controls were created to support restaurants during these extremely trying times, but it also has an effect on my ability to earn.

As more and more people become vaccinated, it is reassuring to see life return to normal businesses, both large and small, are opening up – yet, these price controls remain in place, negatively affecting Dashers like me. If price controls persist, San Francisco Dashers, such as myself, could lose Dashing opportunities and receive lower earnings.

As a San Francisco resident, I want what is best for my fellow Dashers and my community. It is time we adjust this policy, so it benefits both restaurants and Dashers.

Sincerely,

Michael Osofsky 701 Parker Ave. #305, San Francisco CA 94118 <u>michael@osofsky.org</u> 650-384-5036

From:	<u>Chhavi Sahni</u>
То:	Carroll, John (BOS); Mar, Gordon (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS)
Cc:	Laurie Thomas; Wright, Edward (BOS); Zou, Han (BOS)
Subject:	GGRA Support Letter for File # 210492: Police Code - Third-Party Food Delivery Services
Date:	Thursday, June 10, 2021 9:55:28 AM
Attachments:	GGRA Support Letter for File # 210492 Police Code - Third-Party Food Delivery Services 6.9.21.pdf

Hi John,

Please find the Golden Gate Restaurant Association Support Letter for File #210492, Item 3 on today's committee agenda, attached. We would like it added to the public record.

Thank you! Chhavi

Chhavi Sahni Director of Public Policy and Partnerships Golden Gate Restaurant Association

Are you a part of the Bay Area restaurant community? Join our <u>GGRA Members Facebook Group</u> and <u>sign up to receive the</u> <u>GGRA newsletter</u>!

p <u>(415) 781-5349</u> e <u>chhavi@ggra.org</u>

Mailing Address: 4104 24th Street, PMB 402 San Francisco, CA 94114

www.ggra.org @ggrasf www.eatdrink-sf.com @eatdrinksf www.sfrestaurantweek.com #SFRW https://www.ggraindustryconference.com/



Golden Gate Restaurant Association Supporting Position on the Permanent Delivery Commission Cap Legislation for San Francisco

File # 210492: Police Code - Third-Party Food Delivery Services

On April 21, 2020, Supervisors Peskin, Safai and Mandelman introduced legislation to regulate third-party food delivery service companies. <u>The legislation (File #200298)</u> follows the <u>Mayor's Ninth Supplemental Declaration of Emergency</u> and was passed unanimously by the SF Board of Supervisors. This legislation included a sunset date that would remove the commission cap 60 days after the allowance of a return to 100% capacity for indoor dining.

As California and San Francisco anticipate a return on June 15th to full indoor dining capacity, we have a need to make this commission cap permanent after a failed attempt at the state level to do so. Legislative File #210492 is an ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

For the most part, restaurants have been happy with the 15% commission cap. This has allowed restaurants to stay in business during the period of the pandemic, with unprecedented limits on capacity for dine-in customers. The restaurant industry has a need for food delivery services and this commission cap was critical, and will continue to be, to the survival of the San Francisco restaurant community.

Ongoing concerns include that some of the third party food delivery companies have been operating with practices that are predatory to our restaurants, including contracts that can be complicated and perhaps misleading in terms of the total contracted fees charged by restaurants. This is particularly of concern in communities where English is the second language. We support this legislation with an eye toward clarity and certainty for the restaurateur:

- 1. Imposing a permanent 15% delivery commission cap.
- 2. Allowing an additional credit card processing fee, capped at 3%.
- 3. Requiring a **separate** contract from the delivery services contract, should the business operator <u>want</u> to contract for additional marketing, search engine optimization, advertising or other services from the delivery company.
- 4. Requiring that no pressure can be applied by the delivery companies on the operator to require signing the additional marketing contract in order to take advantage of the delivery service option.
- 5. Clear instructions on enforcement of this legislation to remedy any violations of the commission cap resulting in compliance from third party platforms.

We hope all stakeholders can agree that this is a solution that works for all parties. We must do all we can to protect and support our small businesses. Thank you!

From:allochkaluvTo:Board of Supervisors, (BOS)Subject:about capping fees food deliveriesDate:Monday, June 7, 2021 12:11:59 PMAttachments:CamScanner 06-07-2021 12.02.pdf

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Sent from my T-Mobile 4G LTE Device

06.07.2021 maistaffe stgov. org. catherine.stefanier John.carro matt.haneye board.of.s To: SF Board of Supervisors, @ John. carrolle board. of system The videshave community particularly the third-party food delivery services such as DoorDash and similar inmy opinion, rely on cheap gasolina. on cheap gasolina. To avoid protests food fights and may hern putting it nicely & urge you to reconsider the parmanent regulations on delivery service fees. these proposed CAPS Chaha, would hurt food delivery workers and the restanvants we help. Personally, l've maintained great momentum delivering for doordash and blessing the state of 4t w/ free coke. # coca-cola Anstead of capping try asking their management what happened to all that series A-Z funding! The investors are outraged and private sector Jobs are disappearing STOP CAPPING! Sincerely 'E. Lewis #SF2

Scanned with CamScanne

This is my Objection to the ordinance that amends the Police Code and removes the sunset provision from the article. I've both attached my testimony and also posted it below.

File #210492 Sponsor: Aaron Peskin

Dear Board Member,

I wish to provide my analysis of the impact of imposing a permanent fee cap on third-party food service deliveries operating in San Francisco. I do not believe it will help restaurants, drivers, or customers in the slightest.

In the last year such caps have been justified in cities across the country as a way to help restaurants struggling with survival in the midst of a pandemic that limited their ability to open their dining rooms. Several cities concluded that the fee charged by delivery companies unfairly reduces restaurant profits, and capped that fee at around fifteen percent of the cost of the meal. They concluded that capping fees would boost restaurant profits without negative consequences elsewhere.

However, I submit that this perspective is mistaken. In communities that have imposed such caps the response of the market has negated much of the intended impact. For instance, delivery companies faced with a cap have seen fit to add a flat fee of between \$1 and \$3 to the delivery in places like Washington, DC where I live.

The added fee charged in most markets with a restaurant price cap reduces demand for food delivery, and takeout sales have fallen in places where these fees are imposed. The platform companies often reduce their service areas for restaurants as well in order to make deliveries more economical, further diminishing sales.

Such caps also disrupt the fragile 3-sided food delivery service marketplace, resulting in fewer opportunities for work for these drivers and lower earnings for those who rely on the gig economy for income.

These caps in no way help restaurants: ephemerally increasing their net margins while reducing demand is not a tradeoff that benefits them, and they don't need a government to do

this for them--they could do it themselves by merely raising their prices on takeout food.

There can be a rationale for a price cap in a monopsonistic market, but there are multiple competitors in the food delivery market in most places: Four different companies compete for market share across the country and none of them appear to be earning a profit at present.

Also, restaurants are not forced to participate in the food delivery market: they can easily decline to participate, and many choose to do so, or only contract with the one that gives them the best deal. Others provide their own delivery service and eschew the platforms. They choose to contract with delivery platforms because it boosts sales.

Progressive governments have competing goals at stake here: they want to make sure that drivers are paid enough, that restaurants are not charged too much for these services and that consumers continue to frequent their establishments. Those are worthy goals, but the idea that imposing a fee cap would improve upon the status quo for workers is predicated upon consumers being willing to pay significantly more for their delivered food, and that's typically where this calculus breaks down.

I find it hard to identify a public rationale for capping the fees that food delivery companies charge, and the actions by the app companies and restaurants obviate much of the impact of a price cap anyway. These caps are little more than a costly and counterproductive exercise meant to show compassion. I hope you consider allowing them to expire.

Ike Brannon, Ph.D.

Ike Brannon Senior Fellow Jack Kemp Foundation <u>Ibrannon@jackkempfoundation.org</u> 202-309-0893



File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

I write this letter to express my criticism for the proposed price controls on food delivery services. Delivery drivers cannot afford a permanent disruption in their income.

I am grateful to be working part-time as a food delivery driver for DoorDash. As the pandemic hit, I was furloughed at my bartending job. I decided to go to work for DoorDash. As a dasher, I have been able to pay my bills, and have become my own boss.

I recently found out that San Francisco may pass a bill that may have unintended consequences for Dashers like me. Although the Board of Supervisors wants to keep restaurants open and running, the price controls in the proposed bill will dampen the economic outlook for myself and my coworkers.

The Board of Supervisors needs to take a stand against this law, which will make it harder for me to earn money. DoorDash drivers need a reliable source of income. If dashing becomes economically inviable, we will not be able to receive orders from restaurants as often, which will affect not only our customers but restaurants as well. Please reconsider the legislation put before you so that Dashers can stay afloat.

Sincerely,

Mario Escalante San Francisco <u>menriqueesc@yahoo.com</u> 415-694-1894

Sent from my iPhone

From:	Shannon Epps
То:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS)
Subject:	Doordash delivery driver
Date:	Friday, June 4, 2021 3:48:32 PM

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

I have been a Dasher since DoorDash was established as a company. Because of that commitment, I am writing to urge you to oppose the implementation of a permanent price control on food delivery services in the city of San Francisco. It will create further harm to the industries that have struggled throughout this pandemic.

Working for DoorDash gave me the opportunity and, more importantly, the flexibility to work on my own schedule. Throughout this time I have been working to manage my chronic pain issues. DoorDash lets me work on a flexible schedule as I take care of my health. I would not have been able to do that working a standard 9-5 job.

Not only will this threaten my way of life, but will harm the very restaurants and consumers they're meant to help. It will limit the options available to restaurants, the Dashers, and the delivery community applications. This bill would negatively impact businesses that are just starting to recover from the pandemic. It has been a tough year enduring through this pandemic and DoorDash has been an opportunity for me to pay the bills and take care of loved ones.

I urge you not to approve this legislation. The bill would not only hurt my income as a Dasher as well as other Dashers but the restaurants that have struggled throughout this pandemic to stay open and provide to our local community.

Sincerely,

Shannon Epps

shannonaepps35@gmail.com

415-716-3589

Shannon Epps 415-716-3589

From:	<u>William D. Smart Jr</u>
To:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Board of Supervisors, (BOS)
Subject:	File #210492 - Letter of Opposition
Date:	Monday, June 7, 2021 8:39:45 AM
Attachments:	Faith Leader Letter re File #210492 6.4.21.docx (2).pdf

On behalf of some of San Francisco's leading faith-based organizations, please find attached our letter of opposition to File #210492 [Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services. Bill Sponsor – Supervisor Aaron Peskin

Sincerely, Pastor VanHook

Pastor William D. Smart Jr. Co-Pastor Christ Liberation Ministries President/ CEO Southern Christian Leadership Conference -Southern California June 4, 2021

San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place City Hall, Room 244 San Francisco, CA 94102-4689

Re: File #210492 [Police Code - Third Party Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services. -- Bill Sponsor – Supervisor Aaron Peskin -- OPPOSE

To the Public Safety and Neighborhood Services Committee:

On behalf of some of San Francisco's leading faith-based organizations, we write to respectfully register our opposition to File #210492 [Police Code - Third Party Delivery Services]. The ordinance seeks to remove the sunset clause on San Francisco's emergency ordinance placing price controls on commissions restaurants may choose to pay food delivery platforms in San Francisco. While well intended, we believe this is the wrong approach to assist struggling restaurants. We are deeply concerned that price controls in this highly competitive market will hamstring its ability to continue helping keep restaurants open, their workers employed, communities safe, and offering accessible part-time work throughout the state.

As leaders of congregations in San Francisco, we have seen the effect flexible work opportunities such as those offered by food delivery services have had -- uplifting good, hard working people. For low-income communities of color, low barrier-to-entry earning opportunities are vehicles to help earn an education, support their families, save for a rainy day, and achieve a better quality of life.

In addition to providing flexible, good paying work that fits around their schedules, food delivery services are helping keep Black-owned businesses afloat during a time of extraordinary pressure on the restaurant industry. Stifling the food delivery platforms during unprecedented demand for such services hurts our communities.

The negative impact of price control policies on businesses and consumers are made clear throughout history (i.e., gas lines in the 1970s, meat packing in the 1940s, etc.) and in cities in California and across the country today – higher prices on consumers, reduced demand for delivery, fewer orders at restaurants, and more livelihoods unnecessarily lost.

Interfering with prices in competitive markets may appear like a no-cost solution to the very real struggles our restaurant industry is experiencing. In practice, it takes little time to begin weakening the market on all sides, including an already reeling population of consumers, workers and restaurant owners. As costs of operation shift to consumers, especially low-income consumers where even a dollar or two increase can be cost prohibitive, demand inevitably falls.

This is not only a detriment to the food delivery platforms; it hurts workers and restaurants themselves. Most importantly, it puts the health and safety of our communities at risk – the same communities that have experienced a disproportionate share of COVID-19 positivity rates, hospitalizations and deaths and often live in food deserts without easy access to healthy foods. Should they now be unable to safely order food to their homes as well?

Arbitrary caps on the commission food delivery platforms may charge are misguided and shortsighted, poised to unintentionally add unnecessary strain on the entire restaurant industry and their workers, food delivery platforms and their workers, and Californians trying to make every dollar stretch while staying safe in their homes. We must refocus our efforts and double down on ways to directly aid struggling restaurants and workers, not manipulating markets in a way that will actually hurt them. Civil rights and faith groups ask you to oppose File #210492 when it is heard in committee.

Sincerely,

Pastor Vance Barnes Mt. Gilead 1629 Oakdale Ave. San Francisco, CA 94124

Pastor Henry Davis Bread of Life PO Box 176 3rd St. San Francisco, CA 94124

Pastor Clayton Cason Mt. Zion Baptist Church 13221 Oak St. San Francisco, CA 94117

Pastor Rodney Leggett Cornerstone MBC 6190 3rd St. San Francisco, CA 94124 **Pastor Mike Pasley** Ephesians Baptist Church 1243 34th St. Oakland, CA 94608

Pastor Shad Reddick Metropolitan BC 2135 Sutter St. San Francisco, CA 94115

Pastor Mike Williams St. James BC

1470 Hudson Ave. San Francisco, CA 94113

Pastor Lawrence VanHook The Community Church 1527 34th St. Oakland, CA 94608

cc Supervisor Peskin Supervisor Mar Supervisor Stefani Supervisor Haney John Carroll, Clerk of the Public Safety and Neighborhood Services Committee Angela Calvillo, Clerk of the Board

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

I am writing to voice my opposition to commission caps both I limit my financial freedoms as a food delivery Dasher at DoorDash, and harm the entire delivery sector.

I moved to San Francisco five months ago in the middle of the pandemic. I struggled to find steady employment and had many expenses due to my recent move. As a Dasher, I safely earned consistent income on my own schedule.

Now, these regulations threaten my employment with DoorDash. Price controls such as these would reduce the hours I could work or even eliminate my livelihood. My story is common in this part of the country. Workers across Northern California have similarly relied on food delivery jobs to support themselves and their families during uncertain economic times of the pandemic. That is why it is important that we do not limit opportunities, as many Californians still have a hard time finding steady sources of income.

I urge you to think about those of us that have worked hard to serve customers who have been stuck at home or unable to shop in person. Our services this past year have proven essential to our communities and remain an important economic asset that we must maintain. Thank you for your consideration on this important matter.

