

December 13, 2013

Dear Members of the House of Representatives:

On behalf of rail labor we are writing in support of H.R. 3489, bipartisan legislation, introduced by Representatives Pat Tiberi (R-OH) and Daniel Lipinski (D-IL) which would repeal the current funding mechanism for the Transitional Reinsurance Program authorized by the Patient Protection and Affordable Care Act (ACA).

Under current law, the Transitional Reinsurance program is expected to collect \$25 billion in fees over a three-year period, beginning January 1, 2014, to the Department of Health and Human Services to supplement the program. The fee is set to collect from \$63 in 2014 to estimated annual rates of \$42 in 2015 and \$26.50 in 2016, as the program is designed to raise less money each year.

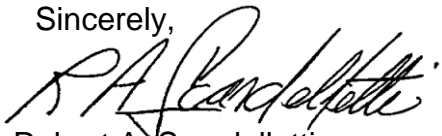
The Railroad National Health & Welfare Plans cover over 400,000 lives, at an annual premium of over \$2 billion. For our Plans, United Health Care estimates the Reinsurance fees will cost the railroad industry \$27 million in 2014, \$19 million in 2015 and \$11 million in 2016.

Moreover, states are allowed to set up their own supplemental reinsurance programs and are permitted to assess additional fees on top of the federal fees already in place. The Railroad industry simply cannot afford to absorb these additional costs and continue to provide quality affordable healthcare.

Self-insured, not-for-profit health plans — provided by responsible employers — are unfairly subjected to these fees and will receive no benefits from them. Reinsurance fees are merely an added financial liability to our Plans. These fees take needed dollars out of our Plans, that directly provide insurance benefits for its participants, and ultimately the employers will try to pass these fees onto the employees, which is grossly unfair.

Congress still has the opportunity to improve the law by modifying sections of the ACA. If Congress does not act soon, it will be too late to undo the damage. I urge your support for H.R.3489 to repeal the funding mechanism for the Transitional Reinsurance Program.

Sincerely,



Robert A. Scardelletti
National President
Transportation Communications Union/IAM



Freddie N. Simpson
President
Brotherhood of Maintenance of Way
Employes Division of the International
Brotherhood of Teamsters



John R. Thatcher
President
National Conference of Firemen and Oilers



Newton B. Jones
International President
International Brotherhood of Boilmakers



W. Dan Pickett
President
Brotherhood of Railroad Signalmen



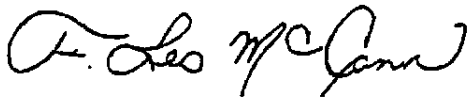
Dennis Pierce
President
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Tony Iannone
Assistant to the General President
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Harry Lombardo
Transport Workers Union
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F. Leo McCann
President
American Train Dispatchers Association



Jeff Doerr
President/Directing General Chairman
District Lodge 19
International Association of Machinists
and Aerospace Workers