

Jay Timmons

Executive Vice President

March 19, 2010

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The National Association of Manufacturers (NAM), the nation's largest industrial trade association representing small and large manufacturers in every industrial sector and in all 50 states, urges you to oppose the Patient Protection and Affordable Care Act and related budget reconciliation legislation pending before the House.

The vast majority of American manufacturers, including 97 percent of NAM member companies, voluntarily offer health benefits not only to attract a skilled workforce, but because we believe it is the right thing to do for our employees. Our members support proposals that reduce soaring health costs, improve the efficiency of the current system and enhance the quality of care. Conversely, we oppose proposals that make it more expensive or more difficult for employers to offer health benefits.

We regret that neither the House-passed Affordable Health Care for America Act nor the Senate-passed Patient Protection and Affordable Care Act includes important policies that would lower manufacturers' health care costs – particularly in the areas of legal liability reform, enhancing competition by allowing employers to purchase insurance across state lines, and robust delivery reform.

Moreover, we adamantly oppose provisions that would increase manufacturers' health care costs, including:

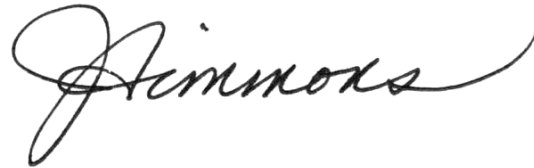
- Excise taxes on health insurance plans, which will adversely impact many companies with older workforces and/or smaller self-insured plans.
- Increases in and expansion of the Medicare hospital insurance (HI) tax, which will increase taxes on investment income and unfairly target some 70 percent of U.S. manufacturers that file taxes at the individual rate.
- Limits on Flexible Spending Accounts (FSAs) that will curb design flexibility options for manufacturers and place an immediate tax increase on employees that use these tools.
- New industry-specific fees that single out particular industries to pay for health care reform.
- Repeal of the tax exclusion for prescription drug subsidies, which will significantly increase employers' costs and make it more difficult for them to continue offering benefits to their retirees.

With unemployment in America close to 10 percent and the loss of 2.2 million manufacturing jobs, this is not the right time to place more burdens on America's job creators. The NAM opposes the Patient Protection and Affordable Care Act and urges you to do the same, as it raises costs and ultimately will destroy jobs. While we oppose this legislation, we will continue to advocate for reforms that lower costs and improve care but do not put undue burdens on those who keep our country growing and competitive in a global marketplace.

The NAM's Key Vote Advisory Committee has indicated that all votes related to health care reform, including procedural motions and budget reconciliation measures, may be considered for designation as Key Manufacturing Votes in the 111th Congress.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jimmons". The signature is written in a cursive style with a large, looping initial "J" and a long, sweeping tail that extends to the right.