Sincerely,

Xiaosen Zhen San Francisco zhenxiaosen@gmail.com 415-601-9546

发自我的iPhone

From:	Rahim Ali
To:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS);
	<u>Chan, Connie (BOS); Peskin, Aaron (BOS); Preston, Dean (BOS); Yee, Norman (BOS); Mandelman, Rafael (BOS);</u> Ronen, Hillary; Walton, Shamann (BOS); Safai, Ahsha (BOS)
Subject:	File #210492
Date:	Monday, June 7, 2021 3:44:26 PM
Attachments:	File # 210492.pdf

To the San Francisco Board of Supervisors,

I write to you today in opposition to the proposed permanent cap on delivery fees. My name is Ray Ali and I own Food and Liquor World, a grocery store and restaurant located in the heart of San Francisco. The last year has been one of the toughest I've ever had the 8 years I've been in business. The countless stay at home orders and COVID in-person dining restrictions, while necessary, were a big blow to my business. Thankfully over the last year I've had delivery to help make ends meet and keep my doors open.

I'm concerned that a permanent cap will change this. Having the City dictate what sort of business relationships I can and cannot enter into is both intrusive and unnecessary. Online delivery companies like UberEats and DoorDash have helped keep restaurants like mine going throughout this last year. If a permanent cap passes, the price controls they impose will mean higher prices for customers and lower orders for me. Fewer orders could mean the difference between keeping my doors open and having to close down for good like so many other establishments have in California in the past year.

Delivery remains a lifeline for restaurants like mine while COVID restrictions remain in place. Anything that jeopardizes delivery jeopardizes my business. Take it from a restaurant owner: price controls are not the answer. We appreciate the legislature's interest in supporting small businesses owners in this difficult time but a permanent cap is not the answer.

Thank you for taking the time to listen and I welcome any questions the committee may have.

Sincerely,

Rahim Ali Owner, Food and Liquor World June 07, 2021

To the San Francisco Board of Supervisors,

I write to you today in opposition to the proposed permanent cap on delivery fees. My name is Ray Ali and I own Food and Liquor World, a grocery store and restaurant located in the heart of San Francisco. The last year has been one of the toughest I've ever had the 8 years I've been in business. The countless stay at home orders and COVID in-person dining restrictions, while necessary, were a big blow to my business. Thankfully over the last year I've had delivery to help make ends meet and keep my doors open.

I'm concerned that a permanent cap will change this. Having the City dictate what sort of business relationships I can and cannot enter into is both intrusive and unnecessary. Online delivery companies like UberEats and DoorDash have helped keep restaurants like mine going throughout this last year. If a permanent cap passes, the price controls they impose will mean higher prices for customers and lower orders for me. Fewer orders could mean the difference between keeping my doors open and having to close down for good like so many other establishments have in California in the past year.

Delivery remains a lifeline for restaurants like mine while COVID restrictions remain in place. Anything that jeopardizes delivery jeopardizes my business. Take it from a restaurant owner: price controls are not the answer. We appreciate the legislature's interest in supporting small businesses owners in this difficult time but a permanent cap is not the answer.

Thank you for taking the time to listen and I welcome any questions the committee may have.

Sincerely,

Ray Ali Owner, Food and Liquor World

From:	Sabrina Kent
To:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS);
	Chan, Connie (BOS); Peskin, Aaron (BOS); Preston, Dean (BOS); Yee, Norman (BOS); Mandelman, Rafael (BOS); Ronen, Hillary; Walton, Shamann (BOS); Safai, Ahsha (BOS)
Cc:	Justin Nelson
Subject:	File #210492
Date:	Monday, June 7, 2021 1:14:36 PM
Attachments:	image001.png
	Diverse Business Orgs Letter - CA AB 286.pdf

Good afternoon,

Please see the attached letter on behalf of our organizations that was sent in opposition to CA AB 286 in April 2021.

All the Best, Sabrina

Sabrina Gill Kent

Senior Vice President National LGBT Chamber of Commerce (NGLCC) 1331 F Street NW | Suite 900 | Washington, D.C. 20004 www.nglcc.org | p. 1.202.234.9181 | f. 1.202.234.9185 Pronouns | she/her/hers



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National LGBT Chamber of Commerce









April 15, 2021

Privacy and Consumer Protection Committee Room 162, Legislative Office Building 1020 N Street Sacramento, CA 95814

Re: CA AB 286

Dear Chairman Chau:

As the nation's leading business organizations representing the economic interests of diverse AAPI, Black, Latino, LGBTQ+, and disability communities, we write to express our concerns about <u>California Assembly Bill</u> 286, Food delivery: fees and tips, authored by Assembly Members Lorena Gonzalez and Alex Lee.

During COVID-19, food delivery platforms have served as a lifeline for local economies that have struggled during the transition away from indoor dining. They contribute to our member businesses' economic vitality in the state of California and generate critical tax revenues that help Californians weather the economic fallout from the public health crisis. These platforms' services are not only limited to food delivery from point A to point B. They also provide services that raise restaurants' visibility on their platforms through marketing and promotions and offer consumer protection safeguards like background checks for the couriers bringing them their orders. Job opportunities on food delivery platforms also represent critical, accessible, supplemental earning opportunities for food delivery couriers; many of whom were laid off during the pandemic.

The best thing we can provide the state's food delivery couriers is stability—not disruption—as we near the end of the pandemic and brace ourselves for a new normal. Unfortunately, the proposed permanent price control regulations on food delivery platforms threaten to disrupt the three-sided marketplace's delicate balance and limit options for business.

The legislative proposal raises significant concerns for many of our community businesses that implement commission-based business models. These price controls are anti-competitive and pose harm to diverse couriers who have experienced much-needed financial stabilization during these trying times. This legislation threatens the economic vitality of the couriers that identify with the communities we represent.

Permanent commission caps are not sustainable for a food delivery ecosystem that supports the three-sided marketplace of consumers, food delivery couriers, and merchants. Enacting this bill would make it harder, if not wholly untenable, for customers to access food delivery when it's the safest mode of patronage at this time and needed the most. Through increased customer prices, this legislation has the possibility of leading to regressive taxation on low-income communities who have been hard hit by the pandemic and rely on affordable delivery services now more than ever.



National LGBT Chamber of Commerce









We encourage the Committee to work with diverse community organizations to identify alternative options to protect and support California restaurants. Tax relief and grants have long been successful tools in achieving such goals. Through the CARES Act and the American Rescue Plan's \$28 billion Restaurant Revitalization Fund, federal legislation disseminates much-needed funding to state and local governments to help with the restaurant industry's recovery. Let's work together to sustain the economic vitality of all the beneficiaries of the food delivery ecosystem, including merchants, couriers, and consumers.

Sincerely,

Justin Nelson Co-Founder & President National LGBT Chamber of Commerce

Jill Houghton President & CEO Disability:IN

Ramiro Cavazos President & CEO US Hispanic Chamber of Commerce Chiling Tong President & CEO Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship

Ron Busby, Sr. President & CEO US Black Chambers, Inc.

CC: Assembly Member Kevin Kiley, Committee Vice Chair Assembly Member Rebecca Bauer-Kahan Assembly Member Steve Bennett Assembly Member Wendy Carrillo Assembly Member Jordan Cunningham Assembly Member Jordan Cunningham Assembly Member James Gallagher Assembly Member Jacqui Irwin Assembly Member Alex Lee Assembly Member Buffy Wicks

From:	<u>Carroll, John (BOS)</u>
To:	Lawrence VanHook
Cc:	Board of Supervisors, (BOS)
Subject:	FW: File #210492 - Letter of Opposition
Date:	Monday, June 7, 2021 10:21:54 AM
Attachments:	Faith Leader Letter re File #210492 6.4.21.docx (2).pdf
	image001.png

Thank you for your comment letter. By copy of this message to the <u>board.of.supervisors@sfgov.org</u> email address, it is forwarded to the entire membership of the Board of Supervisors. I am also retaining a copy of your message in the official file for this ordinance, on agenda for consideration at the Public Safety and Neighborhood Services Committee this Thursday, June 10, 2021.

John Carroll Assistant Clerk

Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445

(VIRTUAL APPOINTMENTS) To schedule a virtual meeting with me (on Microsoft Teams), please ask and I can answer your questions in real time.

Due to the current COVID-19 health emergency and the Shelter in Place Order, the Office of the Clerk of the Board is working remotely while providing complete access to the legislative process and our services.

🚺 Click <u>here</u> to complete a Board of Supervisors Customer Service Satisfaction form.

The <u>Legislative Research Center</u> provides 24-hour access to Board of Supervisors legislation and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.

From: Lawrence VanHook <lvanhook3@gmail.com>

Sent: Sunday, June 6, 2021 9:27 PM

To: Haney, Matt (BOS) <matt.haney@sfgov.org>; Carroll, John (BOS) <john.carroll@sfgov.org>; board.ofsupervisors@sfgov.org; Stefani, Catherine (BOS) <catherine.stefani@sfgov.org> **Subject:** File #210492 - Letter of Opposition

On behalf of some of San Francisco's leading faith-based organizations, please find attached our letter of opposition to File #210492 [Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services. Bill Sponsor – Supervisor Aaron Peskin

Sincerely, Rev. Dr. L. VanHook

Pastor William D. Smart Jr. Co-Pastor Christ Liberation Ministries President/ CEO Southern Christian Leadership Conference -Southern California

"Nobody is going to Save Us But Us"

From:	<u>Carroll, John (BOS)</u>
To:	Kyle Griffith
Cc:	Board of Supervisors, (BOS)
Subject:	FW: Letter of Opposition to File #210492 Police Code - Third-Party Food Delivery Services
Date:	Monday, June 7, 2021 10:26:44 AM
Attachments:	image001.png
	FINAL SF Fee Cap NASCAR Letter Logos.pdf
	image002.png

Thank you for your comment letter. By copy of this message to the <u>board.of.supervisors@sfgov.org</u> email address, it is forwarded to the entire membership of the Board of Supervisors. I am also retaining a copy of your message in the official file for this ordinance, on agenda for consideration at the Public Safety and Neighborhood Services Committee this Thursday, June 10, 2021.

John Carroll

Assistant Clerk

Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445

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From: Kyle Griffith <kgriffith@bcfpublicaffairs.com>

Sent: Monday, June 7, 2021 9:42 AM

To: Carroll, John (BOS) <john.carroll@sfgov.org>; Haney, Matt (BOS) <matt.haney@sfgov.org>; Stefani, Catherine (BOS) <catherine.stefani@sfgov.org>; Marstaff (BOS) <marstaff@sfgov.org>

Cc: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
 Subject: Letter of Opposition to File #210492 Police Code - Third-Party Food Delivery Services

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Good morning,

On behalf of the organizations listed on the attached letter, we are submitting our formal letter of opposition to the following ordinance being discussed at the Public Safety and Neighborhood Services Committee on Thursday, June 10th for inclusion in the public record.

- File #210492
- [Police Code Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.
- Bill Sponsor Supervisor Aaron Peskin

Please let me know if you have any questions or comments. Thank you.

Kyle Griffith Mobile: (916)996-1441 kgriffith@bcfpublicaffairs.com





Public Safety and Neighborhood Services Committee 1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102-4689

June 7, 2021

RE: Opposition to permanent extension of fee caps on delivery services

To the Public Safety and Neighborhood Services Committee:

Our coalition of community organizations, equity advocates, small businesses, restaurants, merchants, and app-based drivers strongly opposes the proposal to permanently cap fees on app-based food delivery services in the City of San Francisco.

These arbitrary fee caps increase costs for consumers, result in less business for restaurants, and reduce earning opportunities for app-based drivers.

Based on experience with San Francisco's temporary ordinance, we estimate that app-based drivers will lose out on millions of dollars of earnings every year if the fee cap becomes permanent and raises the prices for these critical services.

Making this harmful fee cap permanent would impose a permanent "hidden tax" on consumers and hurt the very small businesses they are intended to protect.

App-based delivery fees are carefully balanced to reflect the mutual benefits to each party. Commissions on restaurants help pay for restaurant marketing, payment, and insurance for drivers, customer service, and other services that help local restaurants attract new customers and grow business. Fees on customers reflect the convenience and value of the delivery service while also ensuring fair payment to drivers.

A 15% cap on a typical \$20 food order leaves only \$3 to pay for necessary services and drivers. This is an insufficient amount to pay for the delivery driver, insurance, promotion and marketing for the restaurant and services, credit card processing fees, customer support, technology, and costs of operating the platform.

As a result, experience has shown that fee caps wind up increasing costs for customers in order to keep services viable. Higher consumer prices reduce demand. Several cities have seen

demand decrease by as much as 30% following the implementation of fee caps, taking away customers and business from restaurants that are struggling to stay afloat. Caps are particularly harmful to small independent restaurants trying to compete with larger chains that can afford their own marketing and delivery services.

Restaurants voluntarily work with app-based delivery platforms, and restaurants have choices between delivery platforms and also in the amount they are willing to pay. California law requires app-based platforms to have agreements with any restaurant before listing them on the app. And recent changes on some platforms allow restaurants to choose the specific services they want and need that correspond with the pricing level that fits their businesses.

Delivery services have been the difference between restaurants remaining in business or having to close permanently during the pandemic. A new report found that, between March 2020 and February 2021, (the first year of the pandemic) app-based platforms generated more than \$9 billion in revenue to more than 117,000 restaurants, grocers, retailers, and small businesses in California.

Now is not the time to extend policies that harm restaurants, customers, and app-based drivers.

We respectfully urge you to reject the proposal to impose hidden costs and forcibly increasing prices on San Francisco customers and small businesses.

Sincerely,

Rodney Fong, President & CEO San Francisco Chamber of Commerce

Rev. Dr. Amos C. Brown, President San Francisco Branch NAACP

Lily Rocha, President Latino Restaurant Association

Julian Canete, President & CEO California Hispanic Chambers of Commerce

Jay King, President & CEO California Black Chamber of Commerce

Faith Bautista, CEO National Diversity Coalition Carlos Solórzano-Cuadra, CEO Hispanic Chambers of Commerce Of San Francisco (HCCSF)

Matt Regan, Senior Vice President Bay Area Council

Pat Fong Kushida, President & CEO CalAsian Chamber of Commerce

Faith Bautista, CEO National Asian American Coalition

Yaël Ossowski, Deputy Director Consumer Choice Center

Adam Kovacevich, Founder & CEO Chamber of Progress

CC: Supervisor Peskin Supervisor Mar Supervisor Stefani Supervisor Haney John Carroll, Clerk of the Public Safety and Neighborhood Services Committee Angela Calvillo, Clerk of the Board

From:	armstronglakeysha3@gmail.com
To:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS)
Subject:	Fwd: Opposition Letter File #210492
Date:	Monday, June 7, 2021 12:48:22 PM

Sent from my iPhone

Begin forwarded message:

From: Lakeysha Armstrong <armstronglakeysha3@gmail.com> Date: June 4, 2021 at 3:18:37 PM PDT To: Catherine.Stefani@sf.gov, board.of.supervisors@sf.gov, john.carroll@sf.gov, marstaff@sfgov.org, matt.haney@sf.go Subject: Opposition Letter File #210492

Letter:

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

As an expectant mother, losing my only source of income to the pandemic, I needed to find flexible work immediately. Dashing on the DoorDash platform was the perfect way to begin making money to support my growing family.

As a dasher, I can choose my own schedule, even when my availability unexpectedly changes. This was extremely beneficial to me throughout the pandemic. With my baby now being 7 months old, ensuring we are both healthy is a top priority. DoorDash provided me with an opportunity to work while protecting my health.

Dashing is the best option for me and my family – however, my fellow

San Francisco Dashers and I have had to deal with the consequences of price caps. To make up for this loss of revenue, third party services are often forced to increase consumer fees leading to fewer orders for both Dashers and restaurants throughout the SF community. In short – price caps put both Dashers and restaurant owners/employees in a lose-lose situation.

