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QuickPoint! – Regulating Third Party Food Delivery Services is Hurting, Not Helping, Portlanders

By Rachel Dawson

Based on the passage of a [10% cap on commission fees collected by third-party food delivery services from Portland restaurants](#), it's unclear if Portland City Councilors understand the basic principles of economics.

This new rule also bars food delivery companies from making up the lost revenue from delivery drivers and will end 90 days after Portland ends its state of emergency order.

However, there's no such thing as a free lunch; someone will have to make up the difference. And that someone is the customer. UberEats has already added a \$3 fee to all customer receipts from Portland businesses.

This fee isn't applied to restaurants outside Portland city limits, so customers can simply avoid the added cost by ordering meals from businesses in surrounding cities. This likely will make Portland restaurants worse off, as many area residents will purchase food from neighboring cities or forego using food delivery apps entirely.

No one requires restaurants to use third-party apps like UberEats or Postmates; such services didn't even exist more than 5 years ago. The fact that businesses use them demonstrates the value the apps provide to restaurants who no longer have to maintain their own delivery services. That value was reflected in the delivery fee previously charged to restaurants.

Portland officials should support economic activity, not make it more difficult or more expensive. They can do just that by rescinding this 10% commission fee cap.

Rachel Dawson is a Policy Analyst at Cascade Policy Institute, Oregon's free market public policy research organization.