

COORS OF LONGVIEW, INC.

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FAX COVER SHEET

DATE: May 27, 2002

TIME: 10:00 am

ATTN: OMB

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FROM: L s Kroeger

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MESSAGES



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May 23, 2002

Mr. John Morral
Office of Information and Regulatory Affairs
Office of Management and Budget, **NEOB, Room 10235**
725 17* Street, NW
Washington, D.C. 20503

Dear Mr. Morral

I respectfully urge the **Office of Management and Budget to support rescission** of the Birth and Adoption Unemployment Compensation (BAA-UC) rule promulgated by the Department of Labor in **1999**. The BAA-IJC regulations **authorize states to withdraw funds from their unemployment insurance (UI) trust accounts to compensate employed workers who take leave following** the birth or adoption of a child.

By diverting UI trust funds for paid leave, **BAA-UC is clearly contrary to Congress's** intent under both the federal unemployment tax Act and the Family and Medical Leave Act. Paid leave authorized under the **BAA-UC** regulations is not unemployment insurance. **Workers who take leave are not "unemployed."** Their employers have work for them, but **these individuals are not available for work.**

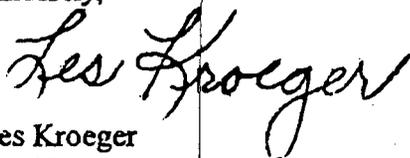
BAA-UC will hurt workers and employers by putting the safety net for unemployed workers at risk by inviting states to spend down their unemployment insurance reserves for the entirely unrelated purpose of compensating leave takers. **State UI trust fund reserves the entirely unrelated purpose of compensating leave takers. State UI trust fund reserves are needed to assure that funds are available to pay unemployment compensation to jobless workers while they seek new work and to protect against the adverse economic consequences of payroll tax increases needed to finance unemployment benefits.**

State UI trust fund reserves are drawn down **quickly when the economic cycle turns.** Several states, including New York and Texas, **have** already needed federal loans to pay their UI benefits. In these and many other states, payroll tax **increases are still to be imposed** on employers to replenish UI trust funds. Moreover, using UI trust funds for paid leave puts the federal budget itself at **significant risk**, because the federal government is the financial guarantor for state UI benefits.

A legal challenge to BAA-UC is currently pending in the United States District Court for the District of Columbia. plaintiffs contend that the the Family and Medical Leave court to dismiss this lawsuit because been no decision yet on the motion to result, UI-paid leave proposals are now other states. It is extremely important that enacts a "Baby UI" statute. The judicial system the interim, the continued existence of the BAA-UC unhealthy interest in "raiding" UI trust funds.

We encourage dialogue on positive ways to encourage financial support for parents who take leave following the birth or adoption of a child. However, the misuse of the unemployment insurance program for this unrelated purpose is unwise and unworkable. I therefore respectfully urge OMB to recommend that the BAA-UC rule be rescinded, and to urge DOL to begin the rulemaking process to accomplish this objective as soon as possible.

Sincerely,



Les Kroeger
President



P.O. Box 2264
Longview, Texas 75606-2264

May 23, 2002

Mr. John Morrall
Office of Management and Budget
Office of Information and Regulatory Affairs
725 17th Street NW, Room 10235
Washington, D.C. 20523

Re: Family and Medical Leave Act Reforms

Dear Mr. Morrall

We would like to recommend that the Family and Medical Leave Act's (FMLA) implementing regulations and associated non-regulatory guidance be reviewed under OMB's request for comments on the costs and benefits of federal regulations. Specifically, the Department of Labor's (DOL's) regulation, and subsequent interpretations, regarding the definition of "serious health condition" under the FMLA should be reviewed. In addition, the regulation and interpretations of "intermittent leave" issues as well as the notification and recordkeeping requirements should also be reviewed. Specifically, we would like to draw your attention to wage and hour opinion letters that, while technically non-binding guidance have, in effect, and without benefit of notice and comment, usurped the regulations.