By implementing price controls, San Francisco fails to recognize the valuable role we've played throughout the pandemic. Dashers helped keep businesses a float, as in person dining and capacity restrictions were detrimental to their well-being – despite being necessary. Please strongly consider how price controls impact those who rely on Dashing as a primary source of income.

Sincerely,

Lakeysha Armstrong San Francisco armstronglakeysha3@gmail.com 415-286-2989

From:	Kyle Griffith
То:	Carroll, John (BOS); Haney, Matt (BOS); Stefani, Catherine (BOS); Marstaff (BOS)
Cc:	Board of Supervisors, (BOS)
Subject:	Letter of Opposition to File #210492 Police Code - Third-Party Food Delivery Services
Date:	Monday, June 7, 2021 9:42:47 AM
Attachments:	image001.png
	FINAL SF Fee Cap NASCAR Letter Logos.pdf

Good morning,

On behalf of the organizations listed on the attached letter, we are submitting our formal letter of opposition to the following ordinance being discussed at the Public Safety and Neighborhood Services Committee on Thursday, June 10th for inclusion in the public record.

- File #210492
- [Police Code Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.
- Bill Sponsor Supervisor Aaron Peskin

Please let me know if you have any questions or comments. Thank you.

Kyle Griffith Mobile: (916)996-1441 kgriffith@bcfpublicaffairs.com





Public Safety and Neighborhood Services Committee 1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102-4689

June 7, 2021

RE: Opposition to permanent extension of fee caps on delivery services

To the Public Safety and Neighborhood Services Committee:

Our coalition of community organizations, equity advocates, small businesses, restaurants, merchants, and app-based drivers strongly opposes the proposal to permanently cap fees on app-based food delivery services in the City of San Francisco.

These arbitrary fee caps increase costs for consumers, result in less business for restaurants, and reduce earning opportunities for app-based drivers.

Based on experience with San Francisco's temporary ordinance, we estimate that app-based drivers will lose out on millions of dollars of earnings every year if the fee cap becomes permanent and raises the prices for these critical services.

Making this harmful fee cap permanent would impose a permanent "hidden tax" on consumers and hurt the very small businesses they are intended to protect.

App-based delivery fees are carefully balanced to reflect the mutual benefits to each party. Commissions on restaurants help pay for restaurant marketing, payment, and insurance for drivers, customer service, and other services that help local restaurants attract new customers and grow business. Fees on customers reflect the convenience and value of the delivery service while also ensuring fair payment to drivers.

A 15% cap on a typical \$20 food order leaves only \$3 to pay for necessary services and drivers. This is an insufficient amount to pay for the delivery driver, insurance, promotion and marketing for the restaurant and services, credit card processing fees, customer support, technology, and costs of operating the platform.

As a result, experience has shown that fee caps wind up increasing costs for customers in order to keep services viable. Higher consumer prices reduce demand. Several cities have seen

demand decrease by as much as 30% following the implementation of fee caps, taking away customers and business from restaurants that are struggling to stay afloat. Caps are particularly harmful to small independent restaurants trying to compete with larger chains that can afford their own marketing and delivery services.

Restaurants voluntarily work with app-based delivery platforms, and restaurants have choices between delivery platforms and also in the amount they are willing to pay. California law requires app-based platforms to have agreements with any restaurant before listing them on the app. And recent changes on some platforms allow restaurants to choose the specific services they want and need that correspond with the pricing level that fits their businesses.

Delivery services have been the difference between restaurants remaining in business or having to close permanently during the pandemic. A new report found that, between March 2020 and February 2021, (the first year of the pandemic) app-based platforms generated more than \$9 billion in revenue to more than 117,000 restaurants, grocers, retailers, and small businesses in California.

Now is not the time to extend policies that harm restaurants, customers, and app-based drivers.

We respectfully urge you to reject the proposal to impose hidden costs and forcibly increasing prices on San Francisco customers and small businesses.

Sincerely,

Rodney Fong, President & CEO San Francisco Chamber of Commerce

Rev. Dr. Amos C. Brown, President San Francisco Branch NAACP

Lily Rocha, President Latino Restaurant Association

Julian Canete, President & CEO California Hispanic Chambers of Commerce

Jay King, President & CEO California Black Chamber of Commerce

Faith Bautista, CEO National Diversity Coalition Carlos Solórzano-Cuadra, CEO Hispanic Chambers of Commerce Of San Francisco (HCCSF)

Matt Regan, Senior Vice President **Bay Area Council**

Pat Fong Kushida, President & CEO CalAsian Chamber of Commerce

Faith Bautista, CEO National Asian American Coalition

Yaël Ossowski, Deputy Director Consumer Choice Center

Adam Kovacevich, Founder & CEO Chamber of Progress

CC: Supervisor Peskin Supervisor Mar Supervisor Stefani Supervisor Haney John Carroll, Clerk of the Public Safety and Neighborhood Services Committee Angela Calvillo, Clerk of the Board

From:	Kyle Griffith
То:	<u>Carroll, John (BOS)</u>
Cc:	Board of Supervisors, (BOS)
Subject:	Letter of Opposition to File #210492 Police Code - Third-Party Food Delivery Services
Date:	Monday, June 7, 2021 12:15:59 PM
Attachments:	image001.png
	SF Board Letter.pdf

Good afternoon,

I am submitting the attached letter of opposition on behalf of **Friends Liquor** to the following ordinance being discussed at the Public Safety and Neighborhood Services Committee on Thursday, June 10th for inclusion in the public record.

- File #210492
- [Police Code Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.
- Bill Sponsor Supervisor Aaron Peskin

Please let me know if you have any questions or comments. Thank you.

Kyle Griffith Mobile: (916)996-1441 kgriffith@bcfpublicaffairs.com



To the San Francisco Board of Supervisors,

My name is Refaee Alrefaee with Friends Liquor. I am opposed to setting a permanent cap for delivery.

Online delivery companies have helped keep businesses going throughout this last year. These companies offer various price points and pricing models for different services which include more than just delivery, but marketing and advertising too. I rely on these services and having the City dictate the business models I opt in to for my business is invasive.

Price controls are not the answer. I respectfully request that you vote no on permanent delivery caps. Thank you for your consideration and if you have any questions, please let me know.

Thank you,

Refaee

Refaee Alrefaee

Friends Liquor

1758 Fillmore St

San Francisco, Ca 94115

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

I am grateful to have the opportunity to be a dasher. Without DoorDash, I would have struggled to make it through the pandemic. Pre-COVID, Iworked in event production and security. When everything shut down, the entertainment industry took a major hit and my sources of income disappeared. This is when I started to dash part-time. I really enjoyed that DoorDash allowed me to choose my own schedule, especially during the pandemic.

It has recently come to my attention that San Francisco is proposing a new law to cut the fees that drivers, like me, collect from restaurants. I believe this new proposal is unfair to Dashers who have been such an essential part to our communities over the past year delivering food and groceries across the Bay Area. I understand that officials may believe that this will benefit restaurants, but I personally think that this action will damage the industry as a whole. These fee reductions could force DoorDash to cut service with many restaurants that I frequently pick up from. This would leave both me, my fellow Dashers, and restaurants with less orders to fill, and could force restaurants to close and put us Dashers out of work.

As we start opening back up, now is not the time to create additional barriers that limit the ability of Dashers to make a living. Dashers have played an important role in helping the citizens of the Bay Area over the past year and helping keep many restaurants afloat. There are other ways for the Board of Supervisors to help restaurants, such as tax breaks or loan programs. But we don't need the government to come in and add more regulations that will end up hurting us all. I appreciate your consideration and hope that you vote to reject any proposal that will negatively affect Dashers like me.

Sincerely,

Mike Gilgoff San Francisco macabucha@gmail.com

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors:

Dashing has become an important aspect of my life. I am so grateful to be a vaccinated worker and am especially proud to serve my community on the DoorDash platform. For these reasons, I donated my first \$1,000 earnings to deliver food to hospitals and front-line workers in countries that are still battling high COVID-19 infection rates.

The pandemic has not been easy for anyone – including restaurants. I understand that price controls were created to support restaurants during these extremely trying times, but it also has an effect on my ability to earn.

As more and more people become vaccinated, it is reassuring to see life return to normal businesses, both large and small, are opening up – yet, these price controls remain in place, negatively affecting Dashers like me. If price controls persist, San Francisco Dashers, such as myself, could lose Dashing opportunities and receive lower earnings.

As a San Francisco resident, I want what is best for my fellow Dashers and my community. It is time we adjust this policy, so it benefits both restaurants and Dashers.

Sincerely,

Michael Osofsky 701 Parker Ave. #305, San Francisco CA 94118 <u>michael@osofsky.org</u> 650-384-5036

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

My name is David and I have been a Dasher for over six years. I am writing to you to express my disagreement with this permanent price control bill as it will affect dashers, restaurants, and the community.

I became a Dasher six years ago because I learned I was going to lose my job because management was retiring. Becoming a Dasher helped me make money to pay the bills and the flexibility to pursue my other interests. I would spend time travelling and providing community service to help others. I would never have had that opportunity had I stayed at my previous job.

We have all struggled whether it has been through work, our family and managing to get through the pandemic. Dashers have been essential to our communities, as we have delivered food and essentials to the community while they were at home during the pandemic. It has brought new opportunities for those who have been laid off and needed the money to pay the bills and serve an important role in this pandemic.

While lawmakers might have good intentions with this proposed law, it will unfortunately harm Dashers and further limit our earnings because it will cause prices for customers to go up and the number of deliveries are likely to go down. As we start to recover from the pandemic lawmakers should look to better solutions to protect and support restaurants and delivery people who provide a valued service on the frontlines.

I know this job has helped others like me through these difficult times and found that flexibility and motivation to move forward. I am asking you to please reconsider this proposal. It will harm Dashers like me, the restaurants we deliver for, and, most importantly, our community.

Sincerely,

David Lewis themouse11@gmail.com 415-424-1605

Sent from my Verizon, Samsung Galaxy smartphone Get <u>Outlook for Android</u>

From:	<u>reykjavik</u>
To:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS)
Subject:	Opposition Letter File #210492
Date:	Monday, June 7, 2021 8:51:32 AM
	-

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors:

As someone who depends on it, I urge you to not implement a permanent price control on food delivery services. Here in San Francisco, there are so many of us on this for our own personal financial freedom. DoorDash has enabled me to be independent in ways I didn't know were possible.

As a traveling musician, I signed up to be a part-time DoorDash driver in the earlier term of 2020. However, the pandemic soon hit, and I started driving for DoorDash full-time for income. Making money through DoorDash was my only hope in a time when I was unsure of what was around the corner.

This proposed policy does not stand for people like me. In the wake of this unprecedented COVID-era, policymakers must push policies that both support the economy and increase job opportunities for those in need.

I will never side with this tactic of placing a detrimental price control on California businesses. The Board of Supervisors should oppose permanent price controls - please do not move forward with the proposed controls.

Sincerely,

Reyka Osburn San Francisco tsunamilick@gmail.com 415-672-9392

Dear Supervisors,

After gaining experience with other delivery services, I started driving for DoorDash and fell in love with the independence it gives me. As a Dasher, I can choose my own hours and fit driving into my busy schedule. Since I started dashing two years ago, I've completed more than 4,200 deliveries!

I've heard about the proposed price control legislation and fear that it would significantly reduce my earnings. If it passes, countless drivers would encounter hardship as a result of lower incomes. With fewer drivers and longer wait times, the entire industry will suffer.

In the wake of the pandemic, I understand that the Board of Supervisors wants to help restaurants and keep delivery services, such as DoorDash, affordable to consumers. But with my experience as a San Francisco Dasher, I know how the unintended consequences of price controls would hurt everyone involved. While Dashers lose jobs and earnings, restaurants lose an outlet to reach consumers, and consumer choice rapidly decreases.

With the world just starting to open up, I urge you not to interfere with the delivery of food and other necessities to San Francisco residents. By opposing proposals that call for price control, you are supporting Dashers, restaurants, and our community.

Sincerely,

Gerardo Perez San Francisco <u>415gerardo@gmail.com</u> 415-240-1999

From:	Derek Stern
То:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS)
Subject:	Opposition Letter File: #210492
Date:	Monday, June 7, 2021 2:07:32 PM

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Delivery Services

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors:

There is no chance that I would be able to make a living for myself here in San Francisco if it wasn't for DoorDash. If permanent price controls took place in San Francisco, you would take away everything DoorDash driving has become for so many of us.

As the story goes for many others as well, I lost my job at a local theater due to the global pandemic. I was lucky to get a temporary job at Kaiser Permanente, but it's not enough to sustain me. Because of the flexible nature of DoorDash driving, I was able to make supplemental income that allowed me to stay in San Francisco.

While you may believe you are benefitting our beloved city by imposing price controls, I am confident that it will hurt us far more than it helps. DoorDash drivers like myself have seemingly become

essential workers in a time when so many people are homebound.

It's a two-way street of mutual benefit. Price controls could cause consumer fees to go up, which in turn may lead to fewer orders and fewer earning opportunities for me.

For these reasons, I oppose proposals that call for restricting delivery service fees, and encourage anyone who uses delivery apps as a customer, restaurant owner, or driver to do the same.

Respectfully,

Derek Stern San Francisco <u>derekg.stern@gmail.com</u> 805-428-1555

From:	Dylan Hoffman
То:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Peskin, Aaron (BOS)
Cc:	Board of Supervisors, (BOS)
Subject:	Opposition to Ordinance # 210492 Third-Party Food Delivery Services
Date:	Monday, June 7, 2021 9:10:28 AM
Attachments:	SF Commission Cap Ordinance Coalition Oppose.pdf

Hi Supervisor Peskin,

On behalf of Internet Association and TechNet please find our opposition letter to Ordinance # 210492 Third-Party Food Delivery Services. Please let us know if you have any questions.

Best,



INTERNET ASSOCIATION 1303 J Street, Suite 400, Sacramento, CA 95814





June 7, 2021

Supervisor Aaron Peskin City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Re: File # 210492 Third-Party Food Delivery Services (Peskin) - OPPOSE

Dear Supervisor Peskin,

The undersigned organizations must respectfully take an opposed position to Ordinance # 210492 Third-Party Food Delivery Services (Peskin), which would rewrite private contracts between third-party delivery platforms and restaurants by extending an arbitrary cap on the fees restaurants pay to access delivery services. While this ordinance is framed as a pandemic-relief measure, in reality the ordinance is a **permanent** price control that would have significant unintended consequences for consumers, delivery drivers, and restaurants in San Francisco. Moreover, because delivery platforms are not public utilities, the price control imposed by this ordinance is unconstitutional.

The pandemic does not justify a *permanent* **price control on delivery fees.** This ordinance purports to be a response to restrictions placed on restaurants during the pandemic. But it would impose a *permanent* price control that would override private contracts well after restaurants are permitted to fully reopen and the state of emergency ends. Put simply, this ordinance is not a pandemic-relief measure--**it's a targeted attack on the economics of a single industry**.

This ordinance will harm consumers, delivery drivers, and restaurants. In theory, this ordinance's arbitrary cap on fees will help restaurants. However, the rest of the community will pay the price if it is enacted, especially consumers and delivery drivers. According to the Progressive Policy Institute (PPI), restaurant fee caps result in "higher consumer fees"; "longer wait times"; "lower quality service," and "reduced restaurant and delivery zone coverage."¹

In other locations that have passed similar laws during the pandemic, prices paid by consumers have increased to ensure that delivery platforms can continue to provide the high level service that consumers, delivery drivers, and restaurants have come to expect. This means that this ordinance could result in a hidden "tax" on

¹ <u>https://www.progressivepolicy.org/publication/price-controls-wont-fix-whats-ailing-the-restaurant-industry/</u>

consumers who use delivery platforms to order food from local restaurants, and such taxes hit consumers in low-income communities the hardest.

