

OFFERED BY COUNCILOR MICHAEL FLAHERTY AND COUNCILOR ED FLYNN



CITY OF BOSTON IN CITY COUNCIL

ORDER FOR A HEARING TO DISCUSS THE IMPACT OF DELIVERY COMMISSION FEES ON RESTAURANTS DURING THE COVID-19 PANDEMIC

WHEREAS: The COVID-19 pandemic is having an enormous impact on the restaurant industry, as it forced many restaurants to either close, or switch to pickup or delivery only;

WHEREAS: Many restaurants utilize third party delivery companies such as Grubhub, UberEats, Doordash and Postmates to meet their delivery needs and can typically expect to pay up to hundreds of thousands of dollars each year in commission fees to third party delivery companies; *s; and*

WHEREAS: As more restaurants become reliant on delivery sales as a critical portion of their revenue, restaurants are now expected to pay an even larger amount of their revenue for excessive commission fees that range from 10%-30% per order ; *and*

WHEREAS: There are currently only a few third party delivery companies that dominate the marketplace, making it difficult for restaurants to negotiate a different commission fee structure because they lack negotiating power against large companies; *and*

WHEREAS: In a time when sales for restaurants are already significantly down, paying up to 30% in commission fees to 3rd party delivery companies places an even heavier burden on restaurants that are already struggling to survive; *and*

WHEREAS: San Francisco recently placed a cap on delivery commission fees to 15% through an emergency order, and the Mayor of Baltimore recently sent a formal letter to delivery companies requesting them to cap their fees to 15% for local restaurants; *and*

WHEREAS: As we discuss ways to help our local restaurants to survive this pandemic, we should examine the impact that commission fees charged by 3rd party delivery companies have on the restaurant industry, and discuss whether we can place a temporary cap on delivery fees; *and*

NOW THEREFORE BE IT ORDERED:

That the appropriate Committee of the Boston City Council holds a hearing to discuss the impact of delivery commission fees on restaurants, and to discuss the possibility of placing a cap on fees during this pandemic. Representatives from the City of Boston's Office of Economic Development, representatives from the restaurant industries, representatives from delivery companies, as well as other relevant and interested parties shall be invited to attend.