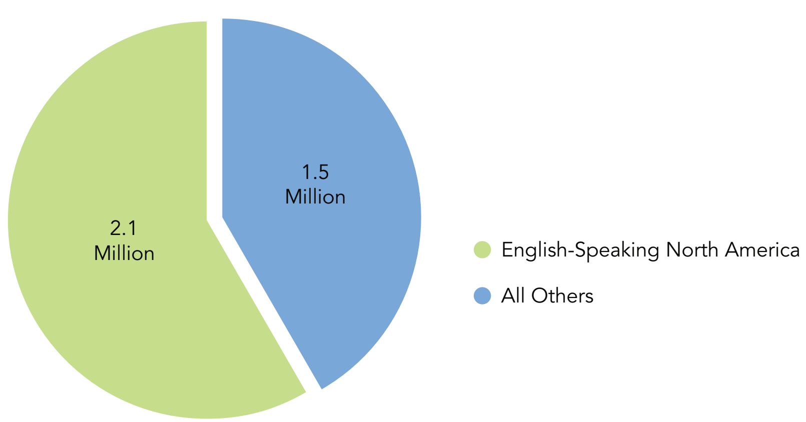
INDUSTRY DATA

The portable sanitation industry represents a small but vital group of businesses around the world. A variety of sources estimates there are about 3.6 million portable restrooms in service around the world, with English-speaking North America representing between 2.0 million and 2.2 million of that total.

The PSAI provides a report on the size and scope of the portable sanitation industry annually. Our numbers are estimates only. There is no international mechanism for gathering and reporting business data, and nearly all portable restroom companies are privately held. Hence, the nature of our industry makes it difficult to gather detailed data from businesses that have varying reasons for not disclosing it.

Though there are few sources of verifiable data—and even data that have been published is often based on assumptions and extrapolations—we can get a general picture of the health of our industry by looking at multiple sources. Several of these sources group portable sanitation with complementary industries such as "septic tank and related services," and parsing this information requires further inferences. Nevertheless, by consulting and comparing the data available, trends and indicators of our industry's current condition emerge. We can also provide a forecast for the next few years since data for most of the industry drivers are available.[1]

Single-Cabin Portable Toilets in Service Globally
3.6 Million Total



[1]The information in this article is derived by reviewing a variety of sources and comparing it with internal PSAI data to provide the estimates shown here. Sources include, but are not limited to, US Bureau of the Census data from 2012–2017 (the latest available) for firms categorized under NAICS codes 562991 (septic tank and related services) and 5629912 (portable toilet rental; a subset of 562991); IBISWorld's October 2018 report on Portable Toilet Rental, as well as its November 2018 report on Portable Toilet Rental and Septic Tank Cleaning in the United States; Pell Research/AnythingResearch 2019 Report on Septic Tank Services (which includes the portable sanitation submarket); Fior Market Research on the global portable toilet rental market for 2018–2022; The Organisation for Economic Cooperation (OECD) report on the economic outlook for 2019 and 2020; The Conference Board Economic Forecast for the US Economy 2019–2020; Construction Analytic's 2019 Construction Economic Forecast; and information from PSAI Members.