In addition, consumer price increases will *decrease* overall demand for orders placed through delivery platforms. Each lost order is one fewer incomeearning opportunity for delivery drivers who rely on delivery platforms to supplement income and pay the bills.

Finally, this ordinance will hurt the very restaurants the ordinance purports to help. Fees paid by restaurants help to cover a wide range of operational costs, such as:

- Onboarding new delivery drivers, including background checks
- Ensuring that delivery drivers are paid fairly
- Maintaining safety, including insurance costs and providing personal protective equipment to protect delivery drivers
- Marketing services to diners, including advertising and promotions to drive demand to local restaurants
- Technology services including payment processing, order management, application maintenance, and dispatching technology
- Teams of dedicated customer service specialists to provide support to restaurants, customers, and workers for orders placed through our platforms

Arbitrarily limiting revenue from restaurants will make it harder for delivery platforms to invest in these services and future innovations, and could put the continued viability of third-party delivery at risk in certain locations.

Restaurants that choose to offer delivery or pickup have never had more

choice. Some restaurants choose to offer delivery using their own staff, while others choose to partner with delivery platforms or a similar service. Those that do choose to partner with a delivery platform have a wide variety of platforms to choose from, and each platform offers products that are tailor-made to meet the needs of restaurants, from the largest chains to the local mom-and-pops. Interfering with private, voluntary agreements--as this ordinance would--overrides the choices these restaurants have made regarding the services that work best for them. And while some restaurants may have turned to delivery platforms as a result of the pandemic, that does not justify imposing a *permanent* price control.

Third-party delivery platforms invested heavily in restaurants throughout the pandemic. Since COVID-19 began impacting our communities, delivery platforms have provided tens of millions of dollars in direct restaurant support and have spent millions more providing free meals to healthcare workers, seniors, school children, and other vulnerable groups. And many delivery platforms also temporarily froze or reduced commission rates in response to the pandemic, in some cases by as much as 50 percent. The pandemic has made it more clear than ever that delivery platforms and restaurants depend on each other, and that is reflected in the private contracts they mutually agree to.

While many have argued that temporary price controls on delivery fees were justified by the pandemic, no such justification can be made for a **permanent** price control. Delivery platforms are not comparable to those businesses that are typically subjected to price controls; namely, public utilities providing essential services like electricity, gas, and water:

- Unlike a public utility, which is often the only provider of the essential service for a given market, restaurants have choice. Restaurants can choose whether to facilitate delivery themselves, and restaurants can choose which or how many delivery platforms to contract with, and what services to contract for.
- The government is only taking. When price controls have survived constitutional scrutiny -- again, typically, in the public utilities context -- the government entity gives to the utility before it takes: it gives the utility a monopoly over a market, and then it controls pricing as a necessary restraint of that monopolistic power.
- No assurance of profitability. Price controls for regulated utilities are set to ensure profitability. In contrast, this ordinance only takes away and interferes with delivery platforms' contracted for and constitutionally protected rights, and does nothing to ensure tech platforms remain profitable.

The arbitrary price control imposed by this ordinance is unconstitutional. If

enacted, this ordinance would infringe on the constitutional rights of local restaurants and delivery platforms by:

- Rewriting and interfering with existing contracts between restaurants and delivery platforms in violation of the Contract Clause.
- Depriving restaurants and delivery platforms of their right to contract in violation of the Due Process Clause.
- Depriving delivery platforms of their contracted for property interests without any compensation in violation of the Takings Clause.
- Favoring one industry (restaurants) without any legitimate justification and to the likely detriment of local consumers and local delivery persons in violation of the Equal Protection Clause.
- Prohibiting restaurants from purchasing additional services from delivery platforms (such as advertising and marketing) in violation of the First Amendment.
- Compelling commercial speech in violation of the First Amendment by requiring delivery platforms to disclose an itemized cost breakdown to consumers and restaurants.

For these reasons, we respectfully oppose Ordinance # 210492 Third-Party Food Delivery Services (Peskin). Thank you for your consideration.

Sincerely,

Internet Association TechNet

Cc: Supervisor Mar Supervisor Stefani Supervisor Haney John Carroll, Clerk of the Public Safety and Neighborhood Services Committee Angela Calvillo, Clerk of the Board

From:	<u>Carroll, John (BOS)</u>
То:	zaius; Board of Supervisors, (BOS)
Subject:	RE: - BOS File No. 210492
Date:	Monday, June 7, 2021 10:21:06 AM
Attachments:	image001.png

Thank you for your comment letter. By copy of this message to the <u>board.of.supervisors@sfgov.org</u> email address, it is forwarded to the entire membership of the Board of Supervisors. I am also retaining a copy of your message in the official file for this ordinance, on agenda for consideration at the Public Safety and Neighborhood Services Committee this Thursday, June 10, 2021.

John Carroll Assistant Clerk Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445

(VIRTUAL APPOINTMENTS) To schedule a virtual meeting with me (on Microsoft Teams), please ask and I can answer your questions in real time.

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From: zaius <macabucha@gmail.com> Sent: Sunday, June 6, 2021 7:12 PM

To: Marstaff (BOS) <marstaff@sfgov.org>; Stefani, Catherine (BOS) <catherine.stefani@sfgov.org>; Haney, Matt (BOS) <matt.haney@sfgov.org>; Carroll, John (BOS) <john.carroll@sfgov.org>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>

Subject:

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

I am grateful to have the opportunity to be a dasher. Without DoorDash, I would have struggled to make it through the pandemic. Pre-COVID, Iworked in event production and security. When everything shut down, the entertainment industry took a major hit and my sources of income disappeared. This is when I started to dash part-time. I really enjoyed that DoorDash allowed me to choose my own schedule, especially during the pandemic.

It has recently come to my attention that San Francisco is proposing a new law to cut the fees that drivers, like me, collect from restaurants. I believe this new proposal is unfair to Dashers who have been such an essential part to our communities over the past year delivering food and groceries across the Bay Area. I understand that officials may believe that this will benefit restaurants, but I personally think that this action will damage the industry as a whole. These fee reductions could force DoorDash to cut service with many restaurants that I frequently pick up from. This would leave both me, my fellow Dashers, and restaurants with less orders to fill, and could force restaurants to close and put us Dashers out of work.

As we start opening back up, now is not the time to create additional barriers that limit the ability of Dashers to make a living. Dashers have played an important role in helping the citizens of the Bay Area over the past year and helping keep many restaurants afloat. There are other ways for the Board of Supervisors to help restaurants, such as tax breaks or loan programs. But we don't need the government to come in and add more regulations that will end up hurting us all. I appreciate your consideration and hope that you vote to reject any proposal that will negatively affect Dashers like me.

Sincerely,

Mike Gilgoff San Francisco macabucha@gmail.com

From:	Carroll, John (BOS)
To:	Enrique Escalante
Cc:	Board of Supervisors, (BOS)
Subject:	RE: Door Dasher - File No. 210492
Date:	Monday, June 7, 2021 10:18:48 AM
Attachments:	image002 png

Thank you for your comment letter. By copy of this message to the <u>board of supervisors@sfgov.org</u> email address, it is forwarded to the entire membership of the Board of Supervisors. I am also retaining a copy of your message in the official file for this ordinance, on agenda for consideration at the Public Safety and Neighborhood Services Committee this Thursday, June 10, 2021.

John Carroll Assistant Clerk Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445

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From: Enrique Escalante <menriqueesc@yahoo.com Sent: Friday, June 4, 2021 4:59 PM To: Carroll, John (BOS) <john.carroll@sfgov.org> Subject: Door Dasher

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File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

I write this letter to express my criticism for the proposed price controls on food delivery services. Delivery drivers cannot afford a permanent disruption in their income.

I am grateful to be working part-time as a food delivery driver for DoorDash. As the pandemic hit, I was furloughed at my bartending job. I decided to go to work for DoorDash. As a dasher, I have been able to pay my bills, and have become my own boss. I recently found out that San Francisco may pass a bill that may have unintended consequences for Dashers like me. Although the Board of Supervisors wants to keep restaurants open and running, the price controls in the proposed bill will dampen the economic outlook for myself and my coworkers.

The Board of Supervisors needs to take a stand against this law, which will make it harder for me to earn money. DoorDash drivers need a reliable source of income. If dashing becomes economically inviable, we will not be able to receive orders from restaurants as often, which will affect not only our customers but restaurants as well. Please reconsider the legislation put before you so that Dashers can stay afloat.

Sincerely,

Mario Escalante San Francisco <u>menriqueesc@yahoo.com</u> 415-694-1894

Sent from my iPhone

From:	<u>Carroll, John (BOS)</u>
То:	<u>甄晓森</u>
Cc:	Board of Supervisors, (BOS)
Subject:	RE: File #210492
Date:	Monday, June 7, 2021 10:15:47 AM
Attachments:	image001.png

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John Carroll Assistant Clerk Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445

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From: 甄晓森 <zhenxiaosen@gmail.com> Sent: Friday, June 4, 2021 1:43 PM To: Carroll, John (BOS) <john.carroll@sfgov.org> Subject: File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

I am writing to voice my opposition to commission caps both I limit my financial freedoms as a food delivery Dasher at DoorDash, and harm the entire delivery sector.

I moved to San Francisco five months ago in the middle of the pandemic. I struggled to find steady employment and had many expenses due to my recent move. As a Dasher, I safely earned consistent income on my own schedule.

Now, these regulations threaten my employment with DoorDash. Price controls such as these would reduce the hours I could work or even eliminate my livelihood. My story is common in this part of the country. Workers across Northern California have similarly relied on food delivery jobs to support themselves and their families during uncertain economic times of the pandemic. That is why it is important that we do not limit opportunities, as many Californians still have a hard time finding steady sources of income.

I urge you to think about those of us that have worked hard to serve customers who have been stuck at home or unable to shop in person. Our services this past year have proven essential to our communities and remain an important economic asset that we must maintain. Thank you for your consideration on this important matter.

Sincerely,

Xiaosen Zhen San Francisco zhenxiaosen@gmail.com 415-601-9546

发自我的iPhone

<u>Carroll, John (BOS)</u>
Michael Osofsky; Board of Supervisors, (BOS)
talia.laschiazza@doordash.com
RE: Opposition Letter File #210492
Monday, June 7, 2021 10:20:11 AM
image001.png

Thank you for your comment letter. By copy of this message to the <u>board.of.supervisors@sfgov.org</u> email address, it is forwarded to the entire membership of the Board of Supervisors. I am also retaining a copy of your message in the official file for this ordinance, on agenda for consideration at the Public Safety and Neighborhood Services Committee this Thursday, June 10, 2021.

John Carroll

Assistant Clerk Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445

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From: Michael Osofsky <michael@osofsky.org>

Sent: Saturday, June 5, 2021 7:19 AM

To: Marstaff (BOS) <marstaff@sfgov.org>; Stefani, Catherine (BOS) <catherine.stefani@sfgov.org>; Haney, Matt (BOS) <matt.haney@sfgov.org>; Carroll, John (BOS) <john.carroll@sfgov.org>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>

Cc: talia.laschiazza@doordash.com

Subject: Opposition Letter File #210492

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File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors:

Dashing has become an important aspect of my life. I am so grateful to be a vaccinated worker and am especially proud to serve my community on the DoorDash platform. For these reasons, I donated my first \$1,000 earnings to deliver food to hospitals and front-line workers in countries that are still battling high COVID-19 infection rates.

The pandemic has not been easy for anyone – including restaurants. I understand that price controls were created to support restaurants during these extremely trying times, but it also has an effect on my ability to earn.

As more and more people become vaccinated, it is reassuring to see life return to normal businesses, both large and small, are opening up – yet, these price controls remain in place, negatively affecting Dashers like me. If price controls persist, San Francisco Dashers, such as myself, could lose Dashing opportunities and receive lower earnings.

As a San Francisco resident, I want what is best for my fellow Dashers and my community. It is time we adjust this policy, so it benefits both restaurants and Dashers.

Sincerely,

Michael Osofsky 701 Parker Ave. #305, San Francisco CA 94118 <u>michael@osofsky.org</u> 650-384-5036

From:	<u>Carroll, John (BOS)</u>
То:	David Lewis
Cc:	Board of Supervisors, (BOS)
Subject:	RE: Opposition Letter File #210492
Date:	Monday, June 7, 2021 10:17:17 AM
Attachments:	image001.png

Thank you for your comment letter. By copy of this message to the <u>board.of.supervisors@sfgov.org</u> email address, it is forwarded to the entire membership of the Board of Supervisors. I am also retaining a copy of your message in the official file for this ordinance, on agenda for consideration at the Public Safety and Neighborhood Services Committee this Thursday, June 10, 2021.

John Carroll

Assistant Clerk Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445

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From: David Lewis <themouse11@gmail.com>
Sent: Friday, June 4, 2021 3:04 PM
To: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: Opposition Letter File #210492

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File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

My name is David and I have been a Dasher for over six years. I am writing to you to express my disagreement with this permanent price control bill as it will affect dashers, restaurants, and the community.

I became a Dasher six years ago because I learned I was going to lose my job because management was retiring. Becoming a Dasher helped me make money to pay the bills and the flexibility to pursue my other interests. I would spend time travelling and providing community service to help others. I would never have had that opportunity had I stayed at my previous job.

We have all struggled whether it has been through work, our family and managing to get through the pandemic. Dashers have been essential to our communities, as we have delivered food and essentials to the community while they were at home during the pandemic. It has brought new opportunities for those who have been laid off and needed the money to pay the bills and serve an important role in this pandemic.

While lawmakers might have good intentions with this proposed law, it will unfortunately harm Dashers and further limit our earnings because it will cause prices for customers to go up and the number of deliveries are likely to go down. As we start to recover from the pandemic lawmakers should look to better solutions to protect and support restaurants and delivery people who provide a valued service on the frontlines.

I know this job has helped others like me through these difficult times and found that flexibility and motivation to move forward. I am asking you to please reconsider this proposal. It will harm Dashers like me, the restaurants we deliver for, and, most importantly, our community.

Sincerely,

David Lewis themouse11@gmail.com 415-424-1605 Sent from my Verizon, Samsung Galaxy smartphone Get <u>Outlook for Android</u>

From:	<u>Carroll, John (BOS)</u>
To:	reykjavik; Board of Supervisors, (BOS)
Subject:	RE: Opposition Letter File #210492
Date:	Monday, June 7, 2021 10:24:06 AM
Attachments:	image001.png

Thank you for your comment letter. By copy of this message to the <u>board.of.supervisors@sfgov.org</u> email address, it is forwarded to the entire membership of the Board of Supervisors. I am also retaining a copy of your message in the official file for this ordinance, on agenda for consideration at the Public Safety and Neighborhood Services Committee this Thursday, June 10, 2021.

John Carroll Assistant Clerk Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445

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From: reykjavik <tsunamilick@gmail.com>
Sent: Monday, June 7, 2021 8:51 AM
To: Marstaff (BOS) <marstaff@sfgov.org>; Stefani, Catherine (BOS) <catherine.stefani@sfgov.org>; Haney, Matt (BOS) <marstaff@sfgov.org>; Carroll, John (BOS) <john.carroll@sfgov.org>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Opposition Letter File #210492

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors:

As someone who depends on it, I urge you to not implement a permanent price control on food delivery services. Here in San Francisco, there are so many of us on this for our own personal financial freedom. DoorDash has enabled me to be independent in ways I didn't know were possible.

