



March 20, 2020

The Honorable Gavin Newsom  
1303 10<sup>th</sup> Street, Ste 1173  
Sacramento, CA 95814

Dear Governor Newsom:

The health and safety of employees, customers and families is the top priority for retailers in California. On behalf of the members of the National Retail Federation and the Retail Industry Leaders Association, we appreciate your leadership and the swift efforts of your Administration to minimize the impact of the COVID-19 pandemic, both in terms of public health as well as the broader economic implications in California. Retail is California's largest private-sector employer, supporting more than 3.2 million jobs. California's retail industry, which currently operates over 400,000 stores, generates over 15% of the state's GDP.

Retailers are following recommendations provided by the CDC and share the immediate goal of slowing the spread of the COVID-19 virus. Additionally, many retailers are stepping up during this global health crisis to assist with drive-through COVID-19 testing sites on their properties. Families are counting on retailers right now and retailers are determined to be there for them. This is an unprecedented situation that demands an "all hands on deck" approach, and retailers are eager to do their part. Our organizations believe that retail business owners are in the best position to determine their ability or inability to remain open and serving their communities.

As your Administration considers which businesses are "essential" and "non-essential" retail for purposes of social distancing, it is critically important not to overlook the important role that California's ports and distribution centers play not just here in California, but in supplying the entire nation with essential goods.

It is crucial that all distribution centers remain open. Retailers, grocers and restaurants cannot resupply without a functioning supply chain. That means ports and distribution hubs that are open for business. Additionally, distribution centers have the capability to independently serve consumers through the fulfillment of online orders. Distribution centers are essential to retailers' ability to serve the public during this global pandemic, and their closure would result in negative consequences throughout the supply chain and economy. It is our understanding that the Department of Homeland Security's CISA memorandum on essential workforce guidance during the COVID-19 pandemic includes the nation's ports, distribution centers, warehouses and the transportation and delivery supply chain that support it. We urge you to clarify this in your statements to the public.

We also request that your Administration provide clear statewide guidance regarding "essential retail businesses." The time has come to strike the right balance and we recommend these examples as a model for any state or local government issuing similar directives:

- Grocery stores, convenience stores and other establishments engaged in the retail sale or provision of food, pet supply, big box stores, wholesale clubs, and any other retailer of household consumer products (such as cleaning and personal care products). This

includes stores that sell groceries and other non-grocery products, and products necessary to maintaining the safety, sanitation and essential operation of residences;

- Local and regional transportation and delivery services, including but not limited to businesses that ship or deliver groceries, food, goods or services directly to residences and mailing and shipping services;
- Facilities supporting interstate (and, including the U.S.-Mexico border) delivery of goods, distribution centers, warehouse facilities and trucking and highway rest stops;
- Pharmacy and health care services;
- Convenience stores;
- Pet supply stores;
- Agricultural and farm retail stores, often the only place to purchase livestock feed, and one of the few places first responders can obtain critical supplies;
- Gas stations and auto supply stores, auto repair and related facilities;
- Hardware and home improvement stores;
- Home appliance retailers and repair services;
- Restaurants and other facilities that prepare and serve food, if operating under rules for social distancing; and,
- Retailers that supply other essential businesses and people working from home with the support or supplies necessary to operate (for example, electronics, telecommunication and mobile technology).

Additionally, it is important to note that many stores also allow for contact-less, curbside pick-up. Similar to allowing restaurants who can facilitate take-out and delivery to remain open, we ask that you allow stores that provide this type of service to remain open for the purpose of fulfilling online, mobile device or telephone orders.

Finally, we respectfully request that your Administration remain open to adding more categories to the specified “essential retail businesses” list as conditions continue to change.

Thank you for your attention to this concern and your ongoing leadership. The National Retail Federation and the Retail Industry Leaders Association stand ready to assist in any way as you consider how to best safeguard our communities.

Sincerely,



David French  
Senior Vice President  
National Retail Federation



Michael Hanson  
Senior Executive Vice President  
Retail Industry Leaders Association

cc: Rachel Michelin, California Retailers Association