Testimony of Rosa Thurnher
House Small Business Committee
Independent Work, Real Opportunity: The Gig Economy and the Future of Entrepreneurship
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Chairman Williams, Ranking Member Velazquez, and members of the Committee, thank you for holding this hearing and inviting me to testify on behalf of independent restaurants and other small businesses.

I own El Ponce in Atlanta, Georgia and I serve on the Board of the Independent Restaurant Coalition, the leading voice for independent restaurants and bars. We represent the 500,000-plus independent operators who serve as economic anchors in their communities and employ millions of Americans. ensuring they have a seat at the proverbial table, much like this one.

I'm here today to talk about what the gig economy looks like from inside a restaurant.

Over the past several years, third-party delivery platforms have fundamentally reshaped how restaurants operate. What began as a convenience quickly became a necessity during the pandemic supercharging the meteoric rise of delivery apps and engraining them as part of the consumer-restaurant experience. But this convenience comes with significant challenges, and often unsustainable costs for restaurants.

Owning a restaurant is not for the faint of heart. The average independent restaurant operates on margins of just 4-6% in the best of times. Today, those margins are under relentless pressure. Food costs, fuel, labor, rent and insurance have all increased dramatically. Payment processing fees continue to climb. And layered on top of that are astronomical delivery platform fees.

For independent operators like me, that dynamic creates constant tension**: we either raise prices risking traffic and customer trust or we absorb costs and watch our margins shrink dangerously**.

Across the country restaurants are adjusting portion sizes, altering recipes, or asking staff to do more with less, not because we want to, but because we have to. These are not sustainable business decisions; they are survival tactics.

As an industry, we are in a more precarious economic position today than we were during the pandemic. Costs are more than 35% higher than they were just a few years ago. At the same time, we are seeing contraction across the sector. According to data from Technomic published in Nation's Restaurant News in February, the total number of independent restaurants declined by 2.3% in 2025. This loss of 9500 locations comes with a 2.6% drop in sales.

Today, delivery makes up about 20% of my business, but it is the least profitable segment. Like many operators I work with multiple platforms: Uber Eats, DoorDash, ChowNow, and ezCater. This is not a diversified strategy; it is a defensive one.

In practice, I am paying to participate in a system where I lose control of my own customer relationships. If a delivery goes wrong, I have no way to reach out to the customer to make it right. I can only go to a customer service center for the app. I don't have any access to customer data. I cannot market to delivery customers, build loyalty or invite them back to my dining room. The platforms own that relationship entirely.

At the same time, we are subject to opaque algorithms that determine visibility in and outside of the apps. Placement in search results often depends on paid promotions, participation in discounts and performance metrics that are outside of our control. If we opt out of these programs because they are financially unsustainable, we are pushed down in the rankings and effectively hidden from customers.

I've experienced this firsthand. When I stopped paying for advertising within the apps, my sales dropped significantly – not because the demand disappeared, but because my visibility did. This isn't a neutral marketplace; it is a pay-to-play system. The delivery apps also have a "Most Loved" section or some other such designation, moving favored restaurants to the top of the app. Often times these are national chains, but they are also restaurants who do everything in the app – advertise, run money-losing specials, take photos of every menu item, have few to no customer complaints (which oftentimes are about the delivery and not the restaurant), and meet other benchmarks.

There are also operational challenges that directly impact the customer experience. Drivers are often working across multiple delivery platform simultaneously which leads me to the conclusion that pay is such that drivers need multiple apps to make a living. This also means a driver is juggling order pick up and delivery between apps that leads to a customer experiencing long delays, cold food that should be hot, or hot food that should be cold. The customer associates the negative experience with the restaurant – not the platform – even though we have no control over the delivery process. This doesn't even consider the possible liability for unsafe food handling that could spell real trouble for diners and restaurants.

All of this doesn't even scratch the surface of some of the less savory actions like ghost kitchens, menu piracy, and potential intellectual property theft. Many of us find our brands represented online in ways we did not approve of and cannot easily correct. My restaurant also shows up on Postmates, which while owned by Uber Eats, I did not agree to a contract with Postmates as well.