As a traveling musician, I signed up to be a part-time DoorDash driver in the earlier term of 2020. However, the pandemic soon hit, and I started driving for DoorDash full-time for income. Making money through DoorDash was my only hope in a time when I was unsure of what was around the corner.

This proposed policy does not stand for people like me. In the wake of this unprecedented COVID-era, policymakers must push policies that both support the economy and increase job opportunities for those in need.

I will never side with this tactic of placing a detrimental price control on California businesses. The Board of Supervisors should oppose permanent price controls - please do not move forward with the proposed controls.

Sincerely,

Reyka Osburn San Francisco tsunamilick@gmail.com 415-672-9392

<u>Carroll, John (BOS)</u>
Gerardo Perez
Board of Supervisors, (BOS)
RE: Opposition letter file 210492
Monday, June 7, 2021 10:28:13 AM
image001.png

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John Carroll

Assistant Clerk Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445

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From: Gerardo Perez <gerardoperez415@gmail.com>
Sent: Monday, June 7, 2021 10:14 AM
To: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: Opposition letter file 210492

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Dear Supervisors,

After gaining experience with other delivery services, I started driving for DoorDash and fell in love with the independence it gives me. As a Dasher, I can choose my own hours and fit driving into my busy schedule. Since I started dashing two years ago, I've completed more than 4,200 deliveries!

I've heard about the proposed price control legislation and fear that it would significantly reduce my earnings. If it passes, countless drivers would encounter hardship as a result of lower incomes. With fewer drivers and longer wait times, the entire industry will suffer.

In the wake of the pandemic, I understand that the Board of Supervisors wants to help restaurants and keep delivery services, such as DoorDash, affordable to consumers. But with my experience as a San Francisco Dasher, I know how the unintended consequences of price controls would hurt everyone involved. While Dashers lose jobs and earnings, restaurants lose an outlet to reach consumers, and consumer choice rapidly decreases.

With the world just starting to open up, I urge you not to interfere with the delivery of food and other necessities to San Francisco residents. By opposing proposals that call for price control, you are supporting Dashers, restaurants, and our community.

Sincerely,

Gerardo Perez San Francisco <u>415gerardo@gmail.com</u> 415-240-1999

From:	<u>Carroll, John (BOS)</u>
To:	Dylan Hoffman
Cc:	Board of Supervisors, (BOS)
Subject:	RE: Opposition to Ordinance # 210492 Third-Party Food Delivery Services
Date:	Monday, June 7, 2021 10:25:34 AM
Attachments:	SF Commission Cap Ordinance Coalition Oppose.pdf
	image001.png

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John Carroll Assistant Clerk

Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445

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From: Dylan Hoffman <hoffman@internetassociation.org>

Sent: Monday, June 7, 2021 9:07 AM

To: Marstaff (BOS) <marstaff@sfgov.org>; Stefani, Catherine (BOS) <catherine.stefani@sfgov.org>; Haney, Matt (BOS) <matt.haney@sfgov.org>; Carroll, John (BOS) <john.carroll@sfgov.org>; Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>

Cc: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>

Subject: Opposition to Ordinance # 210492 Third-Party Food Delivery Services

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Hi Supervisor Peskin,

On behalf of Internet Association and TechNet please find our opposition letter to Ordinance # 210492 Third-Party Food Delivery Services. Please let us know if you have any questions.

Best,



INTERNET ASSOCIATION 1303 J Street, Suite 400, Sacramento, CA 95814





June 7, 2021

Supervisor Aaron Peskin City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Re: File # 210492 Third-Party Food Delivery Services (Peskin) - OPPOSE

Dear Supervisor Peskin,

The undersigned organizations must respectfully take an opposed position to Ordinance # 210492 Third-Party Food Delivery Services (Peskin), which would rewrite private contracts between third-party delivery platforms and restaurants by extending an arbitrary cap on the fees restaurants pay to access delivery services. While this ordinance is framed as a pandemic-relief measure, in reality the ordinance is a **permanent** price control that would have significant unintended consequences for consumers, delivery drivers, and restaurants in San Francisco. Moreover, because delivery platforms are not public utilities, the price control imposed by this ordinance is unconstitutional.

The pandemic does not justify a *permanent* **price control on delivery fees.** This ordinance purports to be a response to restrictions placed on restaurants during the pandemic. But it would impose a *permanent* price control that would override private contracts well after restaurants are permitted to fully reopen and the state of emergency ends. Put simply, this ordinance is not a pandemic-relief measure--**it's a targeted attack on the economics of a single industry**.

This ordinance will harm consumers, delivery drivers, and restaurants. In theory, this ordinance's arbitrary cap on fees will help restaurants. However, the rest of the community will pay the price if it is enacted, especially consumers and delivery drivers. According to the Progressive Policy Institute (PPI), restaurant fee caps result in "higher consumer fees"; "longer wait times"; "lower quality service," and "reduced restaurant and delivery zone coverage."¹

In other locations that have passed similar laws during the pandemic, prices paid by consumers have increased to ensure that delivery platforms can continue to provide the high level service that consumers, delivery drivers, and restaurants have come to expect. This means that this ordinance could result in a hidden "tax" on

¹ <u>https://www.progressivepolicy.org/publication/price-controls-wont-fix-whats-ailing-the-restaurant-industry/</u>

consumers who use delivery platforms to order food from local restaurants, and such taxes hit consumers in low-income communities the hardest.

In addition, consumer price increases will *decrease* overall demand for orders placed through delivery platforms. Each lost order is one fewer incomeearning opportunity for delivery drivers who rely on delivery platforms to supplement income and pay the bills.

Finally, this ordinance will hurt the very restaurants the ordinance purports to help. Fees paid by restaurants help to cover a wide range of operational costs, such as:

- Onboarding new delivery drivers, including background checks
- Ensuring that delivery drivers are paid fairly
- Maintaining safety, including insurance costs and providing personal protective equipment to protect delivery drivers
- Marketing services to diners, including advertising and promotions to drive demand to local restaurants
- Technology services including payment processing, order management, application maintenance, and dispatching technology
- Teams of dedicated customer service specialists to provide support to restaurants, customers, and workers for orders placed through our platforms

Arbitrarily limiting revenue from restaurants will make it harder for delivery platforms to invest in these services and future innovations, and could put the continued viability of third-party delivery at risk in certain locations.

Restaurants that choose to offer delivery or pickup have never had more

choice. Some restaurants choose to offer delivery using their own staff, while others choose to partner with delivery platforms or a similar service. Those that do choose to partner with a delivery platform have a wide variety of platforms to choose from, and each platform offers products that are tailor-made to meet the needs of restaurants, from the largest chains to the local mom-and-pops. Interfering with private, voluntary agreements--as this ordinance would--overrides the choices these restaurants have made regarding the services that work best for them. And while some restaurants may have turned to delivery platforms as a result of the pandemic, that does not justify imposing a *permanent* price control.

Third-party delivery platforms invested heavily in restaurants throughout the pandemic. Since COVID-19 began impacting our communities, delivery platforms have provided tens of millions of dollars in direct restaurant support and have spent millions more providing free meals to healthcare workers, seniors, school children, and other vulnerable groups. And many delivery platforms also temporarily froze or reduced commission rates in response to the pandemic, in some cases by as much as 50 percent. The pandemic has made it more clear than ever that delivery platforms and restaurants depend on each other, and that is reflected in the private contracts they mutually agree to.

While many have argued that temporary price controls on delivery fees were justified by the pandemic, no such justification can be made for a **permanent** price control. Delivery platforms are not comparable to those businesses that are typically subjected to price controls; namely, public utilities providing essential services like electricity, gas, and water:

- Unlike a public utility, which is often the only provider of the essential service for a given market, restaurants have choice. Restaurants can choose whether to facilitate delivery themselves, and restaurants can choose which or how many delivery platforms to contract with, and what services to contract for.
- The government is only taking. When price controls have survived constitutional scrutiny -- again, typically, in the public utilities context -- the government entity gives to the utility before it takes: it gives the utility a monopoly over a market, and then it controls pricing as a necessary restraint of that monopolistic power.
- No assurance of profitability. Price controls for regulated utilities are set to ensure profitability. In contrast, this ordinance only takes away and interferes with delivery platforms' contracted for and constitutionally protected rights, and does nothing to ensure tech platforms remain profitable.

The arbitrary price control imposed by this ordinance is unconstitutional. If

enacted, this ordinance would infringe on the constitutional rights of local restaurants and delivery platforms by:

- Rewriting and interfering with existing contracts between restaurants and delivery platforms in violation of the Contract Clause.
- Depriving restaurants and delivery platforms of their right to contract in violation of the Due Process Clause.
- Depriving delivery platforms of their contracted for property interests without any compensation in violation of the Takings Clause.
- Favoring one industry (restaurants) without any legitimate justification and to the likely detriment of local consumers and local delivery persons in violation of the Equal Protection Clause.
- Prohibiting restaurants from purchasing additional services from delivery platforms (such as advertising and marketing) in violation of the First Amendment.
- Compelling commercial speech in violation of the First Amendment by requiring delivery platforms to disclose an itemized cost breakdown to consumers and restaurants.

For these reasons, we respectfully oppose Ordinance # 210492 Third-Party Food Delivery Services (Peskin). Thank you for your consideration.

Sincerely,

Internet Association TechNet

Cc: Supervisor Mar Supervisor Stefani Supervisor Haney John Carroll, Clerk of the Public Safety and Neighborhood Services Committee Angela Calvillo, Clerk of the Board

From:	<u>krisztina</u>
Subject:	San Francisco"s Attempt to Limit Food Delivery Services Would Undercut Economic Recovery
Date:	Monday, June 7, 2021 1:45:14 PM
Importance:	High

To whom it may concern,

We are very concerned with the potential repercussions on consumers and restaurants of the proposed San Francisco Ordinance to impose a fee cap and other regulations on third-party food delivery services (File #210492). The proposal, which permanently caps the fees third-party platforms can charge restaurants for deliveries, although intended to benefit small businesses, would backfire on the very same it is intended to help – 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 proposal would essentially make the temporary price controls on the idea of food delivery permanent. We believe this is a very aggressive action by the San Francisco Board of Supervisors to get involved in how companies set their prices as it could ultimately lead to increased costs to the City's small business owners and customers, and lower pay for company delivery drivers due to decreased order volume. Since the costs will have to get recuperated somehow, customer fees would go up and worker pay would suffer. Additionally, the added cost of having to hire and manage their own delivery would be just as, if not more, expensive than using third-party platforms.

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. The Board of Supervisors 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,

Krisztina Pusok, Ph. D.

Director of Policy and Research

American Consumer Institute Center for Citizen Research 1701 Pennsylvania Ave. NW, suite 200 Washington, DC 20006 m: + 1 901 618 5875 Twitter.com/KrisPusok

www.theamericanconsumer.org

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From: To:	<u>Markose Butler</u> <u>Marstaff (BOS); Carroll, John (BOS); Haney, Matt (BOS); Stefani, Catherine (BOS); Chan, Connie (BOS); Peskin, Aaron (BOS); Preston, Dean (BOS); Ronen, Hillary; Walton, Shamann (BOS); Board of Supervisors, (BOS); Safai, Ahsha (BOS); Melgar, Myrna (BOS); Mandelman, Rafael (BOS)</u>
Subject:	Sharing Research on the Repeal of the Delivery Price Cap Sunset Provision
Date:	Monday, June 7, 2021 2:38:45 PM

Hello SF Supervisors,

I'm Markose Butler, the State and Local Outreach director at the Progressive Policy Institute, I'm writing to you today to share the research we have conducted regarding the plan to remove the Sunset Provision on the Delivery Price Cap. Highlighted by our research is the potential to negatively impact consumers, delivery drivers, and the small businesses who rely on the revenue from deliveries to get by during the pandemic. I've attached a research study we've conducted which details the negative externalities of using price controls specifically with regards to the restaurant sector. The key takeaway from the paper is laid out below:

In general, most economists view price controls as an ineffective and inefficient means of achieving lower costs for underserved groups...There is a narrow range of circumstances when price controls can be beneficial for social welfare. [But none] of these exceptions applies to the food delivery market in this crisis...Instead, we can expect price controls on food delivery to have the usual negative effect. And based on early data from the cities that have capped commissions, that's exactly what's happening. Companies are shifting the costs from restaurants to consumers in the form of higher fees, and because consumers are generally more sensitive to price increases, this is leading to a reduction in output in these markets. Fewer orders means less business for restaurants and less income for drivers.

Please feel free to reach out if you have any questions regarding our position on this matter, I'd be happy to answer any questions you may have.

Best Regards,

Markose Butler

Markose Butler He/Him State/Local Outreach Director (512) 666-8230 <u>mbutler@ppionline.org</u>

From:	Kyle Griffith
To:	<u>Carroll, John (BOS)</u>
Cc:	Board of Supervisors, (BOS)
Subject:	RE: Letter of Opposition to File #210492 Police Code - Third-Party Food Delivery Services
Date:	Tuesday, June 8, 2021 2:13:53 PM
Attachments:	image001.png
	image002.png
	FINAL SF Fee Cap NASCAR Letter Logos 6.8.pdf

Good afternoon,

Since my previous email, we've had an additional 3 organizations sign on, including:

- Golden Gate Business Association
- San Francisco Filipino American Chamber of Commerce
- Silicon Valley Leadership Group.

Please let me know if you have any further questions!

Kyle Griffith Mobile: (916)996-1441 kgriffith@bcfpublicaffairs.com



From: Carroll, John (BOS) <john.carroll@sfgov.org>
Sent: Monday, June 7, 2021 10:27 AM
To: Kyle Griffith <kgriffith@bcfpublicaffairs.com>
Cc: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: FW: Letter of Opposition to File #210492 Police Code - Third-Party Food Delivery Services

Thank you for your comment letter. By copy of this message to the <u>board.of.supervisors@sfgov.org</u> email address, it is forwarded to the entire membership of the Board of Supervisors. I am also retaining a copy of your message in the official file for this ordinance, on agenda for consideration at the Public Safety and Neighborhood Services Committee this Thursday, June 10, 2021.

John Carroll Assistant Clerk

Board of Supervisors San Francisco City Hall, Room 244 San Francisco, CA 94102 (415) 554-4445 (VIRTUAL APPOINTMENTS) To schedule a virtual meeting with me (on Microsoft Teams), please ask and I can answer your questions in real time.

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From: Kyle Griffith <<u>kgriffith@bcfpublicaffairs.com</u>>

Sent: Monday, June 7, 2021 9:42 AM

To: Carroll, John (BOS) <john.carroll@sfgov.org>; Haney, Matt (BOS) <<u>matt.haney@sfgov.org</u>>;
 Stefani, Catherine (BOS) <<u>catherine.stefani@sfgov.org</u>>; Marstaff (BOS) <<u>marstaff@sfgov.org</u>>
 Cc: Board of Supervisors, (BOS) <<u>board.of.supervisors@sfgov.org</u>>
 Subject: Letter of Opposition to File #210492 Police Code - Third-Party Food Delivery Services

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Good morning,

On behalf of the organizations listed on the attached letter, we are submitting our formal letter of opposition to the following ordinance being discussed at the Public Safety and Neighborhood Services Committee on Thursday, June 10th for inclusion in the public record.

- File #210492
- [Police Code Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

• Bill Sponsor – Supervisor Aaron Peskin

Please let me know if you have any questions or comments. Thank you.

