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March 15, 2021

The Honorable Nick J. Mosby, Council President
City of Baltimore
100 Holliday Street, Suite 400
Baltimore, Maryland 21202

RE: Baltimore City ordinance 21-0037, Premium Pay for Gig Workers

Dear Council President Mosby,

On behalf of the United States Hispanic Chamber of Commerce and the Maryland Hispanic Chamber of Commerce, we write to express our concerns today regarding Baltimore City ordinance 21-0037, Premium Pay for Gig Workers, proposed by Councilmember Dorsey.

Throughout this pandemic, delivery services have been a stimulus shot to local economies that face heavy restriction. Third party delivery services generate millions of dollars of economic activity as well as critical tax revenues for cities like Baltimore. The services provided by these platforms are not simply limited to food delivery. They also provide marketing, insurance, and an app platform for restaurateurs. Food delivery apps like DoorDash and others use commission fees to pay for things like insurance and background checks for delivery workers, customer support, credit card processing fees, mobile application maintenance, and advertising and marketing for its merchants. Most importantly, however, commission fees help compensate workers, a large portion of whom earn well over \$22 per hour on average.

The best thing we can provide the entire restaurant supply chain, including Dashers, during the volatility and disruption of the pandemic is stability, not a sudden change of policy. Unfortunately, some localities have proposed increased regulations on third party platforms. By doing this, policymakers are asking platforms like DoorDash to continue providing services while enforcing unnecessary premium pay requirements and earnings standards, despite the fact that these services are, for many, the safest and easiest means to interact with their favorite restaurants.

Councilmember Dorsey and those like him should be commended for their efforts to provide the kind of relief that the people in this sector so desperately need; however, mandating premium pay for these gig workers as proposed in the ordinance will only create new issues rather than solving any. In fact, imposing extra pay will create a new burden that falls upon the customers. As a result of higher fees, many Baltimore residents could be unable to afford food delivery services at a time when such services play a critical role in protecting residents by helping them comply with social distancing and stay-at-home orders.

The United States Hispanic Chamber of Commerce, which is the largest Hispanic business organization in the US, and the Maryland Hispanic Chamber of Commerce represent hundreds of thousands of Hispanic-owned businesses in Baltimore. Time and time again, we have seen well-intentioned but misguided policymakers pass legislation that had unintended consequences, many of them serious and far reaching. In effect, policies like this ultimately hurt the very people and businesses it was meant to support. It is our belief that, if mandated to issue this extra pay, third-party platforms will be unable to operate and provide their services that are so important at a time like this. This would be a massive detriment to low-income Latinos, and immigrant customers, delivery workers, and minority business owners in Baltimore.

Instituting this ordinance would make it harder, if not completely impossible, for customers to access food delivery when it's the safest mode of patronage and needed the most. Misguided legislation like

this increases the cost of deliveries, raising prices for customers, and decreasing the demand for already struggling restaurants. This ordinance would constitute a regressive tax on low-income communities who rely on delivery services, and those who have already been hit hardest by the pandemic.

The efforts of the Baltimore City Council to institute this ordinance and mandate additional pay threatens the success and earnings of businesses, as well as jobs, and the survival of Baltimore's local food service economy. There are alternative options to protect and support food delivery workers. Tax relief and grants have long been successful tools in achieving such goals. We can protect these frontline heroes without cutting off the lifeline of food delivery services.

The restaurant industry has struggled immensely during the pandemic and remains a crucial component of the U.S. economy and its vitality. We must work together to preserve all restaurants, and enact impactful policies to keep the entire Baltimore restaurant sector afloat.

Sincerely,



Marco V. Ávila, P. E.
Maryland Hispanic Chamber of Commerce
Chairman of the Board & President



Ramiro A. Cavazos
U.S. Hispanic Chamber of Commerce
President & CEO

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