

JOINT COUNCIL No. 16

INTERNATIONAL BROTHERHOOD OF TEAMSTERS



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TESTIMONY OF JOHN O'NEILL
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Thank you Senator Duane, and esteemed members of the committee. It's an honor to be here today, and to address you on behalf of my union, the Teamsters Local 812. My name is John O'Neil, and I am here on behalf of our over 4,000 members, and with the full support of the Teamsters Joint Council 16, which represents over 125,000 working men and women across the State, to express our vehement opposition to all proposals for a sugar beverage tax.

The proposed excise tax in the Governor's 2010-2011 Executive Budget, which would charge \$7.68 per gallon for beverage syrups and \$1.28 per gallon for bottled soft drinks, powders, or base products unfairly targets an industry generating billions of dollars in economic activity and wages annually.

We are very concerned about the fiscal crisis that our country and state is currently facing. With New York State facing an enormous deficit, we understand that it is necessary to make tough cuts in services and raise some taxes and fees. However, new proposed taxes need to be equitable, fair, and not target particular workers or industries. This tax creates a disparate impact on one industry without any real justification.

Scientific research does not support the belief that non-diet sodas contribute to obesity any more than any number of other foods. Singling out one food or drink over another is counter-productive to the pressing need to fight obesity.

Equally as important is the harm such a tax would do to a successful industry in New York State. Teamsters Local 812 represents 4,000 members, many of whom are in the soft drink industry, primarily at Coca Cola and Pepsi. A tax on non-diet soda will threaten the six production facilities where 812 members work. These jobs provide solid wages and benefits that help support a middle class lifestyle. The average rate of pay is \$50,000 per year with pensions and health coverage worth an additional \$16,000 per year.

According to the American Beverage Association, this industry supports 160,000 jobs in New York State, pays \$6.7 billion in wages and supports \$25 billion in economic activity. To single this industry out for an excise tax is a costly mistake.

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This is an industry, with thousands of good paying jobs, that has been hit hard, by both the recession and last year's passage of the costly Bottle Bill. In these tough economic times, New York cannot afford to bleed anymore middle-class jobs.

We agree that New York needs comprehensive action and shared sacrifice but the syrup excise tax does not embody those objectives.