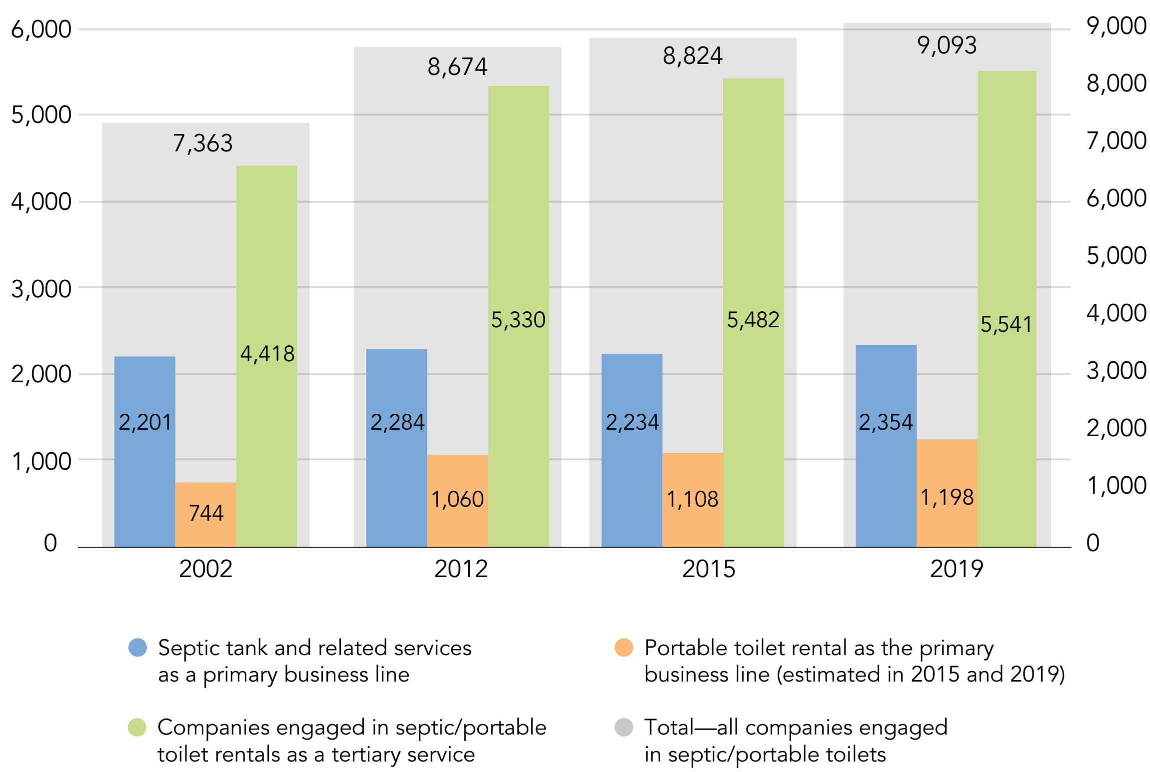
Size and Scope of the Industry

The portable sanitation industry is categorized by the North American Industry Classification System (NAICS) using code 5629912 for "portable toilet rental." The category is a subset of code 562991 encompassing "septic tank and related services;" various agencies of the United States government report data only under 562991.

Portable sanitation is complementary to several other business lines, including solid waste removal, construction rental and support (equipment/fencing/barricades), party and event planning, and temporary storage, among others. Many of the companies providing these other goods and services report their business results under different NAICS codes and would not be shown in the government's numbers for the portable sanitation and septic industry. Hence, we must turn to published documents from other resources for data that helps flesh out the full picture of our industry.

We estimate as of 2017 there were 9,093 establishments in the United States involved in providing septic services and/or portable toilets as at least a tertiary service. Of these, some 3,552 were firms in which septic pumping and portable toilet rental were a primary business line, representing about 39% of the total. About 1,198 were companies engaged primarily in the rental of portable toilets and other sanitation-related equipment, or 13.2% of the total. Year-over-year growth in the number of firms has been about 1% annually since 2012 when the industry's recovery from the 2008–09 recession took hold.

Estimated Industry Size by Number of Business Establishments



Sources: US Census Bureau, IBISWorld, Internal PSAI Data

Portable sanitation companies are located throughout the United States, as shown in the chart below and on the page that follows. As previously explained, there is no worldwide entity that collects data for the portable sanitation industry. This can be attributed to the relatively small size of the portable sanitation industry (likely between 0.01% and 0.03% of the global economy), in comparison to industries for which aggregated data are kept. Limitations of various governmental reporting schemes also contribute to the dearth of available data. Due to these factors, we cannot show a similar chart for the size and scope of the portable sanitation industry worldwide.

