



March 27, 2020

The Honorable Larry Hogan
Chairman, National Governors Association
444 N. Capitol Street, NW
Washington, DC 20001

The Honorable Bryan Barnett
President, U.S. Conference of Mayors
1620 I Street, NW
Washington, DC 20006

Dear Governor Hogan and Mayor Barnett:

The health and safety of employees, customers and families continue to be top priorities for the nation's retailers. On behalf of the members of the National Retail Federation, we appreciate your leadership to minimize the impact of the COVID-19 pandemic, both in terms of public health as well as the broader economic implications across the nation.

Retailers of every size are in existential danger. They are a fundamental part of the daily lives of American consumers, selling a variety of goods through a multitude of channels — in-store, online, via buy online, pick up in-store or curbside, and delivery to almost any location. Retail is in every town, village, suburb and city across the country and employs, directly and indirectly, 25 percent of the entire U.S. workforce. But due to a natural global health disaster, retailers face a permanent end to their business operations if extraordinary action is not taken immediately.

Retailers that do not sell products that meet state and local government definitions of "essential goods" face an abrupt loss of revenue. These were healthy businesses operating normally prior to the coronavirus pandemic. Governors, mayors and other local officials have now asked consumers to stay home and forced many businesses to close. We are concerned their dire economic circumstances will render it impossible to make normal payments to property owners and business partners. These retail businesses operate based on daily cash flow from sales. Put simply, few of these businesses can last weeks without any cash flow. Many popular chain restaurants and retailers operating in your communities are [already signaling to landlords](#) that they are unable to pay April's coming rent. The prolonged shutdown of retail stores would not only put millions of people out of work; it would also greatly endanger the overall health of the U.S. economy for the long term.

Some retailers maintain both large and small stand-alone stores. Many others serve as mall anchor stores, insuring a vibrant mall shopping experience through co-tenancy provisions. Others operate dozens or hundreds of stores on Main Streets, in mixed-use shopping and housing developments, and in malls across the country. The economic web that is interdependent on retail stores remaining viable includes state and local tax bases, millions of employees and highly developed supply chains.

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Maintaining liquidity is the number one priority for our retailers, large or small. Congress has enacted a measure that will provide pathways to access capital for retailers. However, this necessary financial relief will still take several days to weeks to flow into our economy. Given the unprecedented disruption to retail caused by the current circumstances, it is of critical importance that Governors and Mayors take strong measures immediately to avoid destruction of the retail industry and the resulting massive job losses, vacancies and defaults in thousands of our communities.

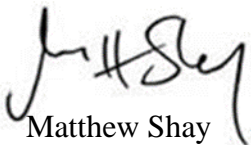
We believe an emergency forbearance and rent abatement program is necessary to preserve retailers' ability to recover from the widespread store closures that have been mandated by state and local governments. Accordingly, we ask that states and local governments consider Executive Orders that require commercial landlords to not terminate a tenancy or evict a tenant for a 90-day period. We also request that rent payments be abated during this same period. After the initial 90-day period, should economic conditions warrant it, state and local governments can extend the forbearance period. At the end of this emergency rent abatement period, tenants and landlords will negotiate the terms of continued occupancy.

We believe this action, combined with important actions by the Federal Reserve and the Treasury Department to provide liquidity and credit to businesses of all types and sizes, will be instrumental in preserving retailers, jobs and the communities in which they operate.

This is a crisis unlike any we have seen in our lifetime, and we appreciate all that you are doing to keep our employees and customers safe and healthy. Should you have any questions or require additional information, please contact David French (frenchd@nrf.com) at the National Retail Federation.

Thank you for your attention to these concerns and for your ongoing leadership. The National Retail Federation stands ready to assist as you consider how to best safeguard our communities.

Sincerely,



Matthew Shay
President & CEO
National Retail Federation

cc: Bill McBride, National Governors Association
Tom Cochran, U.S. Conference of Mayors
State Retail Associations