

3.1 INDUSTRIAL ACTIVITY continued

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increase in activity. Because of the nature of construction of the WIPP project, and the needs for specific and highly technical equipment, a significant amount of the construction materials and probably most all of the technical equipment will be purchased outside of the area. However, basic materials going into the construction, such as sand and gravel, rock, certain electrical products, concrete, etc., can be purchased in the area. It is anticipated that during the total construction phase approximately \$17.5 million in new business will flow through the manufacturing sector in the two-county area.

As the Waste Isolation Pilot Plant project moves from the construction phase into the operation phase, the effect on the various economic sectors within the two-county area is expected to change significantly. The operation phase of the WIPP project will be very similar to the warehousing operation, with two exceptions: 1) the mining operation will continue, and 2) at the same time approximately \$2 million annually in maintenance construction is expected.

Under the operation portion of the project the impact upon local manufacturing is expected to be minimal. However, those entities that would experience some impact are paints and chemicals, rubber and leather products, and machinery manufacturing. As a result of plant location in the area, impact may be felt indirectly in the food products area of manufacturing. Impacts to other areas of manufacturing will be minimal. Because the operation phase does not produce a product, but in a technical