The Portable Sanitation and Septic Pumping Industry by State[1]

		ESTABLISHMENTS		
LOCATION	ESTIMATED US MARKET SHARE[2]	2011	2016	5-YEAR CHANGE
Alabama	0.91%	50	45	-10.00%
Alaska	0.30%	20	26	30.00%
Arizona	1.91%	59	66	11.86%
Arkansas	0.46%	27	28	3.70%
California	15.85%	214	224	4.67%
Colorado	2.54%	72	75	4.17%
Connecticut	1.59%	71	69	-2.82%
Delaware	0.28%	10	11	10.00%
Florida	6.98%	163	189	15.95%
Georgia	2.04%	81	90	11.11%
Hawaii	0.54%	14	13	-7.14%
Idaho	0.91%	29	29	0.00%
Illinois	1.59%	86	85	-1.16%
Indiana	1.59%	75	87	16.00%
Iowa	0.74%	50	46	-8.00%
Kansas	0.26%	22	21	-4.55%
Kentucky	0.59%	48	58	20.83%
Louisiana	2.04%	46	44	-4.35%
Maine	0.48%	38	47	23.68%
Maryland	1.50%	61	63	3.28%
Massachusetts	5.11%	92	101	9.78%
Michigan	1.33%	119	106	-10.92%
Minnesota	1.15%	74	91	22.97%
Mississippi	0.37%	26	26	0.00%
Missouri	0.83%	53	53	0.00%
Montana	0.39%	40	44	10.00%
Nebraska	0.39%	24	28	16.67%
Nevada	0.93%	24	22	-8.33%
New Hampshire	1.02%	42	43	2.38%
New Jersey	3.26%	65	58	-10.77%
New Mexico	0.72%	32	40	25.00%
New York	4.37%	197	196	-0.51%
North Carolina	2.15%	104	111	6.73%
North Dakota	0.41%	21	31	47.62%
Ohio	3.76%	125	121	-3.20%
Oklahoma	0.70%	28	40	42.86%
Oregon	1.89%	65	74	13.85%
Pennsylvania	4.43%	148	159	7.43%
Rhode Island	0.41%	18	17	-5.56%
South Carolina	0.93%	44	42	-4.55%
South Dakota	0.22%	16	20	25.00%
Tennessee	1.61%	46	53	15.22%
Texas	9.26%	208	262	25.96%
Utah	0.93%	16	20	25.00%
Vermont	0.11%	21	26	23.81%
Virginia	2.87%	93	90	-3.23%
Washington	3.37%	96	120	25.00%
West Virginia	0.11%	26	26	0.00%
Wisconsin	2.07%	143	150	4.90%
Wyoming	0.43%	20	26	30.00%
TOTAL	**100.00%**	**3,262**	**3,512**	**7.66%**

Sources:

[1] US Census Bureau, 2011 and 2016 County Business Patterns

[2] Total does not equal 100% due to rounding

The Portable Sanitation and Septic Pumping Industry by State[1]