Kyle Griffith Mobile: (916)996-1441 kgriffith@bcfpublicaffairs.com





Public Safety and Neighborhood Services Committee 1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102-4689

June 7, 2021

RE: Opposition to permanent extension of fee caps on delivery services

To the Public Safety and Neighborhood Services Committee:

Our coalition of community organizations, equity advocates, small businesses, restaurants, merchants, and app-based drivers strongly opposes the proposal to permanently cap fees on app-based food delivery services in the City of San Francisco.

These arbitrary fee caps increase costs for consumers, result in less business for restaurants, and reduce earning opportunities for app-based drivers.

Based on experience with San Francisco's temporary ordinance, we estimate that app-based drivers will lose out on millions of dollars of earnings every year if the fee cap becomes permanent and raises the prices for these critical services.

Making this harmful fee cap permanent would impose a permanent "hidden tax" on consumers and hurt the very small businesses they are intended to protect.

App-based delivery fees are carefully balanced to reflect the mutual benefits to each party. Commissions on restaurants help pay for restaurant marketing, payment, and insurance for drivers, customer service, and other services that help local restaurants attract new customers and grow business. Fees on customers reflect the convenience and value of the delivery service while also ensuring fair payment to drivers.

A 15% cap on a typical \$20 food order leaves only \$3 to pay for necessary services and drivers. This is an insufficient amount to pay for the delivery driver, insurance, promotion and marketing for the restaurant and services, credit card processing fees, customer support, technology, and costs of operating the platform.

As a result, experience has shown that fee caps wind up increasing costs for customers in order to keep services viable. Higher consumer prices reduce demand. Several cities have seen demand decrease by as much as 30% following the implementation of fee caps, taking away customers and business from

restaurants that are struggling to stay afloat. Caps are particularly harmful to small independent restaurants trying to compete with larger chains that can afford their own marketing and delivery services.

Restaurants voluntarily work with app-based delivery platforms, and restaurants have choices between delivery platforms and also in the amount they are willing to pay. California law requires app-based platforms to have agreements with any restaurant before listing them on the app. And recent changes on some platforms allow restaurants to choose the specific services they want and need that correspond with the pricing level that fits their businesses.

Delivery services have been the difference between restaurants remaining in business or having to close permanently during the pandemic. A new report found that, between March 2020 and February 2021, (the first year of the pandemic) app-based platforms generated more than \$9 billion in revenue to more than 117,000 restaurants, grocers, retailers, and small businesses in California.

Now is not the time to extend policies that harm restaurants, customers, and app-based drivers.

We respectfully urge you to reject the proposal to impose hidden costs and forcibly increasing prices on San Francisco customers and small businesses.

Sincerely,

Rodney Fong, President & CEO San Francisco Chamber of Commerce

Rev. Dr. Amos C. Brown, President **San Francisco Branch NAACP**

CJ Abad, President, San Francisco Filipino American Chamber of Commerce

Lily Rocha, President Latino Restaurant Association

Julian Canete, President & CEO California Hispanic Chambers of Commerce

Jay King, President & CEO California Black Chamber of Commerce

Faith Bautista, CEO National Diversity Coalition

Peter Leroe-Muñoz, General Counsel SVP, Tech & Innovation Silicon Valley Leadership Group

CC: Supervisor Peskin Supervisor Mar Supervisor Stefani Supervisor Haney John Carroll, Clerk of the Public Safety and Neighborhood Services Committee Angela Calvillo, Clerk of the Board

Carlos Solórzano-Cuadra, CEO Hispanic Chambers of Commerce Of San Francisco (HCCSF)

Matt Regan, Senior Vice President **Bay Area Council**

Michael Gunther, President Golden Gate Business Association

Pat Fong Kushida, President & CEO CalAsian Chamber of Commerce

Faith Bautista, CEO National Asian American Coalition

Yaël Ossowski, Deputy Director Consumer Choice Center

Adam Kovacevich, Founder & CEO Chamber of Progress

Hi John:

I am forwarding this letter on behalf of Grubhub concerning item #3 on the June 10,2021 Committee Agenda (File #210492-Peskin).

Dario J Frommer

AKIN GUMP STRAUSS HAUER & FELD LLP

 1999 Avenue of the Stars | Suite 600 | Los Angeles, CA 90067-6022 | USA | Direct: <u>+1 213.254.1270</u> | Internal: <u>41270</u>

 Fax: +1 310.229.1001 | <u>dfrommer@akingump.com</u> | <u>akingump.com</u> | <u>Bio</u>

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June 4th, 2021

Supervisor Aaron Peskin San Francisco City Hall 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, Ca 94102-4689

Supervisor Peskin,

Grubhub values San Francisco's commitment to its restaurants, a commitment Grubhub shares that has been at the heart of our work since we were founded in 2004. We have been proud to partner with California in advocating for important legislation like AB 2149, ensuring that web-based food delivery services have contracts with the restaurants that appear on their platforms.

However, Grubhub opposes your recent measure to remove the sunset date on San Francisco's commission cap, legislation that would place a permanent cap on the fees negotiated between restaurants and third-party delivery platforms - imposing damaging price controls. These limits would hurt San Francisco's restaurants' ability to grow profitably, generate revenue and recover from the pandemic. San Francisco's restaurants need long-term solutions from the Board of Supervisors, not punitive measures singling out online food ordering and delivery platforms.

Grubhub provides much more than delivery for our restaurant partners. We primarily act as a marketing and advertising partner that generates increased sales for independent restaurants. Marketing services can include search engine marketing and optimization, loyalty and rewards programs, point of sale integration and other programs. These aggregated services have associated hard costs that restaurants would otherwise have to incur themselves. By providing these discounted by scale, Grubhub allows independent restaurants to compete against large chains with massive marketing budgets. If passed, this legislation would limit San Francisco's independent restaurants' ability to utilize these services, hurting them in both the short- and long-term.

Further, the U.S. and California Constitutions prohibit the enactment of any law that targets a handful of companies, prevents them from entering into voluntary contracts with their business partners, and forces them to operate unprofitably in order to bestow economic benefit on local businesses. The proposed fee cap does exactly that, and in our view is unconstitutional under a variety of overlapping provisions, including the Due Process, Equal Protection, Commerce, Contract and Takings Clauses.

It's also important to note we have heard from the experts on what is needed next. The National Restaurant Association's recent <u>Blueprint for State and Local Restaurant Recovery</u> includes detailed steps lawmakers can take to support restaurants. Specifically they recommend

safeguarding tax treatment to prevent unforeseen liability of federal relief funds, establishing grants to save restaurants, providing property tax relief and making alcohol to-go permanent.

What you will not find on that list is any argument for fee caps or private contract disclosure as policies that effectively support restaurants and their emergence from the pandemic.

The services we provide that let restaurants market themselves are being clouded by a misguided policy approach. Fee caps are harmful to the very restaurants that want to grow, differentiate and market themselves to the more than 30 million active diners on Grubhub's platform.

That's why we urge you to work with us and restaurants to find solutions that deliver the support restaurants need.

y Healy

Amy P. Healy

This is my Objection to the ordinance that amends the Police Code and removes the sunset provision from the article. I've both attached my testimony and also posted it below.

File #210492 Sponsor: Aaron Peskin

Dear Board Member,

I wish to provide my analysis of the impact of imposing a permanent fee cap on third-party food service deliveries operating in San Francisco. I do not believe it will help restaurants, drivers, or customers in the slightest.

In the last year such caps have been justified in cities across the country as a way to help restaurants struggling with survival in the midst of a pandemic that limited their ability to open their dining rooms. Several cities concluded that the fee charged by delivery companies unfairly reduces restaurant profits, and capped that fee at around fifteen percent of the cost of the meal. They concluded that capping fees would boost restaurant profits without negative consequences elsewhere.

However, I submit that this perspective is mistaken. In communities that have imposed such caps the response of the market has negated much of the intended impact. For instance, delivery companies faced with a cap have seen fit to add a flat fee of between \$1 and \$3 to the delivery in places like Washington, DC where I live.

The added fee charged in most markets with a restaurant price cap reduces demand for food delivery, and takeout sales have fallen in places where these fees are imposed. The platform companies often reduce their service areas for restaurants as well in order to make deliveries more economical, further diminishing sales.

Such caps also disrupt the fragile 3-sided food delivery service marketplace, resulting in fewer opportunities for work for these drivers and lower earnings for those who rely on the gig economy for income.

These caps in no way help restaurants: ephemerally increasing their net margins while reducing demand is not a tradeoff that benefits them, and they don't need a government to do

this for them--they could do it themselves by merely raising their prices on takeout food.

There can be a rationale for a price cap in a monopsonistic market, but there are multiple competitors in the food delivery market in most places: Four different companies compete for market share across the country and none of them appear to be earning a profit at present.

Also, restaurants are not forced to participate in the food delivery market: they can easily decline to participate, and many choose to do so, or only contract with the one that gives them the best deal. Others provide their own delivery service and eschew the platforms. They choose to contract with delivery platforms because it boosts sales.

Progressive governments have competing goals at stake here: they want to make sure that drivers are paid enough, that restaurants are not charged too much for these services and that consumers continue to frequent their establishments. Those are worthy goals, but the idea that imposing a fee cap would improve upon the status quo for workers is predicated upon consumers being willing to pay significantly more for their delivered food, and that's typically where this calculus breaks down.

I find it hard to identify a public rationale for capping the fees that food delivery companies charge, and the actions by the app companies and restaurants obviate much of the impact of a price cap anyway. These caps are little more than a costly and counterproductive exercise meant to show compassion. I hope you consider allowing them to expire.

Ike Brannon, Ph.D.

Ike Brannon Senior Fellow Jack Kemp Foundation <u>Ibrannon@jackkempfoundation.org</u> 202-309-0893

2012 Wyoming Ave NW Suite #301 Washington, DC 20009

San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco CA 94102-4689

Re: Objection to the ordinance that amends the Police Code and removes the sunset provision from the article.

Reference: File #210492, sponsored by Sup. Aaron Peskin

Dear Board Member,

I wish to provide my analysis of the impact of imposing a permanent fee cap on third-party food service deliveries operating in San Francisco. I do not believe it will help restaurants, drivers, or customers in the slightest.

In the last year such caps have been justified in cities across the country as a way to help restaurants struggling with survival in the midst of a pandemic that limited their ability to open their dining rooms. Several cities concluded that the fee charged by delivery companies unfairly reduces restaurant profits, and capped that fee at around fifteen percent of the cost of the meal. They concluded that capping fees would boost restaurant profits without negative consequences elsewhere.

However, I submit that this perspective is mistaken. In communities that have imposed such caps the response of the market has negated much of the intended impact. For instance, delivery companies faced with a cap have seen fit to add a flat fee of between \$1 and \$3 to the delivery in places like Washington, DC where I live.

The added fee charged in most markets with a restaurant price cap reduces demand for food delivery, and takeout sales have fallen in places where these fees are imposed. The platform companies often reduce their service areas for restaurants as well in order to make deliveries more economical, further diminishing sales.

Such caps also disrupt the fragile 3-sided food delivery service marketplace, resulting in fewer opportunities for work for these drivers and lower earnings for those who rely on the gig economy for income.

These caps in no way help restaurants: ephemerally increasing their net margins while reducing demand is not a tradeoff that benefits them, and they don't need a government to do this for them--they could do it themselves by merely raising their prices on takeout food.

There can be a rationale for a price cap in a monopsonistic market, but there are multiple competitors in the food delivery market in most places: Four different companies compete for market share across the country and none of them appear to be earning a profit at present.

Also, restaurants are not forced to participate in the food delivery market: they can easily decline to participate, and many choose to do so, or only contract with the one that gives them the best deal. Others provide their own delivery service and eschew the platforms. They choose to contract with delivery platforms because it boosts sales.

Progressive governments have competing goals at stake here: they want to make sure that drivers are paid enough, that restaurants are not charged too much for these services and that consumers continue to frequent their establishments. Those are worthy goals, but the idea that imposing a fee cap would improve upon the status quo for workers is predicated upon consumers being willing to pay significantly more for their delivered food, and that's typically where this calculus breaks down.

I find it hard to identify a public rationale for capping the fees that food delivery companies charge, and the actions that app companies and restaurants take in response to them will obviate much of the impact of a price cap anyway. These caps are little more than a costly and counterproductive exercise meant to show compassion. I hope you consider allowing them to expire.

Very Truly Yours

Ike Brannon

Ike Brannon, Ph.D. Senior fellow, Jack Kemp Foundation

From:	Rahim Ali
To:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS);
	<u>Chan, Connie (BOS); Peskin, Aaron (BOS); Preston, Dean (BOS); Yee, Norman (BOS); Mandelman, Rafael (BOS);</u> Ronen, Hillary; Walton, Shamann (BOS); Safai, Ahsha (BOS)
Subject:	File #210492
Date:	Monday, June 7, 2021 3:44:26 PM
Attachments:	File # 210492.pdf

To the San Francisco Board of Supervisors,

I write to you today in opposition to the proposed permanent cap on delivery fees. My name is Ray Ali and I own Food and Liquor World, a grocery store and restaurant located in the heart of San Francisco. The last year has been one of the toughest I've ever had the 8 years I've been in business. The countless stay at home orders and COVID in-person dining restrictions, while necessary, were a big blow to my business. Thankfully over the last year I've had delivery to help make ends meet and keep my doors open.

I'm concerned that a permanent cap will change this. Having the City dictate what sort of business relationships I can and cannot enter into is both intrusive and unnecessary. Online delivery companies like UberEats and DoorDash have helped keep restaurants like mine going throughout this last year. If a permanent cap passes, the price controls they impose will mean higher prices for customers and lower orders for me. Fewer orders could mean the difference between keeping my doors open and having to close down for good like so many other establishments have in California in the past year.

Delivery remains a lifeline for restaurants like mine while COVID restrictions remain in place. Anything that jeopardizes delivery jeopardizes my business. Take it from a restaurant owner: price controls are not the answer. We appreciate the legislature's interest in supporting small businesses owners in this difficult time but a permanent cap is not the answer.

Thank you for taking the time to listen and I welcome any questions the committee may have.

Sincerely,

Rahim Ali Owner, Food and Liquor World

From: To:	Markose Butler Marstaff (BOS); Carroll, John (BOS); Haney, Matt (BOS); Stefani, Catherine (BOS); Chan, Connie (BOS); Peskin, Aaron (BOS): Preston, Dean (BOS); Ronen, Hillary; Walton, Shamann (BOS); Board of Supervisors, (BOS); Safai, Ahsha (BOS); Melgar, Myrna (BOS); Mandelman, Rafael (BOS)
Subject:	Sharing Research on the Repeal of the Delivery Price Cap Sunset Provision
Date:	Monday, June 7, 2021 2:38:35 PM

Hello SF Supervisors,

I'm Markose Butler, the State and Local Outreach director at the Progressive Policy Institute, I'm writing to you today to share the research we have conducted regarding the plan to remove the Sunset Provision on the Delivery Price Cap. Highlighted by our research is the potential to negatively impact consumers, delivery drivers, and the small businesses who rely on the revenue from deliveries to get by during the pandemic. I've attached a research study we've conducted which details the negative externalities of using price controls specifically with regards to the restaurant sector. The key takeaway from the paper is laid out below:

In general, most economists view price controls as an ineffective and inefficient means of achieving lower costs for underserved groups...There is a narrow range of circumstances when price controls can be beneficial for social welfare. [But none] of these exceptions applies to the food delivery market in this crisis...Instead, we can expect price controls on food delivery to have the usual negative effect. And based on early data from the cities that have capped commissions, that's exactly what's happening. Companies are shifting the costs from restaurants to consumers in the form of higher fees, and because consumers are generally more sensitive to price increases, this is leading to a reduction in output in these markets. Fewer orders means less business for restaurants and less income for drivers.

