



CHAMBER
of
COMMERCE

Via Email Only

June 24, 2021

Honorable Mayor Robert Wunderlich & Beverly Hills City Council
Beverly Hills City Hall
455 N. Rexford Drive
Beverly Hills, CA 90210

Re: Request to Extend Delivery Service Fee Cap Indefinitely

Dear Mayor Wunderlich and Members of the Beverly Hills City Council:

The Chamber writes in regards to the potential repeal of the portion of the City's Urgency Ordinance No. 20-O-2805 providing for a fee cap and restrictions on third party food delivery services such as Doordash and Uber Eats. The cap permits food delivery service fees of no more than 15 percent of the purchase price and limiting any other combination of charges to no more than 5 percent of the purchase price of goods. The Chamber previously supported the cap and supports continuing the current fee cap on these services indefinitely.

The reason for the Chamber's position is as follows:

- Many of our restaurants are still getting back on their feet financially after the COVID-19 pandemic and are still working to get back to full capacity. Now is not the time to roll back reasonable protections that help these local businesses while allowing a reasonable return to the delivery services.
- The justification for the fee cap goes beyond the circumstances of the pandemic. The fees charged by some of the delivery services (30 percent or more in some cases) are inherently excessive and harmful to the ability of restaurants to stay in business. Unless and until the California legislature establishes fee regulations establishing a uniform policy throughout the state, the City should act to protect our beleaguered restaurants. Recognizing this situation, the City of San Francisco has just passed a permanent cap on restaurant delivery service fees.
- Our local restaurants have reported that the excessive fees which were being charged by these delivery services cannot simply be passed along to customers but instead come out of the pockets of the restaurants and make it difficult for them to make a profit.

In the Chamber's previous letter on this subject (August 20, 2020), the Chamber had also asked for the fee cap to be extended indefinitely for many of the same reasons mentioned above.

For these reasons, the Chamber respectfully requests that the Council extend the fee cap on third party delivery fees for restaurants indefinitely.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Johnson", with a long horizontal flourish extending to the right.

Todd Johnson
President and CEO
Beverly Hills Chamber of Commerce