

POLICY BRIEF

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A Letter To Santa Claus

Dear Santa,

We know that you are very busy making your list and checking it twice, so the staff at the Allegheny Institute thought we would help you sort through some of the naughty and nice developments from 2001.

Naughty

- Democrats on County Council for trying to force through a redistricting plan that would have shifted one-third of the County's residents into new districts. The plan is being challenged in court. The Grinch was not successful in stealing Christmas; will Council Democrats be successful in stealing Republican seats?
- U.S. Justice Department and Congressional leaders for raising the anti-trust concerns that derailed the potential merger of USAirways and United Airlines. At the time the Justice Department warned that consolidation would only harm consumers and the economy. Post September 11th Congressional leaders and industry experts are now reversing themselves by calling for industry consolidation. Too little, too late.
- City Council for passing a living wage ordinance in May. The City believed that it would be protected from the downsides of the ordinance when the County enacted its own living wage law. Mayor Murphy claims that without the County's version of the law the City will be at a disadvantage and be subjected to increased costs. City Council has agreed to delay implementation of the law from January 1 to April 1, 2002. This could be an April fool's joke the City cannot afford.
- City of Pittsburgh officials for suggesting a boost in the amusement tax to 10% and adding an additional 10% tax on alcoholic beverages at hotels, taverns, clubs, and sporting events. Any move by the City to raise the amusement tax will run afoul of the RAD law whose money was used to replace the loss in amusement tax revenue when it was rolled back from 10 to 5%. Will an egg nog tax be next?
- Pittsburgh Stadium Authority for opting to continue its existence even though it has no stadiums to manage. The new stadiums are now under control of the

Sports and Exhibition Authority. More political chicanery from the folks who brought us "Plan B".

- Lazarus Department Store. The public investment in the struggling retailer continues to have a low rate of return. Bringing tax dollars back from the dead will require more than your average Christmas miracle. Can you say "bad TIF"?
- North Shore Connector. Port Authority officials announce plans to misuse \$400 million in taxpayer dollars to put light rail under the Allegheny River with its only stops at PNC Park and Heinz Field. Another idea that's all wet.
- Pittsburgh Public Schools. Performance on achievement tests continue to fall well below state averages while per student costs rank among the highest in the nation. Santa needs to put a clue in their stockings.

Nice

- Reverend James Simms. Co-author of the County's living wage ordinance, Reverend Simms delivered the critical "no" vote to defeat the proposal. Perhaps a visit from the ghost of budgets yet to come changed his mind.
- The Pennsylvania Department of Environmental Protection. The state DEP renewed the permits of local companies to continue dredging operations on our rivers. Proves that intelligence and public officials can peacefully co-exist.
- Pittsburgh International Airport. Fosters the arrival of discounters such as Air Tran to offer local travelers lower fares. Even though major carrier USAirways' future may be uncertain, Air Tran's success is very encouraging. Santa would be welcome to land his reindeer there any day.
- New Pittsburgh Public School Board. We hope that the new board will bring about positive reforms. After all, this Holiday Season is about hope.
- Allegheny Institute supporters, board of advisors, and board of trustees. Keeping the flame of freedom shining bright this Holiday Season and all year long.

The staff at the Allegheny Institute would like to wish all of our Policy Brief readers a warm and Happy Holiday Season and a prosperous New Year.

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