Please feel free to reach out if you have any questions regarding our position on this matter, I'd be happy to answer any questions you may have.

Best Regards,

Markose Butler

Markose Butler He/Him State/Local Outreach Director (512) 666-8230 <u>mbutler@ppionline.org</u>

From:	Derek Stern
То:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS)
Subject:	Opposition Letter File: #210492
Date:	Monday, June 7, 2021 2:07:32 PM

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Delivery Services

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors:

There is no chance that I would be able to make a living for myself here in San Francisco if it wasn't for DoorDash. If permanent price controls took place in San Francisco, you would take away everything DoorDash driving has become for so many of us.

As the story goes for many others as well, I lost my job at a local theater due to the global pandemic. I was lucky to get a temporary job at Kaiser Permanente, but it's not enough to sustain me. Because of the flexible nature of DoorDash driving, I was able to make supplemental income that allowed me to stay in San Francisco.

While you may believe you are benefitting our beloved city by imposing price controls, I am confident that it will hurt us far more than it helps. DoorDash drivers like myself have seemingly become

essential workers in a time when so many people are homebound.

It's a two-way street of mutual benefit. Price controls could cause consumer fees to go up, which in turn may lead to fewer orders and fewer earning opportunities for me.

For these reasons, I oppose proposals that call for restricting delivery service fees, and encourage anyone who uses delivery apps as a customer, restaurant owner, or driver to do the same.

Respectfully,

Derek Stern San Francisco <u>derekg.stern@gmail.com</u> 805-428-1555

From:	<u>krisztina</u>
Subject:	San Francisco"s Attempt to Limit Food Delivery Services Would Undercut Economic Recovery
Date:	Monday, June 7, 2021 1:45:14 PM
Importance:	High

To whom it may concern,

We are very concerned with the potential repercussions on consumers and restaurants of the proposed San Francisco Ordinance to impose a fee cap and other regulations on third-party food delivery services (File #210492). The proposal, which permanently caps the fees third-party platforms can charge restaurants for deliveries, although intended to benefit small businesses, would backfire on the very same it is intended to help – 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 proposal would essentially make the temporary price controls on the idea of food delivery permanent. We believe this is a very aggressive action by the San Francisco Board of Supervisors to get involved in how companies set their prices as it could ultimately lead to increased costs to the City's small business owners and customers, and lower pay for company delivery drivers due to decreased order volume. Since the costs will have to get recuperated somehow, customer fees would go up and worker pay would suffer. Additionally, the added cost of having to hire and manage their own delivery would be just as, if not more, expensive than using third-party platforms.

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. The Board of Supervisors 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,

Krisztina Pusok, Ph. D.

Director of Policy and Research

American Consumer Institute Center for Citizen Research 1701 Pennsylvania Ave. NW, suite 200 Washington, DC 20006 m: + 1 901 618 5875 Twitter.com/KrisPusok

www.theamericanconsumer.org

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From:	Sabrina Kent
To:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS);
	Chan, Connie (BOS); Peskin, Aaron (BOS); Preston, Dean (BOS); Yee, Norman (BOS); Mandelman, Rafael (BOS); Ronen, Hillary; Walton, Shamann (BOS); Safai, Ahsha (BOS)
Cc:	Justin Nelson
Subject:	File #210492
Date:	Monday, June 7, 2021 1:13:57 PM
Attachments:	image001.png
	Diverse Business Orgs Letter - CA AB 286.pdf

Good afternoon,

Please see the attached letter on behalf of our organizations that was sent in opposition to CA AB 286 in April 2021.

All the Best, Sabrina

Sabrina Gill Kent

Senior Vice President National LGBT Chamber of Commerce (NGLCC) 1331 F Street NW | Suite 900 | Washington, D.C. 20004 www.nglcc.org | p. 1.202.234.9181 | f. 1.202.234.9185 Pronouns | she/her/hers



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National LGBT Chamber of Commerce









April 15, 2021

Privacy and Consumer Protection Committee Room 162, Legislative Office Building 1020 N Street Sacramento, CA 95814

Re: CA AB 286

Dear Chairman Chau:

As the nation's leading business organizations representing the economic interests of diverse AAPI, Black, Latino, LGBTQ+, and disability communities, we write to express our concerns about <u>California Assembly Bill</u> 286, Food delivery: fees and tips, authored by Assembly Members Lorena Gonzalez and Alex Lee.

During COVID-19, food delivery platforms have served as a lifeline for local economies that have struggled during the transition away from indoor dining. They contribute to our member businesses' economic vitality in the state of California and generate critical tax revenues that help Californians weather the economic fallout from the public health crisis. These platforms' services are not only limited to food delivery from point A to point B. They also provide services that raise restaurants' visibility on their platforms through marketing and promotions and offer consumer protection safeguards like background checks for the couriers bringing them their orders. Job opportunities on food delivery platforms also represent critical, accessible, supplemental earning opportunities for food delivery couriers; many of whom were laid off during the pandemic.

The best thing we can provide the state's food delivery couriers is stability—not disruption—as we near the end of the pandemic and brace ourselves for a new normal. Unfortunately, the proposed permanent price control regulations on food delivery platforms threaten to disrupt the three-sided marketplace's delicate balance and limit options for business.

The legislative proposal raises significant concerns for many of our community businesses that implement commission-based business models. These price controls are anti-competitive and pose harm to diverse couriers who have experienced much-needed financial stabilization during these trying times. This legislation threatens the economic vitality of the couriers that identify with the communities we represent.

Permanent commission caps are not sustainable for a food delivery ecosystem that supports the three-sided marketplace of consumers, food delivery couriers, and merchants. Enacting this bill would make it harder, if not wholly untenable, for customers to access food delivery when it's the safest mode of patronage at this time and needed the most. Through increased customer prices, this legislation has the possibility of leading to regressive taxation on low-income communities who have been hard hit by the pandemic and rely on affordable delivery services now more than ever.



National LGBT Chamber of Commerce









We encourage the Committee to work with diverse community organizations to identify alternative options to protect and support California restaurants. Tax relief and grants have long been successful tools in achieving such goals. Through the CARES Act and the American Rescue Plan's \$28 billion Restaurant Revitalization Fund, federal legislation disseminates much-needed funding to state and local governments to help with the restaurant industry's recovery. Let's work together to sustain the economic vitality of all the beneficiaries of the food delivery ecosystem, including merchants, couriers, and consumers.

Sincerely,

Justin Nelson Co-Founder & President National LGBT Chamber of Commerce

Jill Houghton President & CEO Disability:IN

Ramiro Cavazos President & CEO US Hispanic Chamber of Commerce Chiling Tong President & CEO Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship

Ron Busby, Sr. President & CEO US Black Chambers, Inc.

CC: Assembly Member Kevin Kiley, Committee Vice Chair Assembly Member Rebecca Bauer-Kahan Assembly Member Steve Bennett Assembly Member Wendy Carrillo Assembly Member Jordan Cunningham Assembly Member Jordan Cunningham Assembly Member James Gallagher Assembly Member Jacqui Irwin Assembly Member Alex Lee Assembly Member Buffy Wicks

From:	armstronglakeysha3@gmail.com
To:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS)
Subject:	Fwd: Opposition Letter File #210492
Date:	Monday, June 7, 2021 12:48:22 PM

Sent from my iPhone

Begin forwarded message:

From: Lakeysha Armstrong <armstronglakeysha3@gmail.com> Date: June 4, 2021 at 3:18:37 PM PDT To: Catherine.Stefani@sf.gov, board.of.supervisors@sf.gov, john.carroll@sf.gov, marstaff@sfgov.org, matt.haney@sf.go Subject: Opposition Letter File #210492

Letter:

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

As an expectant mother, losing my only source of income to the pandemic, I needed to find flexible work immediately. Dashing on the DoorDash platform was the perfect way to begin making money to support my growing family.

As a dasher, I can choose my own schedule, even when my availability unexpectedly changes. This was extremely beneficial to me throughout the pandemic. With my baby now being 7 months old, ensuring we are both healthy is a top priority. DoorDash provided me with an opportunity to work while protecting my health.

Dashing is the best option for me and my family – however, my fellow

San Francisco Dashers and I have had to deal with the consequences of price caps. To make up for this loss of revenue, third party services are often forced to increase consumer fees leading to fewer orders for both Dashers and restaurants throughout the SF community. In short – price caps put both Dashers and restaurant owners/employees in a lose-lose situation.

By implementing price controls, San Francisco fails to recognize the valuable role we've played throughout the pandemic. Dashers helped keep businesses a float, as in person dining and capacity restrictions were detrimental to their well-being – despite being necessary. Please strongly consider how price controls impact those who rely on Dashing as a primary source of income.

Sincerely,

Lakeysha Armstrong San Francisco armstronglakeysha3@gmail.com 415-286-2989

From:	Kyle Griffith
То:	<u>Carroll, John (BOS)</u>
Cc:	Board of Supervisors, (BOS)
Subject:	Letter of Opposition to File #210492 Police Code - Third-Party Food Delivery Services
Date:	Monday, June 7, 2021 12:16:37 PM
Attachments:	image001.png
	SF Board Letter.pdf

Good afternoon,

I am submitting the attached letter of opposition on behalf of **Friends Liquor** to the following ordinance being discussed at the Public Safety and Neighborhood Services Committee on Thursday, June 10th for inclusion in the public record.

- File #210492
- [Police Code Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.
- Bill Sponsor Supervisor Aaron Peskin

Please let me know if you have any questions or comments. Thank you.

Kyle Griffith Mobile: (916)996-1441 kgriffith@bcfpublicaffairs.com



To the San Francisco Board of Supervisors,

My name is Refaee Alrefaee with Friends Liquor. I am opposed to setting a permanent cap for delivery.

Online delivery companies have helped keep businesses going throughout this last year. These companies offer various price points and pricing models for different services which include more than just delivery, but marketing and advertising too. I rely on these services and having the City dictate the business models I opt in to for my business is invasive.

Price controls are not the answer. I respectfully request that you vote no on permanent delivery caps. Thank you for your consideration and if you have any questions, please let me know.

Thank you,

Refaee

Refaee Alrefaee

Friends Liquor

1758 Fillmore St

San Francisco, Ca 94115

Dear Supervisors,

After gaining experience with other delivery services, I started driving for DoorDash and fell in love with the independence it gives me. As a Dasher, I can choose my own hours and fit driving into my busy schedule. Since I started dashing two years ago, I've completed more than 4,200 deliveries!

I've heard about the proposed price control legislation and fear that it would significantly reduce my earnings. If it passes, countless drivers would encounter hardship as a result of lower incomes. With fewer drivers and longer wait times, the entire industry will suffer.

In the wake of the pandemic, I understand that the Board of Supervisors wants to help restaurants and keep delivery services, such as DoorDash, affordable to consumers. But with my experience as a San Francisco Dasher, I know how the unintended consequences of price controls would hurt everyone involved. While Dashers lose jobs and earnings, restaurants lose an outlet to reach consumers, and consumer choice rapidly decreases.

With the world just starting to open up, I urge you not to interfere with the delivery of food and other necessities to San Francisco residents. By opposing proposals that call for price control, you are supporting Dashers, restaurants, and our community.

Sincerely,

Gerardo Perez San Francisco <u>415gerardo@gmail.com</u> 415-240-1999

From:	Kyle Griffith
То:	Carroll, John (BOS); Haney, Matt (BOS); Stefani, Catherine (BOS); Marstaff (BOS)
Cc:	Board of Supervisors, (BOS)
Subject:	Letter of Opposition to File #210492 Police Code - Third-Party Food Delivery Services
Date:	Monday, June 7, 2021 9:42:47 AM
Attachments:	image001.png
	FINAL SF Fee Cap NASCAR Letter Logos.pdf

Good morning,

On behalf of the organizations listed on the attached letter, we are submitting our formal letter of opposition to the following ordinance being discussed at the Public Safety and Neighborhood Services Committee on Thursday, June 10th for inclusion in the public record.

- File #210492
- [Police Code Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.
- Bill Sponsor Supervisor Aaron Peskin

Please let me know if you have any questions or comments. Thank you.

Kyle Griffith Mobile: (916)996-1441 kgriffith@bcfpublicaffairs.com





Public Safety and Neighborhood Services Committee 1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102-4689

June 7, 2021

RE: Opposition to permanent extension of fee caps on delivery services

To the Public Safety and Neighborhood Services Committee:

Our coalition of community organizations, equity advocates, small businesses, restaurants, merchants, and app-based drivers strongly opposes the proposal to permanently cap fees on app-based food delivery services in the City of San Francisco.

These arbitrary fee caps increase costs for consumers, result in less business for restaurants, and reduce earning opportunities for app-based drivers.

Based on experience with San Francisco's temporary ordinance, we estimate that app-based drivers will lose out on millions of dollars of earnings every year if the fee cap becomes permanent and raises the prices for these critical services.

Making this harmful fee cap permanent would impose a permanent "hidden tax" on consumers and hurt the very small businesses they are intended to protect.

App-based delivery fees are carefully balanced to reflect the mutual benefits to each party. Commissions on restaurants help pay for restaurant marketing, payment, and insurance for drivers, customer service, and other services that help local restaurants attract new customers and grow business. Fees on customers reflect the convenience and value of the delivery service while also ensuring fair payment to drivers.

A 15% cap on a typical \$20 food order leaves only \$3 to pay for necessary services and drivers. This is an insufficient amount to pay for the delivery driver, insurance, promotion and marketing for the restaurant and services, credit card processing fees, customer support, technology, and costs of operating the platform.

As a result, experience has shown that fee caps wind up increasing costs for customers in order to keep services viable. Higher consumer prices reduce demand. Several cities have seen

demand decrease by as much as 30% following the implementation of fee caps, taking away customers and business from restaurants that are struggling to stay afloat. Caps are particularly harmful to small independent restaurants trying to compete with larger chains that can afford their own marketing and delivery services.

Restaurants voluntarily work with app-based delivery platforms, and restaurants have choices between delivery platforms and also in the amount they are willing to pay. California law requires app-based platforms to have agreements with any restaurant before listing them on the app. And recent changes on some platforms allow restaurants to choose the specific services they want and need that correspond with the pricing level that fits their businesses.

Delivery services have been the difference between restaurants remaining in business or having to close permanently during the pandemic. A new report found that, between March 2020 and February 2021, (the first year of the pandemic) app-based platforms generated more than \$9 billion in revenue to more than 117,000 restaurants, grocers, retailers, and small businesses in California.

Now is not the time to extend policies that harm restaurants, customers, and app-based drivers.

We respectfully urge you to reject the proposal to impose hidden costs and forcibly increasing prices on San Francisco customers and small businesses.

Sincerely,

Rodney Fong, President & CEO San Francisco Chamber of Commerce

Rev. Dr. Amos C. Brown, President San Francisco Branch NAACP

Lily Rocha, President Latino Restaurant Association

Julian Canete, President & CEO California Hispanic Chambers of Commerce

Jay King, President & CEO California Black Chamber of Commerce

Faith Bautista, CEO National Diversity Coalition Carlos Solórzano-Cuadra, CEO Hispanic Chambers of Commerce Of San Francisco (HCCSF)

Matt Regan, Senior Vice President **Bay Area Council**

Pat Fong Kushida, President & CEO CalAsian Chamber of Commerce

Faith Bautista, CEO National Asian American Coalition

Yaël Ossowski, Deputy Director Consumer Choice Center

Adam Kovacevich, Founder & CEO Chamber of Progress

CC: Supervisor Peskin Supervisor Mar Supervisor Stefani Supervisor Haney John Carroll, Clerk of the Public Safety and Neighborhood Services Committee Angela Calvillo, Clerk of the Board

From:	Dylan Hoffman
То:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Peskin, Aaron (BOS)
Cc:	Board of Supervisors, (BOS)
Subject:	Opposition to Ordinance # 210492 Third-Party Food Delivery Services
Date:	Monday, June 7, 2021 9:11:29 AM
Attachments:	SF Commission Cap Ordinance Coalition Oppose.pdf

Hi Supervisor Peskin,

On behalf of Internet Association and TechNet please find our opposition letter to Ordinance # 210492 Third-Party Food Delivery Services. Please let us know if you have any questions.

