



August 12, 2020

Assembly Member Lorena Gonzalez  
State Capitol, Room 2114  
Sacramento, CA 95814

*RE: Clarity in food delivery platforms in California (AB 2149)*

Dear Assembly Member Gonzalez,

As a representative of the 30 million small businesses in America and the four million in California, Small Business Majority is proud to support AB 2149, which will protect small restaurant owners and their customers at a time when small business owners are most vulnerable.

Small Business Majority is a national small business organization with multiple offices throughout California, founded and run by small business owners to empower America's entrepreneurs to build a thriving and inclusive economy. We actively engage small business owners and policymakers in support of solutions that promote small business growth. A key component of our work involves outreach to small business owners on a range of small business issues, including access to capital, workforce issues, healthcare and more.

AB 2149 will benefit California small business owners during this difficult time by requiring food delivery companies to enter into an agreement with the restaurant owner that clearly and transparently outlines the terms and fees associated with being listed on the platform. It would also prohibit food delivery companies from listing a restaurant on their platform without the owner's consent. This bill will protect California's restaurateurs from the "race to the bottom" approach typically associated with agreements not made in good faith.

Without a level playing field between food delivery companies and restaurants, smaller restaurants are at a disadvantage against their larger counterparts that may have the resources to afford the high commissions on each sale—often up to 30% of the sales price. As a result, small business owners must choose between losing business because they are not listed on the platform or losing business because their profit margins cannot cover the lost revenue.

Establishing clear and transparent guidelines among food delivery companies through measures like AB 2149 will help promote fair and equal access to a customer base among small restaurant owners and ensure customers can support the small restaurants they love. We strongly endorse this legislation that promotes transparency for small business owners.

Sincerely,

Mark Herbert, Vice President, California  
Small Business Majority