

March 13, 2025

The Honorable Nathan Sosa House Committee on Commerce & Consumer Protection 900 Court St. NE Salem Oregon 97301

RE: HB 3533 Relating to required disclosures of fees during certain transactions.

Dear Chair Sosa and Members of the Committee:

Thank you for the opportunity to explain why TechNet opposes HB 3533 which is considered by your Committee on March 11, 2025.

I am Rose Feliciano, Executive Director of Washington + Northwest for TechNet. 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 over 4.5 million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance

TechNet members are committed to providing customers with transparency in pricing and a complete breakdown of any applicable fees before finalizing a purchase. For some Delivery Network Companies (DNCs), fees can vary based on multiple factors, including the type of purchase, delivery location, distance traveled, platform membership status, and state or municipal taxes and fees.

For example, in many food delivery transactions, calculating the final cost of delivery requires considering multiple factors. This delivery fee is largely determined by distance, with shorter trips within a few blocks typically incurring a standard fee, while longer trips across town may include an additional charge to ensure fair compensation for the driver's time, fuel, and effort. Because the final distance and corresponding fee depend on the specific vendor selected by the customer, these costs cannot be fully determined until checkout, when all order details—including location—are finalized.

Another example is a membership-based delivery service where customers pay a monthly or annual fee to receive waived delivery fees on eligible orders. In these cases, customers are not charged a separate delivery fee, and the only additional charges applied at checkout are typically municipal taxes and government-mandated fees. These fees are not controlled by the company but are instead determined by state and local regulations, meaning they must be calculated at checkout based on the customer's location and order contents. While fees in these examples cannot always be pre-calculated, they are disclosed before the customer completes their purchase, ensuring transparency and informed decision-making.



Unfortunately, as introduced HB 3533 would make it difficult, if not impossible, for some companies to be able to comply with the law. TechNet believes we could reach agreement on appropriate fee transparency. Legislation would simply need to recognize not all companies can provide a full cost prior to the transaction being completed.

TechNet would welcome the opportunity to work with the sponsor and the committee to amend the bill to allow for disclosure of fees without committing the final cost until the purchase is complete.

We appreciate your consideration. I can be reached at <u>rfeliciano@technet.org</u> or 206-326-0712.

Sincerely Rose Feliciano

Executive Director Washington + Northwest

