



Jay Timmons  
Executive Vice President

January 8, 2009

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 H.R. 11, the Lilly Ledbetter Fair Pay Act, and H.R. 12, the Paycheck Fairness Act, because this legislation could be harmful to the economy and jobs.

Manufacturers are strongly committed to equal employment opportunity and support vigorous enforcement of anti-discrimination laws. As employers, we are dedicated to fairness in hiring, compensation and job advancement for all employees. Unfortunately, these bills will do little to prevent unlawful discrimination but would invite unwarranted and costly litigation against employers at a time when businesses are struggling.

When drafting major employment laws over the past 40 years, Congress has wisely created time limits under which an individual can file discrimination claims. These limits encourage employees and employers to address problems quickly in order to diminish the impact of discrimination. The Supreme Court upheld this view in its 2007 *Ledbetter* decision.

H.R. 11 would not only reverse *Ledbetter* but would overhaul key portions of major civil rights laws, severely weakening, and effectively eliminating, the statute of limitations for filing discrimination claims. It would for the first time allow not just employees but those potentially "affected by" discrimination to file suits, broaden the bill's reach to cover unintentional discrimination suits and allow retirees to file claims over actions that took place decades earlier.

Eliminating this statute of limitation benefits neither employees nor employers. Instead, alleged discrimination could go undetected for many years, subjecting an increasing number of employees to wrongful actions. At the same time, employers would be forced to spend resources that could otherwise be used to create and retain jobs to defend against an avalanche of decades-old, potentially frivolous claims. Prompt filing of claims under current law allows employers to identify and, when necessary, to discipline those managers who may be violating the law. Meanwhile, under H.R. 11 the anticipated increase in legal and recordkeeping costs for American companies could be staggering.

By removing all limits to punitive and compensatory damage awards on claims made under the Equal Pay Act (EPA), the Paycheck Fairness Act (H.R. 12) would expose employers to increased threats of litigation – even when *unintentional* pay disparities may have occurred. Its passage would likely prompt many employers to purchase additional legal liability insurance, increasing their costs and decreasing their ability to raise wages, increase benefits or hire new

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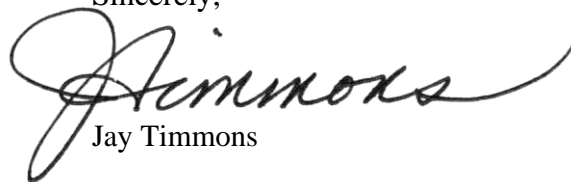
workers. In fact, it is difficult to imagine a scenario in which the bill would not lead to lower wages and fewer jobs.

American workers are already effectively protected from discrimination through remedies available under existing law. The EPA protects men and women from pay disparities in jobs that require equal skill, effort and responsibility and are performed under similar working conditions.

The NAM stands ready to work with you to prevent and mitigate workplace discrimination and to restore economic stability. However, these two bills do not support either of these shared goals.

The NAM's Key Vote Advisory Committee has indicated that votes on H.R. 11 and H.R. 12, including potential procedural motions, may be considered for designation as Key Manufacturing Votes in the 111<sup>th</sup> Congress. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Jay Timmons". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline that extends to the right.

Jay Timmons

JT/tl