	PAID EMPLOYEES			ANNUAL PAYROLL ($ THOUSANDS)		
LOCATION	2011	2016	5-YEAR CHANGE	2011	2016	5-YEAR CHANGE
Alabama	d	274	NA	8,563	10,433	21.84%
Alaska	105	114	8.57%	4,960	6,397	28.97%
Arizona	319	423	32.60%	10,987	16,914	53.95%
Arkansas	c	141	NA	e	4,964	NA
California	2,067	2,616	26.56%	82,083	118,501	44.37%
Colorado	355	527	48.45%	16,076	25,546	58.91%
Connecticut	375	356	-5.07%	18,580	20,413	9.87%
Delaware	81	88	8.64%	3,503	3,762	7.39%
Florida	812	1,237	52.34%	27,338	48,146	76.11%
Georgia	313	477	52.40%	9,831	19,110	94.39%
Hawaii	106	115	8.49%	4,081	5,657	38.62%
Idaho	177	237	33.90%	5,414	10,138	87.26%
Illinois	367	432	17.71%	14,758	20,047	35.84%
Indiana	490	742	51.43%	19,281	37,828	96.19%
Iowa	191	221	15.71%	6,906	8,628	24.93%
Kansas	b	78	NA	2,320	2,560	10.34%
Kentucky	234	244	4.27%	8,081	9,598	18.77%
Louisiana	541	420	-22.37%	23,348	21,678	-7.15%
Maine	126	163	29.37%	4,882	6,644	36.09%
Maryland	356	423	18.82%	13,894	18,209	31.06%
Massachusetts	522	650	24.52%	28,038	32,541	16.06%
Michigan	467	464	-0.64%	19,946	21,064	5.61%
Minnesota	251	396	57.77%	9,764	16,075	64.64%
Mississippi	c	104	NA	3,756	3,713	-1.14%
Missouri	226	195	-13.72%	7,441	7,453	0.16%
Montana	86	130	51.16%	2,420	3,779	56.16%
Nebraska	137	83	-39.42%	4,473	2,901	-35.14%
Nevada	163	202	23.93%	7,271	9,952	36.87%
New Hampshire	154	187	21.43%	5,712	8,144	42.58%
New Jersey	740	776	4.86%	38,236	51,390	34.40%
New Mexico	206	246	19.42%	6,074	8,829	45.36%
New York	1,090	1,241	13.85%	50,516	66,415	31.47%
North Carolina	487	562	15.40%	14,361	19,673	36.99%
North Dakota	130	140	7.69%	5,985	6,401	6.95%
Ohio	640	776	21.25%	22,160	30,487	37.58%
Oklahoma	167	190	13.77%	4,960	7,079	42.72%
Oregon	360	573	59.17%	13,563	28,035	106.70%
Pennsylvania	1,005	1,203	19.70%	38,819	54,689	40.88%
Rhode Island	73	114	56.16%	3,602	4,666	29.54%
South Carolina	217	287	32.26%	7,057	10,747	52.29%
South Dakota	56	66	17.86%	1,719	2,073	20.59%
Tennessee	199	261	31.16%	6,699	10,794	61.13%
Texas	1,564	2,011	28.58%	59,180	84,887	43.44%
Utah	144	197	36.81%	4,512	9,329	106.76%
Vermont	95	150	57.89%	3,979	7,328	84.17%
Virginia	754	869	15.25%	27,458	38,748	41.12%
Washington	432	981	127.08%	16,817	52,461	211.95%
West Virginia	104	116	11.54%	2,684	3,570	33.01%
Wisconsin	390	522	33.85%	13,745	22,230	61.73%
Wyoming	144	190	31.94%	5,661	7,862	38.88%
TOTAL	**18,620**	**23,210**	**24.65%**	**725,317**	**1,048,488**	**44.56%**

Sources:
[1] US Census Bureau, 2011 and 2016 County Business Patterns
b. 20 to 99 employees
c. 100 to 249 employees
d. 250 to 499 employees
e. Withheld to avoid disclosing data for individual companies; data are included in higher-level totals
NA: Data are not available or cannot be calculated

Key Industry Statistics: US Portable Toilet Rental and Septic Tank Pumping Companies

As of 2018, the total size of the septic and portable sanitation market in the United States is estimated between $4.6 billion and $6.7 billion; sources vary widely and do not provide enough supporting data for us to narrow the range further. The portable sanitation market represents about 30% of the total, so the size of this subset is estimated at between $1.38 billion and $2.01 billion.

US Census collects and analyzes more complete business data every five years. The most recent complete data are from 2012, which the government released in mid-2016. Some additional data points from 2016—which were released in mid-2018—are also included.

Available information depicts an industry that struggled through the recession beginning in late 2007. By 2012 signs of recovery were evident, and the industry has continued to grow through 2016. Note that even as times got better, total employment in the sector decreased by more than 7% through 2012. Operational efficiency appears to be the explanation for this trend. Since 2012, both the number of people employed in the industry and the amount they are paid has gone up considerably. Some of this is due to the growth of the industry overall and some to the increasing competition for workers, especially truck drivers and marketing/sales professionals.