1. Definition of "Serious Health Condition" 29 C.F.R. 825.114

When the FMLA passed, Congress covered both leave for the birth or adoption of a child as well as medical leave (for the individual or an immediate family member) for serious health conditions. Congress made clear that the term "serious health condition" was not meant to cover short term illnesses where treatment and recovery are brief and such conditions fall within even modest sick leave policies. Nevertheless, DOL broadly defined what constitutes a serious health condition when it promulgated its definition of serious health condition at 29 C.F.R. 825.001. The expansive way in which the regulation was written has been further stretched beyond recognition by nonregulatory guidance, specifically, wage and hour opinion letters that DOL has subsequently issued without benefit of public notice and comment. As a result, the FMLA, which began as a statute meant to protect jobs for new parents and those who are seriously ill, has turned into a national sick leave law which would be barely recognizable to its drafters. Moreover, employers and employees are left with no discernable guidance on what constitutes a "serious health condition."

On April 7, 1995, DOL issued wage and hour opinion letter number 57 which stated that "the fact that an employee is incapacitated for more than three days, has been treated by a health care provider on at least one occasion which has resulted in a regimen of continuing treatment prescribed by the health care provider does not convert minor illnesses such as the common cold into serious health conditions in the ordinary case (absent complications)." Just a year and a half later, on December 12, 1996, DOL issued opinion letter number 86. That opinion letter stated that wage hour opinion letter 57 expresses an "incorrect view" with respect to the common cold, the flu, ear aches, upset stomachs, minor ulcers, headaches other than migraines, routine dental or orthodontia problems, periodontal disease etc. and that if "any of these conditions met the regulatory criteria for a serious health condition, e.g. An incapacity of more than three consecutive calendar days and receives continuing treatment e.g. A visit to a health care provider followed by a regimen of care such as prescription drugs like antibiotics, the individual has a qualifying 'serious health condition' for purposes of FMLA."

In effect, the issuance of *this* later opinion letter has superseded the regulation itself and has become the standard in enforcement actions and before *the* courts. If an employee has a three day absence, has been to a doctor and has received a prescription, no matter what the underlying cause-- from a cold to cancer-- the employee is entitled to FMLA leave and all of the right it confers.

The resulting confusion to employers and employees should be fixed immediately, first by DOL rescinding wage and hour opinion letter 86 and restoring the meaning of the word "serious" to serious health conditions protected by the FMLA. DOL should also institute rulemaking to determine whether its current regulation defining serious health condition is consistent with the statute.

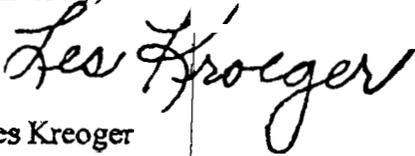
2. Intermittent Leave 29 C.F.R. 825.203

DOL's intermittent leave regulation has also been problematic. Congress drafted the FMLA so that employees could take leave in increments of less than on day (for example for chemotherapy or radiation treatments). Unfortunately, the regulation provides that leave may be counted "to the shortest period of time that the employer's payroll system uses to account for absences or use of leave, provided it is one hour or less." Since many employers track in increments of as small as six minutes, the task of accounting for and tracking intermittent leave is a significant administrative burden. This is especially the case when coupled with the broad definition of "serious health condition" which means that employers are keeping track of a large number of partial days for serious and non-serious conditions alike. Allowing employers to track intermittent leave in larger increments (such as by the hour or half day) would ease the cost and paperwork burden while ensuring that those employees who need intermittent leave are granted such leave. Redefining what constitutes a serious health condition will also reduce the number of absences and conditions under which an employer must track *intermittent* leave.

Conclusion

It is important, in order to fulfill the purpose of the FMLA, to alleviate the current interpretive and legal confusion which is actually saving as a disincentive for companies to offer or expand programs, including paid leave. DOLS's interpretations have especially penalized companies which have gone beyond the FMLA's requirements. This problem, which manifests itself throughout DOL's FMLA regulations, was recognized by the Supreme Court when it recently struck down DOS's notice requirements in "Ragsdale vs. Wolverine Worldwide." Vague, confusing and contradictory regulations and guidance do no allow employers to administer the FMLA's requirements with confidence and certainty. A through review of DOS's FMLA regulations, specifically those relations that define serious health condition and intermittent leave, is in order.

Sincerely,

A handwritten signature in cursive script that reads "Les Kreoger". The signature is written in dark ink and is positioned to the right of the typed name.

Les Kreoger
President