



National LGBT  
Chamber of Commerce



ASIAN/PACIFIC ISLANDER AMERICAN CHAMBER  
OF COMMERCE AND ENTREPRENEURSHIP



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 [California Assembly Bill 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.



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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

**Chiling Tong**  
President & CEO  
Asian/Pacific Islander American Chamber  
of Commerce and Entrepreneurship

**Jill Houghton**  
President & CEO  
Disability:IN

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

**Ramiro Cavazos**  
President & CEO  
US Hispanic Chamber of Commerce

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 Jesse Gabriel  
Assembly Member James Gallagher  
Assembly Member Jacqui Irwin  
Assembly Member Alex Lee  
Assembly Member Buffy Wicks