

April 28, 2009

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The undersigned members of the business community urge you to oppose H.R. 635, the “National Commission on State Workers’ Compensation Laws Act of 2009,” which would establish a national commission to study and evaluate the adequacy of state workers’ compensation laws and report back to Congress its findings and recommendations. The performance of state-based workers’ compensation systems is the responsibility of the states and their respective legislatures and stakeholders. It is *not* the province of Congress to interfere in the state administration of workers’ compensation.

The business community believes the establishment of a national commission will serve as a vehicle to undermine state-based workers’ compensation systems. The commission membership is clearly unbalanced and can only be intended to reach a foregone conclusion that the imposition of federal direction on all states’ workers’ compensation systems is needed.

We oppose H.R 635 because:

- **The imposition of federal oversight and development of federal mandates is inconsistent with the state workers’ compensation system.** The purpose of the national commission established by H.R. 635 is to develop recommendations that would dramatically impact state workers’ compensation laws, as well as the employer funded state workers’ compensation systems. States’ workers’ compensation systems have continued to improve for decades based on the unique economies, business environments, and traditions of each state. The state-based system provides the ability to experiment creatively and borrow from experiences in other states without the burden of a rigid, nationwide, one-size-fits-all federal program that is slow to change and administratively cumbersome. The design of a state workers’ compensation system, its administration, legal precedents, funding, and fiscal accountability is intricately linked to each state’s economy. The imposition of federal requirements on the state-based system would create unnecessary imbalances and unintended consequences for a system that has been operating effectively for decades.
- **States have effectively modernized their systems.** Based on improved research, states have employed a myriad of innovative tools, including cooperative labor-management committees, which led to reduced litigation as well as best practices such as utilization review, the adoption of evidenced-based medicine, improved access to high-quality medical treatment, strengthened employee return-to-work efforts, more effectively compensated injured workers, streamlined claims adjudication, and enhanced efforts to detect and prosecute fraud. The state workers’ compensation system is fundamentally sound and a valued institution in our industrial economy.

- **There is no need for a new national study.** Each state reviews its own workers' compensation laws and the application of the laws to continuously improve the state's system. The efficiency and effectiveness of individual systems are examined by state legislatures each year through legislative or regulatory proposals. There is already an abundance of state specific data and studies of state workers' compensation laws providing ample information on the issues identified by H.R. 635. The research capacity of states and private research organizations has grown dramatically over the last 30 years to respond to an array of proposed programmatic and system modifications made at the state level.
- **The cost of the study commission and staff is unnecessary.** During a time of strained federal and state budgets and the need to concentrate efforts on economic recovery and the retention and creation of millions of new jobs, Congress should focus on growing the economy and its workforce rather than funding a solution in search of a problem.

This bill would drastically increase costs for every employer. The undersigned groups and their members representing companies and industries employing millions of employees in every state, urge you to oppose H.R. 635. Thank you for your consideration and we look forward to working with you on this legislation.

Sincerely,

Alabama Self-Insured Workers' Compensation Fund
 American Bakers Association
 American Home Furnishings Alliance
 American Insurance Association
 Associated Builders and Contractors
 California Chamber of Commerce
 California Self-Insurers Association
 Colorado Association of Commerce & Industry
 Georgia Agribusiness Council
 Georgia Automobile Dealers Association
 Greater Memphis Chamber
 Greater Spokane Incorporated
 Independent Electrical Contractors, Inc.
 Indiana Chamber of Commerce
 Indiana Manufacturers Association
 International Franchise Association
 International Warehouse Logistics Association
 Louisiana Association of Self Insured Employers
 Michigan Chamber of Commerce
 Missouri Merchants & Manufacturers Association
 Missouri Self Insurers Association
 Montana Chamber of Commerce

National Association of Manufacturers
National Association of Mutual Insurance Companies
National Council of Self Insurers
National Federation of Independent Business
National Retail Federation
New Jersey Chamber of Commerce
Ohio Chamber of Commerce
Pennsylvania Chamber of Business and Industry
Property Casualty Insurers Association of America
Self-Insurance Institute of America
Software Information Industry Association
Tennessee Chamber of Commerce
Texas Alliance of Nonsubscribers
The State Chamber of Oklahoma
U.S. Chamber of Commerce
UWC
Virginia Chamber of Commerce
West Virginia Chamber of Commerce