

ANTICIPATED IMPACT OF THE WIPP CONSTRUCTION AND OPERATION

3.0 PRIVATE SECTOR

The private sector is strong in both Lea and Eddy Counties. However, the economic base in the private sector is rather narrow. Most of the economic activity centers around the mining industry. In Lea County, the oil and gas industry generates more economic activity than any other industrial sector, while in Eddy County, potash mining is the most active sector. In addition to these two basic industry sectors, retail trade and services (normally non-basic sectors) may be considered to be partly a basic industry in Eddy County. This is brought about by heavy tourism traffic in the area of Carlsbad Caverns. The direct impact from this tourist traffic is felt through the retail trade and services sectors.

Other basic industries in the area such as agriculture and manufacturing have substantially less activity than the mining sector. Fertilizer production, i.e., manufacturing of chemicals, is significant in the two-county area and accounts for a significant amount of employment in the total manufacturing sector.

3.1 INDUSTRIAL ACTIVITY

During the construction phase of the WIPP project, certain currently existing industries within Eddy County are expected to receive a substantial