

MARKET DRIVERS

The issues that have driven and will continue to drive national and New England EPS markets are many. By far the biggest drivers are the continuing international concern about saving, protecting or restoring all aspects of the environment, and an increasingly complex environmental regulatory climate by local, state and federal agencies. Different segments of the EPS market in New England will respond differently to different issues, laws and regulations and will grow or decline accordingly. A recent report by Richard K. Miller Associates defines the market drivers for the environmental industry as follows:

1. **Emphasis on Environmental Issues:** the 1990s will be an era of increased concern about environmental issues.
2. **Environmental/Economic Interdependency:** ecological and economic concerns are interdependent and must be integrated from the start in decision-making, not just to protect the environment but to promote long-term economic development.
3. **Regulations:** All levels of government are introducing new legislation to meet the global environmental challenge and are thereby opening new possibilities for innovative technology.
4. **Environmentalism in the Corporate Strategic Plan:** Manufacturers should be concerned with ozone depletion, recycling materials, hazardous waste management, air pollution, and the broad spectrum of environmental issues. It is good business in the eyes of the public.
5. **Environmentalism and The Corporate Image:** Positive environmental actions can have a positive public reaction. Investment firms advise clients on which companies promote good environmental practices, and recommend investments in these companies.
6. **The Pressure of Environmental Enforcement:** Between 1983-1990, 809 indictments for federal environmental crimes had been reported and \$70.3 million in fines.
7. **New Directions:** Annually, North American manufacturers spend in excess of \$100 billion on pollution control measures and equipment. "End-of-pipe" often only succeeds in transferring pollutants from one medium to another and is a nonintegrated approach to waste management. Government, the industrial community and trade associations are endorsing a revolutionary approach to waste management called waste minimization or pollution prevention.
8. **Rank-Ordering Priorities:** Indoor air pollution, pesticides and drinking water are the greatest risks to human health. EPA's New England region cited ambient ozone pollution as the greatest health problem, followed by radon and lead. Indoor air, radon and pesticides receive relatively little attention by EPA.
9. **Potential Environmental Backlash:** While the Clean Air Amendments were being passed at the federal level, a number of environmental initiatives were defeated in state elections in 1990. It also appears that some environmental dangers have been overstated: asbestos exposure in buildings does not pose the health threat previously thought, and an asbestos backlash has occurred. The health impacts of radon and dioxins are less than previously estimated.