



February 2, 2011

Dear Senator:

Representing the country's largest, oldest and most respected small business associations who have spent more than a decade working to increase the affordability of and access to private health insurance, the Small Business Coalition for Affordable Healthcare is writing to express our support for the healthcare repeal amendment (H.R. 2), which repeals the Patient Protection and Affordable Care Act (PPACA).

The self-employed and small business community could not be more honest about the destructive effects the PPACA places on the nation's job creators. This law is loaded with new mandates, new taxes and perverse incentives that will forever harm the workplace and the relationship between employers and their employees. Small business has already started to feel the negative impacts of this new law. Some have had their insurance plans canceled. Others are looking at changing plans because they will no longer be able to afford to meet new requirements. Worse for small businesses is their anticipation and uncertainty about what is yet to come.

If this law remains in place, the small business community will be forced to divert resources away from hiring and expanding their business – the very investments our country so desperately needs as it continues to struggle in a faltering economy with near double-digit unemployment. There are a variety of provisions that will have a direct negative impact on small business, some of the most egregious include:

- An employer mandate that encourages job cuts, not job creation
- New taxes on small business health insurance plans
- Onerous 1099 paperwork information reporting mandates
- Higher insurance costs due to new mandated benefits
- Increases in Medicare payroll taxes
- New taxes, fees and mandates specifically targeted at the small business community
- Prohibitions on HSAs, FSAs and HRAs that limit employer and employee flexibility and drive up healthcare costs

Our nation's small businesses strongly believe that the repeal of PPACA is the first, not the final step. Repeal alone is not enough because, in the absence of real and meaningful reform, our No. 1 concern - access to affordable healthcare - remains. We urge Congress to take two critical steps to address healthcare concerns facing employers and employees. First, Congress must begin conducting oversight hearings to examine the lessons learned from PPACA. Second, we call on Congress to do what wasn't done before - engage with people in states and districts who remain actively involved and committed to developing and supporting responsible healthcare solutions that put costs first and people - not government - in control of their healthcare needs and decisions.

The Small Business Coalition for Affordable Healthcare was founded on principles seeking relief from ever-increasing cost and affordability of coverage, and we stand ready and willing to be a partner in efforts to secure commonsense solutions to these goals. We greatly hope that Congress will refocus its energy and, along with small business, work to develop a variety of widely-supported solutions that make access and affordability a top priority.

Sincerely,

Aeronautical Repair Station Association
American Bakers Association
American Foundry Society
American Hotel & Lodging Association
American Rental Association
Associated Builders and Contractors
Associated Equipment Distributors
Associated General Contractors of America
Automotive Recyclers Association
Bowling Proprietors' Association of America
Brick Industry Association
Independent Electrical Contractors
Indiana Cast Metals Association
International Foodservice Distributors Association
International Franchise Association
International Housewares Association
Metalcasters of Minnesota
National Association of Manufacturers
National Association of Mortgage Brokers
National Association of Wholesaler-Distributors
National Club Association
National Federation of Independent Business
National Restaurant Association
National Retail Federation
National Roofing Contractors Association
National Utility Contractors Association
North American Die Casting Association
Ohio Cast Metals Association
Petroleum Marketers Association of America
Printing Industries of America
Professional Golfers' Association of America
Self-Insurance Institute of America
Small Business & Entrepreneurship Council
Textile Rental Services Association
The National Association of Mortgage Brokers
The Professional Golfers Association of America
U.S. Chamber of Commerce
Wisconsin Cast Metals Association