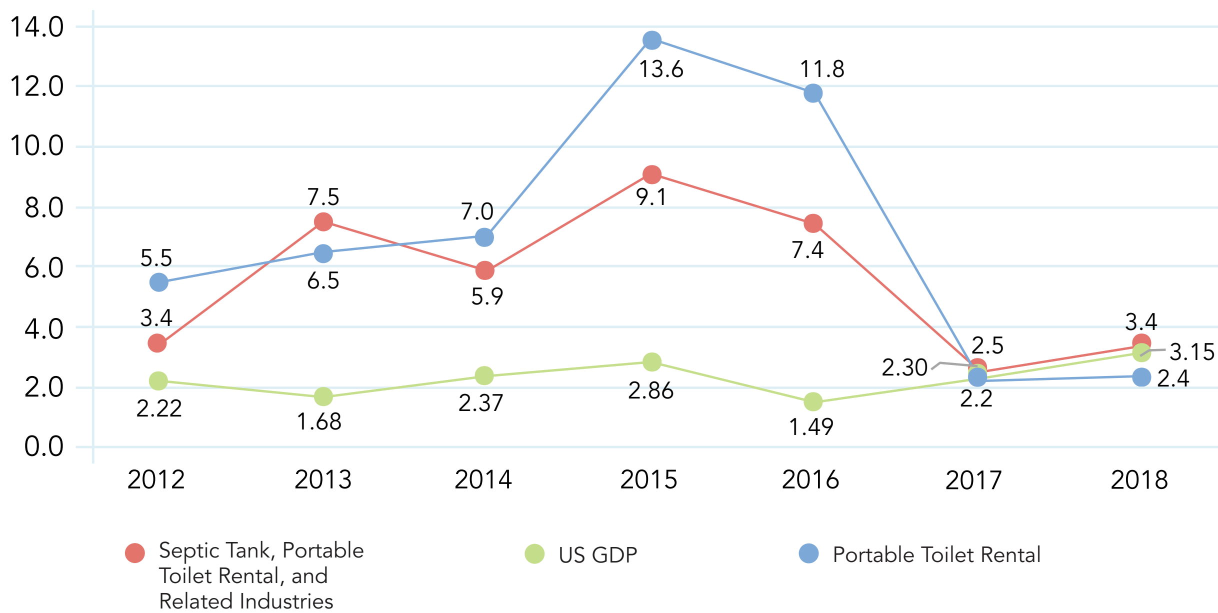
Key Industry Statistics: United States

	1997	2002	2007	2012	CHANGE 07–12	2016	CHANGE 12–16
Number of establishments	3,101	2,945	3,326	3,344	0.5%	3,512	5.0%
Receipts ($ millions)	1,581	1,973	2,553	2,627	2.9%	NA	NA
Annual payroll ($ millions)	514	608	755	766	1.4%	1,048	36.8%
Total employment	19,977	20,457	21,930	20,305	-7.4%	23,210	14.3%
Receipts per establishment ($ thousands)	510	670	768	785	2.3%	NA	NA
Receipts per employee ($ thousands)	79	96	116	129	11.1%	NA	NA
Receipts per $ of payroll ($)	3.08	3.25	3.38	3.43	1.5%	NA	NA
Payroll per employee ($)	25,728	29,713	34,444	37,711	9.5%	45,174	19.8%
Employees per establishment	6.44	6.95	6.59	6.07	-7.9%	6.6	8.9%
Receipts per capita ($)	6	7	8	8	-1.3%	NA	NA
Population per establishment	87,922	97,666	90,569	93,874	3.6%	92,084	-1.9%

Source: US Census Data

Trends. IBISWorld data through late-2018 indicate total revenue for the sector as a whole is around $6.7 billion, and $1.9 billion for portable toilet rental alone. This represents roughly 0.01% to 0.03% of the US gross domestic product (GDP). The industry has posted an estimated average revenue growth rate from 2012 to 2018 of 5% to 8%, outperforming the average US GDP growth of about 2.34% over the same period and generally doing better than the larger waste pumping and hauling industry.

