

IV. MARKET ASSESSMENT

Although New England is a small part of the total U.S. market for EPS, it is important to understand the national scope of the market in assessing New England's EPS potential.

The \$100+ billion per year EPS market is large and growing. Major sources requiring control are industrial, municipal and utility-owned. Most EPS purchased in the U.S. by a variety of decision-makers, businesses and institutions are interrelated or tied together in systems. Many of these products and services are manufactured in foreign countries, including Canada, then marketed in the U.S. The degree to which these products and services are successfully marketed in New England depends on the environmental needs of local, state and federal governments, consumers, businesses, utilities and institutions in the area. This is largely a factor of the amount of air or water pollution, solid landfill and hazardous waste produced in each New England town, city, region or state.

MARKET STRUCTURE

The environmental market consists of four basic segments: air pollution control, water and wastewater treatment, solid waste disposal, and hazardous materials management. Significant trends affecting the market include the following:

The U.S. Environmental Protection Agency is forecasting any annual market for pollution control and waste management at \$185 billion by 2000. 2% of the nation's total capital investment will be spent on pollution control equipment.

Land resource protection will account for 34% of total pollution control expenditures in 1997. Water protection costs will account for 36%.

It will cost federal, state, and local governments over \$80 billion in the next 20 years to build and improve publicly-owned sewage treatment facilities.

The Chicago Board of Trade will begin trading pollution futures in 1993, a process authorized by the Clean Air Act Amendments.

In 1991, over \$1.75 billion was recovered in civil penalties, private party cleanup commitments, and EPA cleanup cost recoveries.

In 1991, Superfund defendants were required to undertake hazardous waste cleanups of \$843 million and through both referrals and settlements to pay EPA \$308 million for EPA's past cleanup costs.

Over 60,000 chemical compounds are in use today by industry and the number of new chemicals increases by 1,000 annually.

The U.S. solid waste industry is maturing.

The environmental legal services market is estimated at \$600 million annually and rising.

22,650 industrial facilities released 5.7 billion pounds of toxic chemicals into the nation's environment in 1989.