

QUEENS CIVICS OPPOSE WATER "TAX" INCREASE

Queens Civic Congress President Sean M. Walsh noted his dismay at the New York City Water Board hearings today (Wednesday, April 22, 1998) when he learned that none of the commissioners were present and he was reading his statement opposing the City's proposed rate increase to a stenographer. Councilman McCaffrey also voiced his anger at the failure of the commissioners to attend the hearing. Michael Sinansky the Borough President's representative and Councilman Sheldon Leffler voiced their objections to the proposed rate increases. QCC President Walsh echoed their comments and noted that the water tax was a hardship for many.

The testimony of QCC President Walsh follows:

Thank you for the opportunity to testify before you today. My name is Sean M. Walsh. I am President of the Queens Civic Congress which is an umbrella group representing over eighty five civic associations throughout all of Queens. We strongly object to any increase in the water rate.

The Water and Sewer Tax is a use tax which should be dedicated to the operation and maintenance of the city water supply and treatment facilities. Traditionally, use taxes have been used to regulate the cost as well as promote conservation. Use taxes are regressive in nature and burden the poor and stifle business development. When one considers that water is an essential element for life and a necessary commodity in business, it is incumbent that the Water Board keep the rate as low as possible.

While it is true that the proposed rate is one of the lowest proposed, it must be put in context that it is one in a series of high increases. Since the inception of metering in 1982 the cost of water has increased more than four fold. While it is true that New York's water rate is in the median range of cities across the nation, this must be balanced against the fact that New York tops all cities in all other tax categories and New York has a relatively cheap access to a water supply.

By New York City including capital costs related to building new water supply and treatment facilities and the transfer of pre 1982 capital infrastructure bond debt to the Water Board, the water tax is no longer a use tax aimed at usage. For no other service in the New York City are citizens directly taxed for capital costs based on usage of the service. Therefore, we call for the removal of the capital costs from the calculation of the rate structure and a reduction in the water and sewer rates. Capital costs for water supply and treatment facilities should be funded directly from the general New York City capital budget.