

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS



815 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

LEGISLATIVE ALERT!

(202) 637-5057

September 22, 2009

Dear Finance Committee Member:

On behalf of the AFL-CIO, I am writing to express our opposition to Wyden Amendment C1 and to urge you to reject it.

The Wyden amendment would undermine employer-based health plans, which are the backbone of health care financing and coverage in America today, and thereby violate President Obama's pledge to allow individuals to keep the health care coverage they have now.

The Wyden amendment would encourage younger, healthier workers to reject their employer-based coverage and buy coverage in the newly created health insurance exchanges with a voucher from their employer. As a result, costs would rise for the older, sicker workers left behind in the employer plan, which would lead to more workers leaving the plan. The net effect would be a so-called "death spiral" of increasing costs for employer plans.

In addition, the Wyden amendment would undermine the ability of worker representatives to collectively bargain health benefits on behalf of workers, in direct contravention of decades of well-established labor law.

We strongly urge you to oppose the Wyden amendment.

Sincerely,

William Samuel, Director
GOVERNMENT AFFAIRS DEPARTMENT