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## < Fate Of Philadelphia's Soda Tax In Limbo As It Faces Legal Challenge

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ROBERT SIEGEL, HOST:

The beverage industry is taking on the city of Philadelphia. The city council voted last summer to impose a tax on all sweetened drinks. That got a lot of buzz. Three other cities followed suit with similar measures. But soda makers have not given up. They have sued Philadelphia, and judges in a Pennsylvania appeals court are expected to hear oral arguments tomorrow. NPR's Allison Aubrey reports.

(SOUNDBITE OF TRAIN BELL)

ALLISON AUBREY, BYLINE: I'm on a train riding up to Philly, and I'm reading a report from the mayor's office. The Philadelphia mayor says the tax on sugary drinks is working. From his point of view, the city has collected about \$12 million dollars in revenue.

UNIDENTIFIED MAN: Philadelphia will be our next station stop.

AUBREY: But the future of the city's sugar tax is uncertain. The American Beverage Association, which represents big soda companies, together with the Pennsylvania Trade Association, representing convenience stores and supermarkets, are suing the city.

LARRY CEISLER: We want this tax to be repealed and to go away.

AUBREY: That's Larry Ceisler, a spokesperson for the Ax the Bev Tax coalition. He says it's having a negative impact on everyone from corner stores to beverage distributors.

CEISLER: What's happening here is business is down, and it's very difficult for them.

AUBREY: I pick up on this frustration even before I leave the train station. I stop at a small eatery in the food court and put a drink on the counter.

Hey, if I wanted to buy this ginger ale, how much is it?

RYAN MORRISEY: Two-forty-eight.

AUBREY: That's vendor Ryan Morrisey (ph). He tells me the 32-cent tax on this bottle of soda may not sound like much, but some people have stopped buying drinks.

MORRISEY: A lot of people complain about this. Two out of 3 people will say no to soda. And they'll pick a juice or something or not at all.

AUBREY: So you see this impacting your sales.

MORRISEY: Yes.

AUBREY: Local distributors say their sales are off by as much as 45 percent. One, Canada Dry, has laid off about 30 people, including drivers and workers who stocked the shelves.

MORRISEY: I think that it's unfortunately unfair.

AUBREY: But not everybody sees it that way. Pee Wee Prep Educational Center is a preschool in West Philly that has expanded thanks to revenues from the soda tax. I decide to pay a visit, so I hop in an Uber.

There's a lot of boarded up houses here.

AL MCCLAIN: Yeah, you see that.

AUBREY: That's my driver, Al McClain (ph).

MCCLAIN: You drive around the city, and it's like, OK, well, what's going here?

AUBREY: More than 400,000 Philadelphians live below the poverty line, including 37 percent of all the kids in the city.

UNIDENTIFIED CHILDREN: Pee Wee Prep is right on time.

AUBREY: Stacy Phillips is the founder and CEO of Pee Wee Prep. She says it makes sense to invest in these kids.

STACY PHILLIPS: I'm thrilled. I'm happy about the soda tax.

AUBREY: With revenue from the tax, she's added 90 kids to her roster.

PHILLIPS: A lot of the children that come here are what I consider our couch-to-the-classroom children.

AUBREY: What does that mean, couch to the classroom?

PHILLIPS: Well, prior to being in class, they were sitting on a couch, watching TV.

AUBREY: The city has put further expansion of pre-K funding on hold pending the results of the lawsuit. And recent polls suggest that many Philadelphians hope the tax does go away. People I spoke to said they love the idea of helping kids, but they say the city should find another way to fund pre-K. I met Dan McFadden (ph) as he took a stroll during his lunch break near Independence Hall.

DAN MCFADDEN: I live here, and I make a good wage. And I pay a significant portion of that to the city of Philadelphia, so why do they have to keep whacking us? I don't know.

AUBREY: As the industry and the city prepare to face off in court, one big argument for soda taxes hasn't been talked about very much. Studies show taxes can nudge people to consume less sugar, a key strategy for fighting obesity and diabetes. So as I head out of town, I wonder if the taxes lead Philadelphians to think about their health. Roland Pascasio (ph) was sitting in a coffee shop near the train station. He tells me he stopped buying two-liter bottles of soda. They were too expensive.

ROLAND PASCASIO: So I'd say I drank less soda, about half as much.

AUBREY: Pascasio says he was not in favor of the tax, but he likes the result.

PASCASIO: The fact that I drank less, you know, I've lost weight. So it's - yeah, it's a nice thing.

AUBREY: Allison Aubrey, NPR News, Philadelphia.

(SOUNDBITE OF CHICANO BATMAN SONG, "RIGHT OFF THE BACK")

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