



**TECHNET**  
THE VOICE OF THE  
INNOVATION ECONOMY

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January 27, 2022

The Honorable Michael Webert  
Chair, Virginia House Commerce and Energy – Subcommittee #2  
Pocahontas Building  
900 E. Main St.  
Richmond, Virginia 23219

*RE: TechNet opposition to HB 460*

Dear Chairman Webert,

I write on behalf of TechNet to express our **opposition to HB 460**.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents more than four million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance.

TechNet submits this letter expressing our concerns with HB 460 which would require food delivery platforms to publicly disclose on their platforms privately negotiated fees charged to restaurants. This forced disclosure would divulge private and business-sensitive contractual agreements between the food delivery platforms and their partners. Food delivery platforms have become crucial to restaurant and local businesses remaining open and continuing to generate much-needed revenue, provide safe earning opportunities for workers, and food for homebound and vulnerable residents in the community. These are valuable and ongoing partnerships that have enabled restaurants to reach new customers and compete in an e-commerce world.

Since COVID-19 began impacting our communities, these companies have provided tens of millions of dollars in direct restaurant support and have spent millions more providing meals to healthcare workers, seniors, school children, and other vulnerable groups.

Restaurant commissions cover a broad range of services made available to restaurants through our members' platforms. They are not one-size-fits-all, but rather are tailored to each restaurant's needs. These restaurants are able to

collaborate on marketing collateral, determine the appropriate neighborhoods to open new locations, and even see how pricing affects consumer demand.

Fees go a long way toward supporting delivery platforms' operational costs, ensuring workers are paid fairly, and allowing them to provide the reliable and safe service that residents expect and rely upon, especially in times of need like today. The operational costs covered by commissions and fees include:

- Onboarding new delivery people, including background checks;
- Ensuring that delivery workers are paid fairly;
- Maintaining safety, including insurance costs and providing personal protective equipment to protect delivery people;
- Marketing services to diners, including advertising and promotions to drive demand to local restaurants;
- Technology services including payment processing, order management, application maintenance, and dispatching technology; and
- Teams of dedicated customer service specialists to provide support to restaurants, customers, and workers for orders placed through our platforms.

While our members are committed to ensuring customers and restaurant partners clearly understand all fees charged to them, TechNet is concerned that Subsection C of HB 460 is attempting to make public fees that food delivery platforms charge to restaurants without explaining the importance of the fees and that the costs help provide the service. These fees are negotiated and fluctuate depending on numerous factors, including what additional services the food delivery platform provides a restaurant. Disclosure of such fees risks customer confusion and would divulge highly competitive and business-sensitive information. Similarly, restaurants prefer to not have their marketing and service expenses divulged to competitors in the marketplace, which this provision allows. Restaurants have a choice of whether they want to offer delivery themselves or partner with a food delivery platform. Food delivery platforms are competing for restaurants' business and offer a wide range of partnership structures and fees to suit restaurants' needs.

TechNet and our member companies are committed to using technology and innovation to spur local economies by making brick and mortar retailers accessible at the touch of a button. Unfortunately, this proposal will negatively impact delivery platforms' ability to drive business to local restaurants at a time when these restaurants need help the most.

We thank you in advance for your consideration. Please do not hesitate to reach out with any questions.

Sincerely,



Servando Esparza  
Executive Director, Southeast

Cc: Members of the Virginia House Commerce and Energy Subcommittee #2