

STARTOVER!

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February 22, 2010

An Open Letter to the President of the United States

The need for health care reform remains acute, despite the political difficulties of the current debate. The business community has been long committed to advancing legislation that reduces the cost of health care and coverage for both public and private players, businesses of all sizes and individuals from every walk of life. We hope that this week's bipartisan summit meeting will enable a fresh approach that can conquer the partisan divide and regain the confidence of the American public.

Central to the discussion among summit attendees must be how reform ideas affect the ability of our nation's economy to recover and businesses to create jobs. Even in ideal economic times imposing costly regulations and taxes on business is a bad idea. A competitive global environment and an already burdensome tax and regulatory structure offer enough challenges for businesses of all sizes to invest and create jobs. We should be looking for ways to streamline and modernize these structures, rather than layering additional costs on job creators. Moreover, the dismal state of our nation's fiscal house requires that proposals be weighed against the threat that large-scale spending poses to long-term economic stability and competitiveness.

Such circumstances call for practical approaches to health care reform – ones that do not burden taxpayers or businesses with new costs or future liabilities that could impair economic recovery, and long-term economic growth.

Americans want solutions that are equitable and do not favor one group or constituency over another. They desire more competition and choice in coverage options, and again, these solutions must *lower* costs. With that in mind, we suggest specific consensus strategies to reduce the cost of care and thus increase coverage now and make possible future reform progress as well. These strategies (the precise details will be critical) include:

Insurance Market Reform – the individual and small group markets are in need of national reforms to help address the cost and availability of coverage. Care must be taken to avoid precipitous rate increases and to ensure timely enrollment.

Wellness/Preventative Incentives – the most effective spending for health care is primary and preventative care. Financial incentives can help encourage these healthier behaviors.

Pay-for-Performance – piecemeal (fee-for-service) reimbursement increases costs and reduces accountability in health care. Changing how we reimburse providers, increasing care coordination and encouraging team-based medicine will both lower costs and improve the quality of care.

Health IT – advancing the adoption of health information technology infrastructure, secure electronic medical records and the electronic integration of our health care system is vital to reducing waste and dangerous fragmentation of care.

Tax Parity – health insurance premium costs should receive comparable tax treatment whether purchased by a self-employed individual, a small business or large employer, regardless of industry or union status.

February 22, 2010

Page 2

Exchanges/Multi-State Purchasing – pooling purchasing power and creating administrative efficiencies has enjoyed bipartisan and small business support for many years. Allowing for greater competition across state boundaries (whether based on national plans or state licensed plans) can generate additional cost savings.

Medical Malpractice Reform – civil liability has proven to be an inefficient means of reducing medical errors and has encouraged providers to order unnecessary extra procedures (i.e. defensive medicine) to guard against potential liability. Although views vary greatly on this issue, alternatives such as special health care liability courts can help create greater stability and predictability.

While many of these strategies are present in whole, in part or in name in the legislation previously passed by the House and Senate, our groups continue to oppose those measures due to the inclusion of vast employer mandates, free rider penalties, high dollar excise taxes and other new taxes on businesses and individuals. The precise legislative details will be crucial in determining our support for specific provisions or subsequent legislation. We urge you to increase the transparency of subsequent deliberations. Backroom deals and special interest carve outs will not increase public confidence in these efforts.

We strongly urge you to avoid the punitive approach taken by the House and Senate-passed bills and instead focus on a fresh approach that places top priority on immediately reducing the cost of care and coverage for all.

We hope that the summit creates a foundation for the development of an authentic bipartisan approach which reflects the strategies discussed above. Health care reform which gets it right is vital to job creation and long term economic growth.

Sincerely,



Geoffrey Burr, Vice President-Government Affairs
Associated Builders and Contractors



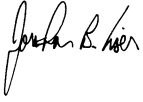
Stephen E. Sandherr, Chief Executive Officer
Associated General Contractors



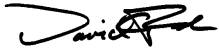
Brian Worth, Vice President for Government & Public Affairs
Independent Electrical Contractors

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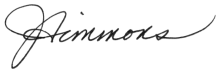
Page 3



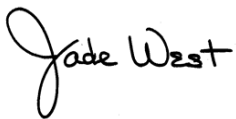
Jon Eisen, Senior Vice President-Government Relations
International Foodservice Distributors Association



David French, Vice President-Government Relations
International Franchise Association



Jay Timmons, Executive Vice President
National Association of Manufacturers



Jade West, Senior Vice President-Government Relations
National Association of Wholesaler-Distributors



E. Neil Trautwein, Vice President-Employee Benefits Policy Counsel
National Retail Federation



Karen Kerrigan, President & CEO
Small Business & Entrepreneurship Council



R. Bruce Josten, Executive Vice President-Government Affairs
U.S. Chamber of Commerce

STARTOVER!

