



May 25, 2016

SBN Statement on Proposed Container Tax

Dear Philadelphia City Council Members:

We are writing to ask that you reject the proposed container tax as an alternative to the sugary beverage tax.

After carefully considering the implications of a container tax, the Sustainable Business Network concludes that the container tax proposal falls far short in its ability to fully and fairly fund programs that will dramatically improve education for children, quality of life for neighborhoods, and the overall growth of Philadelphia's economy.

Several weeks ago, SBN was given a mandate by its members to stand in support of the Mayor's sugary beverage tax proposal. Our members supported the tax because the revenue from this tax will be directed towards programs—including universal pre-k, community schools, Rebuild, and the Philadelphia Energy campaign—that can significantly impact poverty and improve Philadelphia's economy in the process.

Our members supported the sugary beverage tax despite criticism that it is regressive because of the high degree of choice offered by the tax. If distributors choose to pass the tax on to retailers, retailers can still choose to carry tax-exempt beverages. If retailers decide to pass the tax down to consumers, consumers have the ability to purchase healthier, tax-exempt options.

The biggest downfall of the proposed container tax is that it takes away this element of choice for our most vulnerable residents and businesses.

Levying a tax on all beverage containers holding over 7 ounces of fluid (with milk as the sole exemption) would disproportionately impact the affordability of basic healthy foods, including water and 100% fruit juices. We would be moving from a tax option that could be avoided by residents and business with little resources, to what is essentially an unavoidable flat tax. *This tax would be deserving of the "grocery tax" moniker unfairly attached to the administration's proposal.*

It should also be noted that with the container tax option, we'd lose the ability to reap the health benefits generated by a tax that is only levied on beverages containing added sugar, which holds the promise of creating healthier communities, overall. This is significant, as diabetes now affects 15 percent of Philadelphia residents, a number that climbs near 20 percent for African American residents.

Additionally, this proposed container tax is not put forward with an option to recoup funds through recycling, which would make the tax more palatable in its impact on our city's sustainability efforts.

We are at a crossroads in Philadelphia. In the face of a state legislature holding fair and equitable school funding hostage, we now have an opportunity to direct a powerful local investment to improve the welfare of our youngest citizens. After decades of under-investment, we now have an opportunity to rebuild parks, libraries, and recreational centers, within our communities. And in keeping with Philadelphia's goal to be the "greenest city in America," we have the opportunity to improve energy-efficiency in city properties, while also creating scores of clean-energy jobs.

The members of the Sustainable Business Network support the Mayor's sugary beverage tax proposal because we realize that it is the fairest and best way to finance the social infrastructure of a sustainable economy. We urge our leaders in City Council to also coalesce around the sugary beverage tax as the best option to move our city's economy forward.

In partnership,

Jamie Gauthier

Executive Director
Sustainable Business Network