

**TESTIMONY OF THE GREATER PHILADELPHIA CHAMBER OF
COMMERCE**

ON CITY COUNCIL BILL 050063

MARCH 7, 2005

Good afternoon Chairwoman Tasco and members of the Committee on Public Health and Human Services. I am Joe Mahoney, Executive Vice President of the Greater Philadelphia Chamber of Commerce. I am here today to testify in support of Bill 050063, which will prohibit smoking in public places.

The Chamber's decision to support the smoking ban was not entered into lightly.

Only a few years ago we were among a group of businesses who actively opposed the idea of regulating smoking based upon the costs that that legislation would impose on smaller businesses, particularly those in the hospitality industry.

As they say, that was then and this is now. The world has changed and there are now models that have demonstrated that the economic sky will not fall.

This legislation is different.

There are not the carve outs that were in the last bill, and many in the hospitality industry have recognized that this legislation will enhance, not hurt their businesses.

The new models that I referred to are the example and experience of New York and Boston. There are many other examples as well.

As a business advocacy organization, our concerns have revolved around the economic impact on businesses that implement this policy. The health effects are undeniable, both on patrons and employees, but the economic impact was at the heart of our analysis.

New York provides us with a stunning example.

In a report issued by the New York City government agencies one year after the smoking ban was instituted, business tax receipts in restaurants and bars were up 8.7%. Employment had also increased by more than 10,000 jobs.

In the 2004 Zagat New York City Restaurant Survey, 23% of respondents said they are eating out more often because of the smoking ban while only 4% indicated that they are eating out less.

A September 10, 2003 story from Boston University's Daily Free Press reports that "expected opposition to the law has been almost non-existent, bar owners said early this week." The story goes on to cite an establishment called Kinvara and states "It hasn't only been the air quality that has improved at Kinvara since the law was implemented-business at the bar has also picked up."

Other cities have had similar results. In El Paso, Texas, the Texas Department of Health and the CDC analyzed sales tax and mixed-beverage tax data during the 12 years preceding and 1 year after the smoking ban was implemented.

The results showed no statistically significant changes in restaurant and bar revenues after the smoking ban took effect. Similar results were also reported in Toledo, Ohio.

Our neighboring state of Delaware implemented Delaware's Clean indoor Air Act on November 27, 2002.

Despite some fears that the smoking ban would have dire economic effects in the hospitality sector, comparative data shows that business remains steady.

Eating and drinking establishments have not gone out of business in Delaware.

In fact, data shows an increase in the number of restaurant and taproom licenses since the smoking ban took effect.

In viewing areas as different as Boston, New York and El Paso it is hard to imagine that the experience in Philadelphia will be different.

Internationally the movement to ban or restrict smoking in public places is underway.

Ireland went smoke free last year.

And as of February 7, 2005, smoking in stores, theaters and other public places is prohibited in Havana, Cuba.

Bans or restrictions are also in effect in Italy, Spain, Australia, South Korea, Norway and a host of other countries.

On February 27, 2005, a United Nations treaty went into effect that would put stronger warnings on cigarette packages and eventually ban tobacco advertising and sponsorship.

The World Health Organization cited that tobacco kills 4.9 million people a year and that number could grow to 10 million by 2020.

In our deliberations on this issue, we noted that some establishments that were opposed to the ban when last proposed had also rethought their positions this time around.

Museum Catering cited the competitive advantages of marketing to the 78% of non-smokers in the suburbs. Others have told us

quietly that they could accept the ban as long as it applied to all and that there were not exceptions for competing venues.

Besides the issues of dollars spent by patrons, the costs of healthcare for both smokers and those exposed to second hand smoke are also issues that will weigh on the costs of doing business.

Philadelphia is a world-class city that has long touted its rich medical and pharmaceutical history.

By enacting this smoking ban, we will demonstrate to the world that we are serious about creating a more healthy environment for all of our citizens while at the same time creating a hospitality environment that is truly in touch with a majority of visitors from not only our own country but around the world.

Thank you for this opportunity.