

For Immediate Release

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**RILA FILES LEGAL CHALLENGES TO HEALTH PLAN MANDATES IN
MARYLAND AND SUFFOLK COUNTY, NEW YORK**

ARLINGTON, VA (February 7, 2006) -- The Retail Industry Leaders Association (RILA) today filed suits challenging two laws that unlawfully mandate a specific health care expenditure, single out the retail industry, and threaten to eliminate the flexibility that businesses require to meet the needs of their diverse workforce. The lawsuits were filed in U.S. District Courts in Baltimore and Brooklyn.

“We all agree that access to health care is vital, but these spending mandates will drive away business and discourage job creation,” said Brad Anderson, RILA chairman and vice chairman & CEO of Best Buy Co., Inc. “They’re simply unlawful and unwise.”

The mandates, enacted by the state of Maryland and by Suffolk County, N.Y. were intended to target specific companies, and require them to pay a special health care payroll assessment.

"The health care system cannot be fixed with a patchwork of state and local mandates that require individual industries to play by different rules," said James M. Myers, CEO of PETCO Animal Supplies, Inc., a RILA member. "It's a national issue that requires a national approach."

“The health plan spending mandates that we are challenging today do nothing to fix the problem they claim to address, and, in fact, divert focus and resources away from real solutions,” said RILA President Sandy Kennedy.

In the lawsuits, RILA asserts that state and local laws regulating employee health benefit plans are invalidated by federal law, specifically the Employee Retirement Income Security Act (ERISA).

(more)

“Over the past three decades, the Supreme Court of the United States has held repeatedly that ERISA, not state and local laws, regulates employer health plans,” said Steve Cannon of the law firm of Constantine Cannon, outside General Counsel to RILA. "Now that the legislative process has played out in Maryland and Suffolk County, it is time to challenge these newly enacted health plan mandates in the courts."

RILA also asserts that the statutes violate the Equal Protection Clause of the U.S. Constitution because they were written to single out specific companies for arbitrary treatment.

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Media Conference Call Scheduled for 1:30 PM EST February 7

Today, at 1:30 PM EST, RILA will convene a call for members of the media to discuss the lawsuit, and take questions.

Members of the media may participate in the call by dialing 877-704-5381. Each **participant will be asked for his or her name, organization and phone number. To ensure timely entry in to the call, please dial-in five minutes in advance of the start-time.**

About RILA

The Retail Industry Leaders Association (RILA) is a trade association of the largest and fastest-growing companies in the retail industry. Its member companies include over 400 retailers, product manufacturers, and service suppliers, which together account for over \$1.4 trillion in annual sales. RILA members operate more than 100,000 stores, manufacturing facilities, and distribution centers, have facilities in all 50 states, and provide millions of jobs domestically and worldwide.