



July 13, 2009

An open letter to members from NRF President and CEO Tracy Mullin:

The word leadership tends to be thrown around a lot in Washington. We see it used endlessly in political campaigns, newsrooms...even by trade associations. It seems everyone wants to lead. But not everyone has what it takes.

With [health care reform](#) looming in Congress, everyone is clamoring to claim their corner on the big debate, and the stakes have never been higher. The Obama administration seems to have taken to the notion that reform for reform's sake is better than nothing at all. What they must fail to realize is that a misstep on health care could quickly push our economic recovery back decades.

One of retailers' biggest concerns in the health care debate is the idea of an employer mandate provision, which would be catastrophic for our industry. Mandates would drive up costs for retailers while doing nothing to address waste, inefficiencies and lack of competition. Ultimately, employers forced to spend more on insurance would have little choice but to reduce payrolls or raise prices – and that's the last thing retail employees or shoppers need right now. [NRF's Employee Benefits Counsel](#) has been participating in health care reform discussions behind the scenes for years, working with Congress, associations and businesses alike to arrive at a compromise.

When Wal-Mart [sent a letter](#) to President Obama two weeks ago supporting government mandates on businesses as a part of reform, the retail industry was astonished. Seeing the company in lock-step with the unions on this issue was troubling to say the least. Although the move may provide a short-term public relations boost to Wal-Mart, it could have long-lasting, devastating consequences to retailers throughout the country.

This stunning turn of events left NRF with a decision to make. We could stand idly by and allow Wal-Mart to tip the scales on the health care debate, cower and release an innocuous statement that would neither support nor condemn their decision, or stand up for all retailers and come out swinging.

The truth is the decision wasn't all that difficult. In fact, there was never really any choice. NRF is the retail industry's association, which means we represent all

retailers – large and small – not just a select few. (Wal-Mart is not a member of NRF and, after this dispute, I'm not expecting a dues check from them anytime soon.)

We knew that going up against Wal-Mart would raise some eyebrows – and it did. But, simply put, we could not condone the decision of one retailer, even the largest retailer in the world, if it would come at the expense of everyone else. [So, we spoke up.](#)

In the last few weeks, NRF executives have spent quite a bit of time speaking with reporters – from [CNBC](#) to the [Wall Street Journal](#) to [Fox News](#) – expressing our disappointment with Wal-Mart's decision. On Capitol Hill, we have been working closely with legislators to spell out in [no uncertain terms](#) the serious ramifications employer mandates would have on our economy. On top of that, our CEO Health Care Task Force continues to work diligently on real solutions that would help fix our health care system by laying out steps to encourage competition on cost and quality, rather than creating a \$2 trillion bill for future generations to pick up.

To truly lead on the health care debate, it is imperative that businesses, associations, and politicians take a stand when it counts and not shy away from deal-breakers like employer mandates. That's the difference between leadership and lip service. And I think, by now, we've all had quite enough of the latter.

If you have any thoughts on NRF's stance on health care and employer mandates, please [let me know](#).

All the best,

A handwritten signature in black ink that reads "Tracy". The signature is written in a cursive, flowing style with a long, sweeping underline that extends to the left and then curves back under the name.

National Retail Federation
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