



April 8, 2020

Dear Mayor Breed and President Yee:

On behalf of the nation's leading delivery network platforms, we write to you today to indicate our strong opposition to the Mayor's proposed emergency order limiting restaurant delivery commissions through the ongoing health crisis. Our platforms are proud to enable local businesses to remain open and continue to generate much-needed revenue, provide safe earning opportunities for workers, and help vulnerable San Francisco households put food on the table during this crisis. While we are pleased that Governor Newsom and others in California have deemed our platforms "essential services," we are disappointed that a rushed, arbitrary policy is being considered in San Francisco that fundamentally threatens the very communities we all aim to help. Now is not the time to impose untested, one-size-fits-all policy changes to one of the best current lifelines for fast and accessible work opportunities.

Any cap on commission fees—regardless of the duration—will result in damaging, unintended consequences for San Franciscans from all walks of life. To date, no city has enacted a cap on delivery commissions. If the City attempts to dictate contract terms between delivery services and restaurants, it would force our services to radically alter our businesses just as we desperately try to meet the needs of restaurants, delivery people, customers, and our communities. This would result in making food delivery more expensive—putting it out of reach for all but the city's most prosperous residents—and significantly reducing restaurant revenues and earning opportunities for thousands of residents.

Restaurant commissions cover a broad range of services made available to restaurants through our platforms. They are not one-size-fits-all, and they are tailored to each restaurant's needs. As an industry, we would like to detail the operational costs that are covered by commissions and fees in our efforts to maintain reliable services. These include:

- Onboarding new delivery people, including background checks for every delivery person on the platform;
- Ensuring that delivery people earn a fair amount for their work.
- Maintaining the safety of our platform, including insurance costs and personal protective equipment to protect delivery people;
- Marketing our services to customers, including advertising and marketing 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 for orders placed through our platforms.

A proposed cap on these commissions would result in fees for consumers rising and service areas shrinking, cutting off consumers from the services they rely upon in this crisis. Delivery people—who



are currently relying on on-demand work opportunities to earn an income—would have fewer work opportunities and lower earnings. And restaurants that need revenue to maintain operations would see fewer orders, potentially forcing more of these businesses to close their doors.

We believe in the importance of empowering local economies, especially during this time of need, which is why our platforms have announced financial assistance packages and made significant investments to continue driving demand to local businesses. It is also why each of us has funded thousands of meals to first responders, medical personnel, and other at-risk communities in the Bay Area.

Steps taken by delivery platforms to support restaurants and small businesses include:

- Grubhub is funding \$30 million directly to restaurants through Supper for Support. As part of the program, Grubhub will give \$250 to each participating restaurant. Grubhub's Community Relief Fund is collecting more than \$1 million per month. Those funds are being used to directly support restaurants, workers, drivers, first responders and others impacted by the current crisis.
- Uber Eats is waiving customer-facing delivery fees for all orders from small business restaurants. This has driven a significant increase in orders to independent restaurants on the platform. We have launched a daily pay out feature to ease cash flow concerns, waived commissions on all pickup orders facilitated by Eats, reduced commissions on orders where restaurants use their own delivery people (15%), and launched a first-of-its kind feature allowing Uber Eats customers to contribute directly to restaurants in-app and a commitment for Uber to match with donations to the Restaurant Employee Relief Fund.
- Postmates, per a policy announced in partnership with the Golden Gate Restaurant Association, and on the heels of the first shelter in place ordinance, is waiving all commissions fees for all new brick & mortar retail merchants in the City of San Francisco, looking to use the delivery platforms as their singular form of revenue. Postmates will continue to extend that policy for the duration of the emergency order, while also offering reduced pick-up/carry out orders, as well as reduced customer fees for homebound seniors, students, residents in food deserted neighborhoods of the City, and households in food deserts. The reduction in merchant fees, and customer fees (to boost restaurant revenue & residential demand for delivery) is also paired with an increase in worker earnings, including new resources for income replacement, the cost of doctor's visits, and protective equipment.
- In addition to the measures DoorDash and Caviar have taken to protect and support delivery providers during this public health emergency, we have made significant investments to support local restaurants. DoorDash and Caviar eliminated commissions for restaurants that chose to join our platform for the first time and for pickup orders facilitated through our platforms. DoorDash also lowered commissions for existing restaurants. We are investing millions of dollars to reduce or eliminate consumer fees, generating more orders for



restaurants, which is helping them keep their doors open for delivery. Every independent restaurant and franchise can also elect to receive daily payouts to ease cash flow concerns.

In the middle of what is quickly becoming one of the worst economic downturns in a century, delivery network companies are ensuring that thousands of local retailers and restaurants can stay in business; thousands of San Franciscans can continue to earn income to provide for themselves and their families; and our most vulnerable populations—including the elderly and immunocompromised—can continue to access food and essential supplies from their homes. We strongly urge you to reconsider this hasty measure and work with us to support San Francisco’s restaurants and retailers as well as their employees and delivery drivers—in a fair and sustainable fashion.

Sincerely,

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DOORDASH

Emilie Boman, Head of Uber Eats Policy
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CC: San Francisco Board of Supervisors, City Attorney Dennis Herrera