



November 6, 2009

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

The Honorable John Boehner  
Republican Leader  
U.S. House of Representatives  
Washington, DC 20515

Dear Speaker Pelosi and Republican Leader Boehner:

On behalf of the National Retail Federation (NRF), I am writing in strong opposition to H.R. 3962, the "Affordable Health Care for America Act." Please note that **NRF will consider votes on the bill and related procedural motions as Key Retail Votes for our voting scorecard.**

The health care reform legislation pending in the House has failed to meet our strong hopes and expectations. We continue to favor comprehensive health care reform and universal health care coverage, but only if it can be done correctly and not subject to arbitrary deadlines.

Throughout the policy formulation process, we have worked diligently with lawmakers and stakeholders of every possible political persuasion to try to help develop a consensus approach to reform. Unfortunately, that consensus-driven approach seems to have fallen prey to old-school politics. Health care reform is in danger of becoming the biggest anti-stimulus legislation imaginable. Regrettably, the problems with the bill before you are both myriad and pervasive.

NRF adamantly opposes employer mandates of any type, whether pay-or-play, set penalty or "free-rider" in nature. There is no good or acceptable way to mandate that employers provide coverage. Employer mandates are fundamentally inconsistent with good health care reform and 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.

Clearly, employer mandates of any kind amount to a direct tax on jobs and we can think of few steps that would be more dangerous to take in the middle of our present economic difficulty. Our economy needs to grow through job creation, not to have double-digit unemployment numbers further exacerbated.

Liberty Place  
325 7th Street NW, Suite 1100  
Washington, DC 20004  
800.NRF.HOW2 (800.673.4692)  
202.783.7971 fax 202.737.2849  
www.nrf.com

The legislation contains a new publicly-sponsored insurance plan to compete with private insurance plans within the national or optional state-based exchanges. NRF opposes this provision because we are concerned that the public plan's negotiated rates would reimburse providers below market rates, resulting in additional cost shifting to private plans.

NRF also opposes the limited five-year grandfathering of existing group health plans under ERISA because of the lack of flexibility provided in the five-year window and for the certainty of higher coverage costs at the end of the five-year window. ERISA protections would be lost if any changes are made to the plan within the five year window. Employee populations vary greatly and we strongly encourage you to maintain employer flexibility in enrollment of full-time, part-time, or seasonal workers under the terms of the employer's plan.

Finally, the civil justice system remains a poor and inefficient means of addressing preventable medical errors. Health care dollars should be spent on medical care and coverage, not medical liability lawsuits. Indeed, the lack of any serious inclusion of medical malpractice reform – especially caps on exorbitant damages – is a serious deficit in this more than 1,990 page bill.

The National Retail Federation will continue to seek comprehensive health care reform that will help the retail industry to voluntarily provide high quality health coverage to our employees in a more affordable and cost effective manner. NRF strongly opposes H.R. 3962 and will key vote against this bill. We remain ready to work with you and other lawmakers toward building bipartisan comprehensive health care reform.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Pfister". The signature is fluid and cursive, with the first name "Steve" written in a larger, more prominent script than the last name "Pfister".

Steve Pfister  
Senior Vice President  
Government Relations

cc: Members of the U.S. House of Representatives