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#### 12.1.4 Spending Trends

*How will your operating expenditures for environmental projects change over the next five years?*

- The majority of interviewees anticipate an increase in operating expenditures over the next five years in the range of 10-20 percent annually. The majority foresee increased expenditure but relatively few would disclose actual dollar amounts. In some cases, firms appear to include their environmental spending in capital expenditures and they are thus difficult to separate.
- The manufacturers still tend to be reactive with regard to environmental spending, in that they will comply with, but not exceed or anticipate the relevant regulations. Firms, perhaps moreso in the United States, face quarterly pressures and often view environmental spending as a drain upon quarterly earnings. Firms in the consumer products area tend to be more aware of the need for environmental sensitivity and how this can affect sales and earnings.
- Many of the interviewed firms do not have a separate environmental budget. In these instances, it falls under operating expenses, or health and safety issues.

### 12.2 Other American Sources

In conducting this assignment, we also spoke with a selection of American utilities, engineering consulting firms, universities, and governments regarding their priorities, strategies and activities in the environmental field. Most of these insights are reflected in other parts of this study - this section summarizes some of the more pertinent views.

#### 12.2.1 Engineering Consulting Firms

A number of the firms that we spoke with displayed a willingness to speak with and possibly meet with appropriate Canadian firms. Our experience suggests that American business managers are quite outgoing, enjoy talking, and are quite approachable.

In general, there is a substantial amount of interaction among U.S. engineering firms. Large firms often align with smaller companies to fill certain technical and experience gaps. The geographic location of this expertise is less important than its nature, experience and reputation - as such Canadian firms would not be ruled out. Many of the firms interviewed already have some form of informal Canadian connection, as a result of conducting work in Canada, or having Canadians on staff, etc.

In discussions with U.S. companies, the approach taken by Canadian firms should be along the lines of "we have conducted these types of projects, solved these types of problems, are interested in examining some U.S. opportunities, are interested in working with an appropriate firm to