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Dear Majority Leader McConnell and Democratic Leader Schumer:

I am writing on behalf of the Convenience Distribution Association (CDA) to urge you to consider improvements to H.R. 6201, the Families First Coronavirus Response Act. Our suggested improvements will ensure all American workers have access to paid leave in the face of this public health crisis while also providing relief to businesses and important incentives to sustain access to employer-provided health benefits, on which nearly 180 million Americans depend.

CDA is the trade organization working on behalf of convenience products wholesale distributors in the United States. Its distributor members represent more than \$102 billion in U.S convenience product sales, serving a wide variety of small retail formats. Associate members include leading convenience product manufacturers, brokers, retailers, and others allied to the

We appreciate Congress and the Administration moving quickly to mitigate the threats COVID-19 poses to public health, our economy, and workers across the country. While the House-passed bill contains critical provisions, including expanded unemployment insurance and increased access to testing, **we urge Congress to replace the paid leave mandates with a federal emergency program.** The leave mandates in H.R. 6201, which requires businesses with 500 and fewer employees to provide 12 weeks of paid leave, presume liquidity and a tolerance for debt that simply does not exist at this time. We fear that these mandates will accelerate small and medium business closures, causing many Americans to lose employer-provided health benefits while straining the administrative and financial resources of state unemployment agencies. Although H.R. 6201 includes tax credits and Treasury Secretary Mnuchin has promised to advance business money, credits will not produce sufficient liquidity in time. We are concerned that the government does not have the infrastructure and businesses do not have the administrative resources to access these advances in the time needed to deter business closures.

A better approach would be a public program administered by the federal government to provide compensation for COVID-19 related leave. One example is the proposed program in H.R. 6198, under which the Social Security Administration (SSA) would provide financial assistance to American workers impacted by COVID-19. SSA is often one of the first agencies on the ground in natural disasters, and it has extensive experience and procedures in place for responding in emergency situations. The legislation includes multiple protections to ensure that Social Security funds are not diverted to the new emergency leave program. Other agencies, such as the U.S. Department of Labor, could also administer a program, and we encourage Congress to also consider that agency as an option for statutory relief.

While we understand such programs would impose significant costs on the government, this investment now will prevent far greater costs in the future, including increased unemployment and Medicaid costs as well as hardship for American workers and businesses alike. We believe a federally administered program is needed to provide critical income to workers and liquidity to businesses which will help our economy weather this storm by encouraging businesses to keep employees "on the books" while the bill as written may force employers to reduce workforce in the face of uncertainty. This will help ensure continuation of employer provided benefits, especially health care benefits.

We urge you to consider this change and thank you for moving swiftly and decisively to help American workers, their families, and the businesses that employ them. We stand ready to work with you at this critical moment.

Respectfully,

Kimberly Bolin
President & CEO
Convenience Distribution Association