Between 2019 and 2024, the three dominant U.S. delivery platforms grew their combined revenue dramatically: DoorDash from $885 million to $10.7 billion, Uber Eats from $1.9 billion to $13.7 billion, and Grubhub from $1.3 billion to approximately $2.1 billion — a combined increase from roughly $4.1 billion to more than $26.5 billion, or more than fivefold in five years. [1]

To understand the full scale of this growth, it helps to distinguish between two different figures the industry uses. Platform *revenue* — the commissions and fees the apps actually collect — is what those numbers above represent. But the total value of food orders *flowing through* these platforms is far larger: DoorDash's gross order value topped $80 billion in 2024, and Uber Eats generated $74.6 billion in gross bookings that same year.[2] The U.S. online food delivery market, measured at the platform revenue level, was valued at approximately $32 billion in 2024 and is projected to reach $70 billion by 2033.[3] All of that growth is funded, in large part, by fees charged to restaurants.

During the same period, independent restaurant locations declined. In 2025 alone, the sector lost a net 9,503 locations — dropping from 422,001 to 412,498 — while chain restaurant locations grew 1.4%.[4] Forty-two percent of independent operators reported their businesses were not profitable in 2025, and 60% said business conditions had deteriorated.[5] A Revenue Management Labs analysis illustrates why: a meal that generates a 15% profit margin when sold in the restaurant can produce a **negative 7.6% margin** when fulfilled through a third-party delivery app — a swing of more than 22 percentage points on a single order.[6]

The fee structure is the mechanism driving this divergence. Platforms charge independent restaurants commissions of 15–30% per order, plus additional fees for premium placement, marketing, and payment processing.[7] Chains and large restaurant groups, because of their order volume and brand leverage, routinely negotiate lower rates — a discount unavailable to the independent operator who needs the platform most.[8] Postmates, now merged into Uber Eats, was documented marking up menu prices by as much as 92% above what the restaurant charged — meaning consumers paid nearly double the menu price while the restaurant still owed full commission on the base price.[9]

All three platforms operate with no federal cap on commission fees, no requirement to share customer data with restaurant partners, and no mandate for pricing transparency to either restaurants or consumers.

The U.S. online food delivery market is on track to nearly double by 2033. The central question before this Committee is not whether that growth will happen — it will. The question is who will benefit from it. At present, the data suggest the answer is the platforms, not the independent restaurants that make the product those platforms sell.

Recently, the Federal Trade Commission announced that it is exploring a potential rulemaking on delivery fee transparency. From where I sit as an operator, that kind of transparency is long overdue. Right now, we are navigating complex and constantly shifting fee structures without clear disclosure or real leverage to negotiate. It makes it incredibly difficult to plan, price, or even understand the true cost of participating on these platforms. The Independent Restaurant Coalition strongly supports this effort and will be submitting comments in the coming weeks.

To be clear, restaurants are not asking to turn back the clock. Delivery is here to stay, and it can be a valuable tool. But it must operate within a framework that is fair, transparent, and competitive.

Independent restaurants are small businesses, but collectively we are one of the largest private-sector employers in the country. We are job creators, community builders, and cultural institutions. When our margins disappear, so do those benefits.

In closing, thank you again for holding this hearing on the gig economy and its challenges and opportunities. I look forward to your questions and to working with you to ensure that the future of the gig economy includes, rather than undermines independent business like mine

[1] DoorDash revenue: SEC filings via MacroTrends (macrotrends.net). Uber Eats revenue: Uber Technologies SEC filings; Business of Apps (businessofapps.com), January 2026. Grubhub revenue: SEC 8-K filings; Business of Apps, January 2026.

[2] DoorDash gross order value: DoorDash SEC 8-K, FY2024. Uber Eats gross bookings: Business of Apps, January 2026.

[3] U.S. online food delivery market valuation: *United States Online Food Delivery Market Size, Share, Trends and Forecast*, ResearchAndMarkets.com / Globe Newswire, September 2, 2025. (Market size figures measure platform-level revenue — commissions, fees, and service charges — not total gross order value.)

[4] Independent restaurant location count: Technomic data as reported in *Nation's Restaurant News*, February 2026. Chain restaurant growth: same source.

[5] Operator profitability: Technomic data via *Nation's Restaurant News*, February 2026; National Restaurant Association *State of the Industry*, 2026.

[6] Margin analysis: Revenue Management Labs, as cited in Sinuate Media industry analysis.

[7] Commission fee range: Knowledge at Wharton, May 2025; UCLA Daily Bruin, May 2024; NIX United, March 2026.

[8] Chain discount advantage: UCLA Daily Bruin, May 2024 (citing industry economists); Knowledge at Wharton, May 2025.

[9] Postmates markup: NIX United platform fee analysis, March 2026.