AND GET HEALTH CARE REFORM RIGHT!

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American Bakers Association
American Hardware Manufacturers Association
American Machine Tool Distributors Association
American Rental Association
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AMT-Association for Manufacturing Technology
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Arizona Independent Electrical Contractors
Arkansas AGC
Arkansas Chapter of ABC
Arkansas Independent Electrical Contractors
Arkansas State Chamber of Commerce/Associated Industries
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Associated Builders & Contractors of Michigan
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Associated General Contractors of Mississippi
Associated General Contractors of Missouri
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Association for Hose & Accessories Distribution (The)

Association of the Wall & Ceiling Industry
Association of Washington Business
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Tennessee, Inc.
Automotive Aftermarket Association Southeast
Automotive Aftermarket Industry Association
Automotive Parts & Services Association
Automotive Parts Remanufacturers Association
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Brick Industry Association
Builders Association of Illinois
Building Industry Association of Washington
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Central Alabama Chapter of the Independent Electrical
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Central Pennsylvania Chapter of the Independent Electrical
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Central Washington Independent Electrical Contractors
Centre County Independent Electrical Contractors
Chamber of Commerce of the U.S.
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Cumberland Valley Chapter of ABC
Dakotas Independent Electrical Contractors
Dallas Independent Electrical Contractors
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Delmarva Chapter Land Improvement Contractors of America
Door & Hardware Institute
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 Empire State Chapter of ABC
 Employers for Quality Health Care
 Envelope Manufacturers Association
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 Fort Worth/Tarrant County Independent Electrical Contractors
 Futures Industry Association
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 Inland Pacific Chapter of ABC
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 International Foodservice Distributors Association
 International Franchise Association
 International Housewares Association
 International Sanitary Supply Association
 International Sign Association
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 Kentuckiana Chapter of ABC
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 Lumber Association of California & Nevada
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 Marine Retailers Association of America
 Master Builders of Iowa
 Master Electrical Contractors of Dayton
 Material Handling Equipment Distributors Association
 Metals Service Center Institute
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 Mid-South Independent Electrical Contractors
 Midwest Independent Electrical Contractors
 Mississippi Chapter of ABC
 Montana Independent Electrical Contractors
 Nashville Independent Electrical Contractors
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 National Association of Electrical Distributors
 National Association of Health Underwriters
 National Association of Manufacturers
 National Association of Sign Supply Distributors
 National Association of Sporting Goods Wholesalers
 National Association of Wholesaler-Distributors
 National Club Association
 National Electrical Manufacturers Representatives Association
 National Lumber and Building Material Dealers Association
 National Marine Distributors Association, Inc.
 National Newspaper Association
 National Poultry & Food Distributors Association
 National Ready Mixed Concrete Association
 National Retail Federation
 National Roofing Contractors Association
 National RV Dealers Association
 National School Supply & Equipment Association
 National Stone, Sand & Gravel Association
 National Utility Contractors Association
 Nebraska Chapter of ABC
 Nevada Manufacturers Association
 New England Independent Electrical Contractors
 New Jersey Chapter of ABC
 New Jersey Independent Electrical Contractors
 Non-Ferrous Founders' Society
 North Alabama Chapter of ABC
 North American Association of Utility Distributors
 North American Equipment Dealers Association
 North American Horticultural Supply Association
 North Carolina Association of Electrical Contractors
 North-American Association of Uniform Manufacturers & Distributors
 Northern New Mexico Independent Electrical Contractors
 Northern Ohio Chapter of ABC
 Northern Ohio Electrical Contractors Association
 Northwest Pennsylvania Independent Electrical Contractors
 Northwest Washington Independent Electrical Contractors
 NPES-The Association for Suppliers of Printing, Publishing & Converting Technologies
 Ohio Council of Retail Merchants
 Ohio Valley Automotive Aftermarket Association
 Ohio Valley Chapter of ABC
 OKC-IEC
 Oklahoma Chapter of ABC
 Oklahoma State Chamber
 Oregon Independent Electrical Contractors

Outdoor Power Equipment and Engine Service Association
Pacific Coast Chapter of ABC
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Petroleum Equipment Institute
Plumbing-Heating-Cooling Contractors National Association
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