



May 4, 2020

Mayor Muriel Bowser
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Cc: All Councilmembers, District of Columbia

RE: Coronavirus Omnibus Emergency Amendment Act of 2020

Dear Mayor Bowser,

On behalf of taxpayers and consumers across the District, the undersigned 15 organizations urge you to oppose onerous price caps on critical meal delivery services, which, if enacted, would have disastrous unintended consequences on both consumers and the struggling restaurant industry. If passed, these proposals would force companies to significantly increase costs on consumers, leading to fewer orders and a steep plunge in overall revenue for the hospitality industry. Government price controls are bad public policy at the best of times, however, with the COVID-19 pandemic the effects of such policies would be especially devastating. We urge you to avoid these unwarranted restrictions, and instead implement policies that allow for increased choice and innovation in meal delivery services.

At this extraordinarily difficult time, Americans are doing their best to keep themselves and their families safe from the Coronavirus pandemic. Fortunately, the rise of innovative meal delivery services makes it easy and affordable for people to put fresh, varied dishes on the dinner table. Countless competing delivery companies have set up massive, national systems for catering to consumers, including hiring millions of drivers and insisting on strict hygiene controls and delivery car quality standards. This infrastructure could soon be thrown into jeopardy by the whims of dozens of mayors and city councils intent on limiting options for millions of Americans by imposing disastrous price controls.

Hundreds of millions of Americans have and will continue to obey "Stay at Home" restrictions, and as a result, seek various food delivery options. Countless struggling small restaurants simply don't have the resources to reach these consumers directly and rely on innovative apps and companies to get households the foods they need and enjoy. Capping the fees necessary to provide support, marketing, and other assistance to businesses would severely restrict food options for Americans nationwide and lead to large-scale job losses.

These proposals, which would place strict percentage limits on the amount that services can charge restaurants to deliver their food to consumers, would place food delivery services in an impossible position. Capped fees may be less than the cost of services to delivery companies, essentially forcing these innovators to operate at a government mandated loss. Without these fees, delivery service companies would have to significantly increase charges on the households they serve in order to maintain the same level of service as before.

The results would be catastrophic and millions of unemployed Americans would see increased food delivery costs at the worst possible time. Some consumers would respond to these changes by picking up food at restaurants directly, increasing the risk of transmitting the Coronavirus to vulnerable populations. Many other consumers would respond by cutting out takeout orders entirely, dealing a significant blow to small restaurants trying to stay above water.

Policymakers must avoid pursuing onerous, counterproductive measures that would harm consumers and restaurants during this exceptionally difficult time. Local leaders should instead contemplate ways to reduce the tax and regulatory burdens on delivery services, and pledge to heed the concerns of business leaders. Thank you for your consideration of this pressing issue.

Sincerely,

Tim Andrews
Executive Director
Taxpayers Protection Alliance

Carrie L. Lukas
President
Independent Women's Forum

Phil Kerpen
President
American Commitment

Heather R. Higgins
CEO
Independent Women's Voice

Grover Norquist
President
Americans for Tax Reform

Andrew Langer
President
Institute for Liberty

Ryan Ellis
President
Center for a Free Economy

Seton Motley
President
Less Government

Andrew F. Quinlan
President
Center for Freedom & Prosperity

Carl Szabo
Vice President
NetChoice

Jeffrey Mazzella
President
Center for Individual Freedom

Eli Lehrer
President
R Street Institute

John Hinderaker
President
Center of the American Experiment

James L. Martin, Founder/Chairman
Saulius "Saul" Anuzis, President
60 Plus Association

Jason Pye
Vice President of Legislative Affairs
FreedomWorks