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PRESS RELEASE

North Side/ North Shore Chamber of Commerce Decries Position of Allegheny Conference on Community Development Regarding Proposed Tax on Poured Alcoholic Beverages

(Pittsburgh, November 12, 2007)

The North Side/ North Shore Chamber of Commerce today released a Statement highly critical of the position of the Allegheny Conference on Community Development regarding the 10% tax on poured alcoholic beverages and the \$2.00 per day rental car fee proposed by Allegheny County Chief Executive Dan Onorato. The Allegheny Conference recently announced that it was in favor of the proposed Drink Tax and Rental Car Fee so long as the Port Authority, the ostensible recipient of the new tax funds, makes certain changes to its operations to cut costs and improve efficiency of mass transportation.

“Frankly, we are baffled at the position of the Allegheny Conference,” said North Side/ North Shore Chamber President John Graf. “This is an organization supposedly devoted to economic development. However, there’s no doubt that as we sit here today, if the Drink Tax passes, there will be small, locally owned restaurants, taverns and banquet halls which will be put out of business. That equals lost jobs, shuttered buildings and diminished business activity.”

Consisting of three affiliate organizations – the Pittsburgh Regional Alliance, the Pennsylvania Economy League of Southwest Pennsylvania, and the Greater Pittsburgh Chamber of Commerce – the Allegheny Conference, according to its website, is charged with the mission of “stimulat[ing] economic growth and enhance the quality of life in Southwestern Pennsylvania.” The goal of the Greater Pittsburgh Chamber of Commerce is to “advocate business climate improvements to create an even more competitive regional environment for new and existing businesses”

The Statement condemns the Allegheny Conference’s support of the Drink Tax and Rental Car Fee as being anti-small business.

“The businesses which will sustain the impact of these new taxes are primarily small, locally owned operators,” said Graf. “They will see demand diminish and margins cut as their prices go up courtesy of the County. These small businesses are the drivers of growth in this County, and we cannot fathom why they would be targeted for additional taxation.”

The Statement noted that banquet business, such as weddings, and the business at operations near county borders will likely suffer the most. “With the ease of access to neighboring counties, there’s no doubt that consumers will choose the less expensive choice, which will in every case be over the Allegheny County borders,” stated Graf.

In support of its claim that jobs will be lost if the Drink Tax is imposed, the Statement notes that since a 10% poured beverage tax was enacted in Philadelphia, that county has lost more than 150 liquor licenses according to a July article in the Pittsburgh Post-Gazette. The Statement also points out that alcoholic beverages are already taxed at a rate of 81%, the highest in the nation.

The Statement further refutes the Allegheny Conference’s claim that the Drink Tax and Rental Car Fee are necessary to fund mass transit.

“Tying the Drink Tax and Rental Car Fee to funding the Port Authority is a red herring,” stated Graf. “The state legislation enabling the County to impose these taxes requires only a 5% increase in County funding to the Port Authority to receive state matching funds. That’s less than \$2 million based upon the County’s previous funding levels. These new taxes are expected to raise at least \$30 million. Where does the extra money go?”

According to the Statement, the extra tax monies are needed to fund a systemic County deficit in general operations, which has ranged from \$15 million to approximately \$30 million this year.

“The Allegheny Conference should be advocating fiscal responsibility and belt tightening on behalf of the County, not new taxes,” stated Graf.

About the North Side/ North Shore Chamber of Commerce

Founded in 1897, the North Side/ North Shore Chamber of Commerce (NSCC) began helping merchants at the turn of the century in the North Side Market District. The NSCC is a service organization that creates, develops, and fosters a supportive climate that serves the interests of its members. With over 200 members both large and small, the Chamber is a resource for services that help to promote, maintain and enhance business activities on the North Side and North Shore.