



March 23, 2010

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader Reid and Minority Leader McConnell:

I write to share the strong opposition of the National Retail Federation (NRF) to H.R. 4872, "the Health Care and Education Reconciliation Act of 2010." Please note that **NRF will consider votes on the reconciliation bill and related amendments and procedural motions as Key Retail Votes for our voting scorecard.**

The 111th Congress' health care reform debate has been disappointing, to say the least. Retailers came to this debate with high hopes for lower health care and coverage costs. The legislation that emerged was punitive in its penalty mandates and insufficient in its approach to health reform and the cost of medical care. We continue to strongly oppose the bill President Obama signed into law today and the reconciliation bill intended to alter the freshly enacted law more to the liking of the House.

We continue to strongly oppose the combination of the new law and this bill, chiefly because of: their lack of greater and more immediate cost savings for employer-sponsored coverage; the conditional mandate penalties for full-time employees; and higher taxes that will pass through to both employers and consumers. H.R. 4872 greatly increases employer penalties, a dangerous move in our view given that we found the Senate-passed mandate penalties unacceptable. H.R. 4872 also counts part-time employees in coverage threshold calculations – an approach that could ensnare small to mid-sized retailers. We should note that the bill removes the penalties for waiting periods between 60 and 90 days, a welcome change. Nevertheless, the problems in this bill by far outweigh any positive measures contained within.

NRF worked diligently with the committees of jurisdiction and numerous Senators from both parties to help develop a consensus approach to reform. It is an economic certainty that if labor costs significantly increase, retailers – who operate on razor thin profit margins – will have no choice but to reduce the size of their workforces or slow expansion plans. This is an outright tax on jobs, a dangerous strategy when our economy so clearly needs to grow through job creation. Health care reform in its current form will become the biggest anti-stimulus legislation imaginable.

We ask that you oppose H.R. 4872, the "Health Care and Education Reconciliation Act of 2010."

Sincerely,

Steve Pfister
Senior Vice President
Government Relations

cc: Members of the United States Senate
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