

NEWS FROM  
**FACT**

FRIENDS AGAINST COUNTERPRODUCTIVE TAXATION, INC.

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**IMMEDIATE RELEASE**

interview availability:  
Tom Baron, Kevin Joyce

## **HOSPITALITY INDUSTRY CHALLENGES COUNTY EXECUTIVE ONORATO: WHERE IS YOUR STUDY, DAN?**

PITTSBURGH, November 30 – FACT today issues a challenge in response to County Executive Dan Onorato’s mocking dismissal of an economic impact study whose calculations confirmed the common-sense conclusion that the proposed single-county drink tax would constitute bad public policy:

### **Where is your study, Dan?**

FACT also encourages every county council member to insist that council be provided with adequate economic impact information before agreeing to vote on whether to impose a new tax whose effect on the county economy would be measured in the tens of millions of dollars.

CONSAD Research Corporation on Thursday issued a study indicating that the expected economic consequences of a 10 percent single-county drink tax would include lost jobs (especially entry-level jobs); failed restaurants, business migration to contiguous counties; and an overall depression of economic activity that would reduce receipts from wage, sales and other taxes.

After hearing the County Executive deride CONSAD’s study as “irrelevant” and “not even a study,” Tom Baron, FACT chairman, issued this statement:

“Thursday’s events were numbingly disappointing. We had asked Mr. Onorato long ago for the economic impact analyses

on which he relied in dragging this new tax proposal back from Harrisburg. We asked the Allegheny Conference for its studies. We heard council members ask for the study. For months we waited, assuming that our elected officials and civic leaders had the information and would make it available.”

“When we recognized that, to our amazement, no one had performed an economic impact analysis, we commissioned CONSAD – chosen because we determined that CONSAD would have been expert engaged by the County Executive had he bothered to do his homework – and now have provided CONSAD’s report to council members who requested it.

“Mr. Onorato’s mocking dismissal of CONSAD’s work, coupled with his apparent failure to gather any facts throughout the entire period in which he has been championing this new tax, is as depressing as the prospect of a counterproductive tax and as inexplicable as our County Executive’s brutal lobbying in pursuit of the 10 council votes he needs, but does not yet have, to impose this new tax on our county.”

FACT also endorsed this statement by Kevin Joyce, chair of the Pennsylvania Restaurant Association and proprietor of Pittsburgh’s The Carlton restaurant:

“We know Mr. Onorato isn’t sure his threats and horse-trading with council are working, so maybe his desperation provoked his reaction before he considered that the natural response from council and the public would be, ‘OK, then, Dan – let’s see YOUR study.’”

“I challenge Mr. Onorato to reveal the impact study he relied on. Show the public. Do it now.

“I am comfortable issuing this challenge because I know Mr. Onorato can’t respond. We know that his representatives contacted people in our industry to ask for basic information

about how much money his proposed drink tax would generate – and we know that he made those calls AFTER he made his deal in Harrisburg, AFTER he submitted the tax to county council, and AFTER we asked him for the information that might explain why he was pushing so hard for a new tax that everyone – including our County Executive – admits is a bad idea.”

“Mr. Onorato has never even asked the relevant questions: What will the economic impact be? How much will the depression of economic activity hurt collections from other taxes? How many jobs will be lost? Whose jobs will they be?”

“For anyone wondering how our region got into this uncompetitive condition, Dan Onorato’s decision-making method on the proposed new drink tax is a case study in itself. Every restaurateur I know is more careful about choosing the Soup of the Day.”

# # # END OF RELEASE # # #

**ABOUT CONSAD:** CONSAD Research Corporation is an independent research firm launched by Wilbur A. Steger in 1963, building on the intellectual foundation of his first employer, the RAND Corporation. Dr. Steger and CONSAD have performed policy analysis for and advised the White House staffs (and often the Presidents) during the Kennedy, Johnson, Nixon, Ford, Carter, Reagan and Bush administrations on a wide range of economic issues. On all matters, neither Dr. Steger nor CONSAD takes a policy stand, being satisfied to draw out and report the economic impact fallout of any proposed or extant public policy. CONSAD is located in Pittsburgh.

**ABOUT FRIENDS AGAINST COUNTERPRODUCTIVE TAXATION, INC.:** FACT is a local business league incorporated in Pennsylvania to promote the interests of, and in particular to educate the public and elected officials with respect to, southwestern Pennsylvania’s hospitality industry.