

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

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TO THE MEMBERS OF THE UNITED STATES CONGRESS:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, strongly supports S. 720, the "Repeal the CLASS Entitlement Act" and H.R. 1173, the "Fiscal Responsibility and Retirement Security Act of 2011," which would repeal the Community Living Assistance Services and Supports Act (CLASS Act) provisions of the recently enacted health care law. The Chamber urges Congress to pass legislation to repeal the CLASS Act provisions as expeditiously as practicable.

The Chamber agrees with the Administration's conclusion that this program is fundamentally flawed and cannot be salvaged. On October 14, 2011, the Department of Health and Human Services (HHS) made official its decision to halt implementation of the unsustainable CLASS Act after determining there was insufficient financing for successful implementation of the program. Three days later, on October 17, 2011, the Congressional Budget Office (CBO) announced that repealing the CLASS Act would not carry a cost and therefore would have a "zero" budgetary impact. With this prior arbitrary budget hurdle removed, repeal of this provision is both critical and attainable.

The Chamber emphasizes that the decision by HHS to suspend implementation of the CLASS Act does not negate the need to fully repeal the provisions. In fact, HHS e-mails cited in the recently released report, "CLASS' Untold Story: Taxpayers, Employers and States on The Hook for Flawed Entitlement Program," indicate that the Department has considered previously modifying the statute through the regulatory process to improve participation. Accordingly, unless the CLASS Act is repealed, the temporary protection of this suspension will extend only for as long as implementation is suspended and subject to the whim of the Secretary of the Department of Health and Human Services. It is necessary to eliminate the underlying statutory provisions authorizing the program.

We applaud efforts to repeal the CLASS Act to protect Americans from losing their wages to fund an entitlement program which will never benefit them and to prevent its revival through the regulatory process. The Chamber strongly supports S. 720 and H.R. 1173, and urges Congress to pass legislation to repeal the CLASS Act provisions as expeditiously as practicable.

Sincerely,



R. Bruce Josten