

The tariff elimination schedule which pertains directly to the transportation industry includes the following:

- Airbrakes for railroad cars: Immediate elimination of tariffs on January 1, 1989.
- Subway cars: Elimination in 5 cuts of 20% each beginning on January 1, 1989.
- Rail cars: Elimination in 10 cuts of 10% per year beginning on January 1, 1989.

Proposed Legislation:

H. NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

As previously mentioned the formation of the North American Free Trade Agreement (NAFTA) will result in the world's largest trading block of the United States, Canada and Mexico with a \$6 trillion market and 360 million people.

As of March 1993, President Clinton is seeking side agreements to NAFTA concerning worker rights and environmental protection. The bill is expected to pass and become official on January 1, 1994.

I. U.S. BUDGET/DEFICIT REDUCTION PLAN

Part of President Clinton's deficit reduction plan calls for an energy tax that, if instituted, will affect all industries. This energy tax will be based on the British Thermal Unit (BTU). Industries such as the trucking and rail industries are extremely concerned about this proposal and the impact it will have on the cost of delivering goods. Marine and water transit operators are also concerned about how much the proposed energy tax will increase fuel prices.

State Legislation:

J. MASSACHUSETTS INTERMODAL TRANSPORTATION AUTHORITY (MITA)

This legislation proposed by Massachusetts Governor William Weld in April 1992 seeks to consolidate all of the 19 separate authorities, departments and commissions that currently operate Massachusetts transportation modes. The purpose of the proposed legislation is to eliminate and reduce layers of bureaucracy that have grown over the years.