Best,



INTERNET ASSOCIATION 1303 J Street, Suite 400, Sacramento, CA 95814





June 7, 2021

Supervisor Aaron Peskin City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Re: File # 210492 Third-Party Food Delivery Services (Peskin) - OPPOSE

Dear Supervisor Peskin,

The undersigned organizations must respectfully take an opposed position to Ordinance # 210492 Third-Party Food Delivery Services (Peskin), which would rewrite private contracts between third-party delivery platforms and restaurants by extending an arbitrary cap on the fees restaurants pay to access delivery services. While this ordinance is framed as a pandemic-relief measure, in reality the ordinance is a **permanent** price control that would have significant unintended consequences for consumers, delivery drivers, and restaurants in San Francisco. Moreover, because delivery platforms are not public utilities, the price control imposed by this ordinance is unconstitutional.

The pandemic does not justify a *permanent* **price control on delivery fees.** This ordinance purports to be a response to restrictions placed on restaurants during the pandemic. But it would impose a *permanent* price control that would override private contracts well after restaurants are permitted to fully reopen and the state of emergency ends. Put simply, this ordinance is not a pandemic-relief measure--**it's a targeted attack on the economics of a single industry**.

This ordinance will harm consumers, delivery drivers, and restaurants. In theory, this ordinance's arbitrary cap on fees will help restaurants. However, the rest of the community will pay the price if it is enacted, especially consumers and delivery drivers. According to the Progressive Policy Institute (PPI), restaurant fee caps result in "higher consumer fees"; "longer wait times"; "lower quality service," and "reduced restaurant and delivery zone coverage."¹

In other locations that have passed similar laws during the pandemic, prices paid by consumers have increased to ensure that delivery platforms can continue to provide the high level service that consumers, delivery drivers, and restaurants have come to expect. This means that this ordinance could result in a hidden "tax" on

¹ <u>https://www.progressivepolicy.org/publication/price-controls-wont-fix-whats-ailing-the-restaurant-industry/</u>

consumers who use delivery platforms to order food from local restaurants, and such taxes hit consumers in low-income communities the hardest.

In addition, consumer price increases will *decrease* overall demand for orders placed through delivery platforms. Each lost order is one fewer incomeearning opportunity for delivery drivers who rely on delivery platforms to supplement income and pay the bills.

Finally, this ordinance will hurt the very restaurants the ordinance purports to help. Fees paid by restaurants help to cover a wide range of operational costs, such as:

- Onboarding new delivery drivers, including background checks
- Ensuring that delivery drivers are paid fairly
- Maintaining safety, including insurance costs and providing personal protective equipment to protect delivery drivers
- Marketing services to diners, including advertising and promotions to drive demand to local restaurants
- Technology services including payment processing, order management, application maintenance, and dispatching technology
- Teams of dedicated customer service specialists to provide support to restaurants, customers, and workers for orders placed through our platforms

Arbitrarily limiting revenue from restaurants will make it harder for delivery platforms to invest in these services and future innovations, and could put the continued viability of third-party delivery at risk in certain locations.

Restaurants that choose to offer delivery or pickup have never had more

choice. Some restaurants choose to offer delivery using their own staff, while others choose to partner with delivery platforms or a similar service. Those that do choose to partner with a delivery platform have a wide variety of platforms to choose from, and each platform offers products that are tailor-made to meet the needs of restaurants, from the largest chains to the local mom-and-pops. Interfering with private, voluntary agreements--as this ordinance would--overrides the choices these restaurants have made regarding the services that work best for them. And while some restaurants may have turned to delivery platforms as a result of the pandemic, that does not justify imposing a *permanent* price control.

Third-party delivery platforms invested heavily in restaurants throughout the pandemic. Since COVID-19 began impacting our communities, delivery platforms have provided tens of millions of dollars in direct restaurant support and have spent millions more providing free meals to healthcare workers, seniors, school children, and other vulnerable groups. And many delivery platforms also temporarily froze or reduced commission rates in response to the pandemic, in some cases by as much as 50 percent. The pandemic has made it more clear than ever that delivery platforms and restaurants depend on each other, and that is reflected in the private contracts they mutually agree to.

While many have argued that temporary price controls on delivery fees were justified by the pandemic, no such justification can be made for a **permanent** price control. Delivery platforms are not comparable to those businesses that are typically subjected to price controls; namely, public utilities providing essential services like electricity, gas, and water:

- Unlike a public utility, which is often the only provider of the essential service for a given market, restaurants have choice. Restaurants can choose whether to facilitate delivery themselves, and restaurants can choose which or how many delivery platforms to contract with, and what services to contract for.
- The government is only taking. When price controls have survived constitutional scrutiny -- again, typically, in the public utilities context -- the government entity gives to the utility before it takes: it gives the utility a monopoly over a market, and then it controls pricing as a necessary restraint of that monopolistic power.
- No assurance of profitability. Price controls for regulated utilities are set to ensure profitability. In contrast, this ordinance only takes away and interferes with delivery platforms' contracted for and constitutionally protected rights, and does nothing to ensure tech platforms remain profitable.

The arbitrary price control imposed by this ordinance is unconstitutional. If

enacted, this ordinance would infringe on the constitutional rights of local restaurants and delivery platforms by:

- Rewriting and interfering with existing contracts between restaurants and delivery platforms in violation of the Contract Clause.
- Depriving restaurants and delivery platforms of their right to contract in violation of the Due Process Clause.
- Depriving delivery platforms of their contracted for property interests without any compensation in violation of the Takings Clause.
- Favoring one industry (restaurants) without any legitimate justification and to the likely detriment of local consumers and local delivery persons in violation of the Equal Protection Clause.
- Prohibiting restaurants from purchasing additional services from delivery platforms (such as advertising and marketing) in violation of the First Amendment.
- Compelling commercial speech in violation of the First Amendment by requiring delivery platforms to disclose an itemized cost breakdown to consumers and restaurants.

For these reasons, we respectfully oppose Ordinance # 210492 Third-Party Food Delivery Services (Peskin). Thank you for your consideration.

Sincerely,

Internet Association TechNet

Cc: Supervisor Mar Supervisor Stefani Supervisor Haney John Carroll, Clerk of the Public Safety and Neighborhood Services Committee Angela Calvillo, Clerk of the Board

From:	<u>reykjavik</u>
To:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS)
Subject:	Opposition Letter File #210492
Date:	Monday, June 7, 2021 8:51:32 AM

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors:

As someone who depends on it, I urge you to not implement a permanent price control on food delivery services. Here in San Francisco, there are so many of us on this for our own personal financial freedom. DoorDash has enabled me to be independent in ways I didn't know were possible.

As a traveling musician, I signed up to be a part-time DoorDash driver in the earlier term of 2020. However, the pandemic soon hit, and I started driving for DoorDash full-time for income. Making money through DoorDash was my only hope in a time when I was unsure of what was around the corner.

This proposed policy does not stand for people like me. In the wake of this unprecedented COVID-era, policymakers must push policies that both support the economy and increase job opportunities for those in need.

I will never side with this tactic of placing a detrimental price control on California businesses. The Board of Supervisors should oppose permanent price controls - please do not move forward with the proposed controls.

Sincerely,

Reyka Osburn San Francisco tsunamilick@gmail.com 415-672-9392

On behalf of some of San Francisco's leading faith-based organizations, please find attached our letter of opposition to File #210492 [Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services. Bill Sponsor – Supervisor Aaron Peskin

Sincerely, Rev. Dr. L. VanHook

Pastor William D. Smart Jr. Co-Pastor Christ Liberation Ministries President/ CEO Southern Christian Leadership Conference -Southern California

"Nobody is going to Save Us But Us"

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

I am grateful to have the opportunity to be a dasher. Without DoorDash, I would have struggled to make it through the pandemic. Pre-COVID, Iworked in event production and security. When everything shut down, the entertainment industry took a major hit and my sources of income disappeared. This is when I started to dash part-time. I really enjoyed that DoorDash allowed me to choose my own schedule, especially during the pandemic.

It has recently come to my attention that San Francisco is proposing a new law to cut the fees that drivers, like me, collect from restaurants. I believe this new proposal is unfair to Dashers who have been such an essential part to our communities over the past year delivering food and groceries across the Bay Area. I understand that officials may believe that this will benefit restaurants, but I personally think that this action will damage the industry as a whole. These fee reductions could force DoorDash to cut service with many restaurants that I frequently pick up from. This would leave both me, my fellow Dashers, and restaurants with less orders to fill, and could force restaurants to close and put us Dashers out of work.

As we start opening back up, now is not the time to create additional barriers that limit the ability of Dashers to make a living. Dashers have played an important role in helping the citizens of the Bay Area over the past year and helping keep many restaurants afloat. There are other ways for the Board of Supervisors to help restaurants, such as tax breaks or loan programs. But we don't need the government to come in and add more regulations that will end up hurting us all. I appreciate your consideration and hope that you vote to reject any proposal that will negatively affect Dashers like me.

Sincerely,

Mike Gilgoff San Francisco macabucha@gmail.com

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors:

Dashing has become an important aspect of my life. I am so grateful to be a vaccinated worker and am especially proud to serve my community on the DoorDash platform. For these reasons, I donated my first \$1,000 earnings to deliver food to hospitals and front-line workers in countries that are still battling high COVID-19 infection rates.

The pandemic has not been easy for anyone – including restaurants. I understand that price controls were created to support restaurants during these extremely trying times, but it also has an effect on my ability to earn.

As more and more people become vaccinated, it is reassuring to see life return to normal businesses, both large and small, are opening up – yet, these price controls remain in place, negatively affecting Dashers like me. If price controls persist, San Francisco Dashers, such as myself, could lose Dashing opportunities and receive lower earnings.

As a San Francisco resident, I want what is best for my fellow Dashers and my community. It is time we adjust this policy, so it benefits both restaurants and Dashers.

Sincerely,

Michael Osofsky 701 Parker Ave. #305, San Francisco CA 94118 <u>michael@osofsky.org</u> 650-384-5036



File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

I write this letter to express my criticism for the proposed price controls on food delivery services. Delivery drivers cannot afford a permanent disruption in their income.

I am grateful to be working part-time as a food delivery driver for DoorDash. As the pandemic hit, I was furloughed at my bartending job. I decided to go to work for DoorDash. As a dasher, I have been able to pay my bills, and have become my own boss.

I recently found out that San Francisco may pass a bill that may have unintended consequences for Dashers like me. Although the Board of Supervisors wants to keep restaurants open and running, the price controls in the proposed bill will dampen the economic outlook for myself and my coworkers.

The Board of Supervisors needs to take a stand against this law, which will make it harder for me to earn money. DoorDash drivers need a reliable source of income. If dashing becomes economically inviable, we will not be able to receive orders from restaurants as often, which will affect not only our customers but restaurants as well. Please reconsider the legislation put before you so that Dashers can stay afloat.

Sincerely,

Mario Escalante San Francisco <u>menriqueesc@yahoo.com</u> 415-694-1894

Sent from my iPhone

From:	Shannon Epps
То:	Marstaff (BOS); Stefani, Catherine (BOS); Haney, Matt (BOS); Carroll, John (BOS); Board of Supervisors, (BOS)
Subject:	Doordash delivery driver
Date:	Friday, June 4, 2021 3:48:32 PM

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor - Supervisor Aaron Peskin

Dear Supervisors,

I have been a Dasher since DoorDash was established as a company. Because of that commitment, I am writing to urge you to oppose the implementation of a permanent price control on food delivery services in the city of San Francisco. It will create further harm to the industries that have struggled throughout this pandemic.

Working for DoorDash gave me the opportunity and, more importantly, the flexibility to work on my own schedule. Throughout this time I have been working to manage my chronic pain issues. DoorDash lets me work on a flexible schedule as I take care of my health. I would not have been able to do that working a standard 9-5 job.

Not only will this threaten my way of life, but will harm the very restaurants and consumers they're meant to help. It will limit the options available to restaurants, the Dashers, and the delivery community applications. This bill would negatively impact businesses that are just starting to recover from the pandemic. It has been a tough year enduring through this pandemic and DoorDash has been an opportunity for me to pay the bills and take care of loved ones.

I urge you not to approve this legislation. The bill would not only hurt my income as a Dasher as well as other Dashers but the restaurants that have struggled throughout this pandemic to stay open and provide to our local community.

Sincerely,

Shannon Epps

shannonaepps35@gmail.com

415-716-3589

Shannon Epps 415-716-3589

File #210492

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

My name is David and I have been a Dasher for over six years. I am writing to you to express my disagreement with this permanent price control bill as it will affect dashers, restaurants, and the community.

I became a Dasher six years ago because I learned I was going to lose my job because management was retiring. Becoming a Dasher helped me make money to pay the bills and the flexibility to pursue my other interests. I would spend time travelling and providing community service to help others. I would never have had that opportunity had I stayed at my previous job.

We have all struggled whether it has been through work, our family and managing to get through the pandemic. Dashers have been essential to our communities, as we have delivered food and essentials to the community while they were at home during the pandemic. It has brought new opportunities for those who have been laid off and needed the money to pay the bills and serve an important role in this pandemic.

While lawmakers might have good intentions with this proposed law, it will unfortunately harm Dashers and further limit our earnings because it will cause prices for customers to go up and the number of deliveries are likely to go down. As we start to recover from the pandemic lawmakers should look to better solutions to protect and support restaurants and delivery people who provide a valued service on the frontlines.

I know this job has helped others like me through these difficult times and found that flexibility and motivation to move forward. I am asking you to please reconsider this proposal. It will harm Dashers like me, the restaurants we deliver for, and, most importantly, our community.

Sincerely,

David Lewis themouse11@gmail.com 415-424-1605

Sent from my Verizon, Samsung Galaxy smartphone Get <u>Outlook for Android</u>

[Police Code - Third-Party Food Delivery Services] Ordinance amending the Police Code to remove the sunset clause from the article imposing a fee cap and other regulations on Third-Party Food Delivery Services.

Bill Sponsor – Supervisor Aaron Peskin

Dear Supervisors,

I am writing to voice my opposition to commission caps both I limit my financial freedoms as a food delivery Dasher at DoorDash, and harm the entire delivery sector.

I moved to San Francisco five months ago in the middle of the pandemic. I struggled to find steady employment and had many expenses due to my recent move. As a Dasher, I safely earned consistent income on my own schedule.

Now, these regulations threaten my employment with DoorDash. Price controls such as these would reduce the hours I could work or even eliminate my livelihood. My story is common in this part of the country. Workers across Northern California have similarly relied on food delivery jobs to support themselves and their families during uncertain economic times of the pandemic. That is why it is important that we do not limit opportunities, as many Californians still have a hard time finding steady sources of income.

I urge you to think about those of us that have worked hard to serve customers who have been stuck at home or unable to shop in person. Our services this past year have proven essential to our communities and remain an important economic asset that we must maintain. Thank you for your consideration on this important matter.

Sincerely,

Xiaosen Zhen San Francisco zhenxiaosen@gmail.com 415-601-9546

发自我的iPhone