Industry Revenue Growth Compared With US GDP

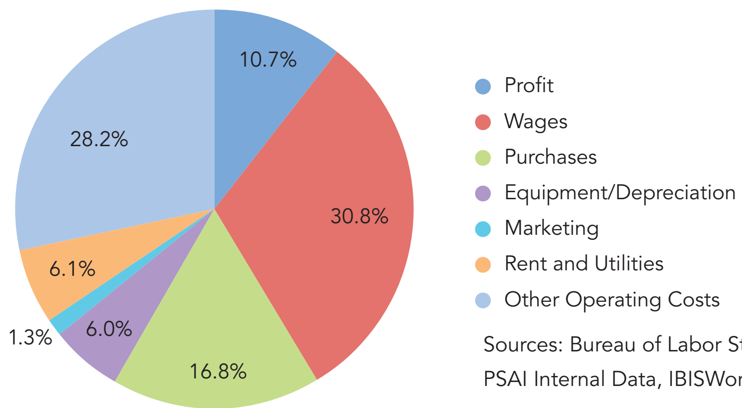


Sources: US Commerce Department (GDP data), US Census Bureau Total Revenue Establishments Subject to Federal Income Tax (Septic Tank, Portable Toilet Rental, and Related Industries data through 2015), Statistica.com (Septic Tank, Portable Toilet Rental, and Related Industries data estimates for 2016–17), IBISWorld

While anecdotal information from PSAI Members suggests that the past five years have indeed been quite good, the degree of recovery cannot be fully assessed because the industry data above does not separate portable sanitation from the larger septic industry. IBISWorld and Fior Market Research both attempt to isolate portable sanitation data, and their analyses produce similar results. Ibis World suggests that portable sanitation alone has been growing at rate of about 7.25% since 2012, with recent slowdowns to just over 2% in 2017 and 2018. Fior's estimate places the growth rate around 7.38% but without a slowdown. Still, both sources indicate portable sanitation has probably been growing slightly more quickly than the larger septic and related services area, and both agree that the industry has been outperforming the US economy overall.

Operating Costs and Profit. Profit margins for businesses engaged in portable toilet rental, septic tank cleaning and maintenance, and services related to these activities have been between 9% and 13% of gross revenue in 2016–18, up from about 7.2% of gross revenue in the prior two years. This compares favorably to the 6.2–6.5% profit margin for all industries. Other operating costs as a percentage of gross revenue are shown in the accompanying pie chart.

Average Expenses and Profit as a Percentage of Gross Revenue (2016–2018)



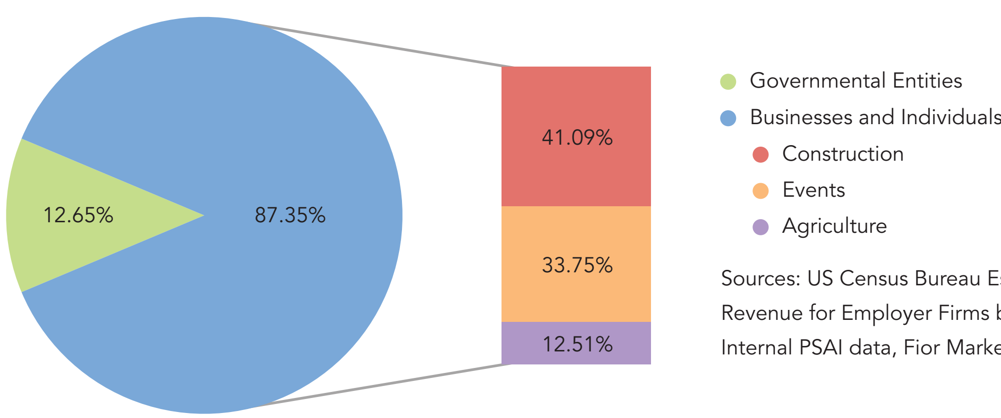
Sources: Bureau of Labor Statistics, PSAI Internal Data, IBISWorld

The "Purchases" category includes all disposal fees, supplies, and fuel, and excludes capital equipment purchases. "Other Operating Costs" includes insurance, selling costs excluding marketing, general and administrative expenses, travel, and legal expenses.

Operating Metrics

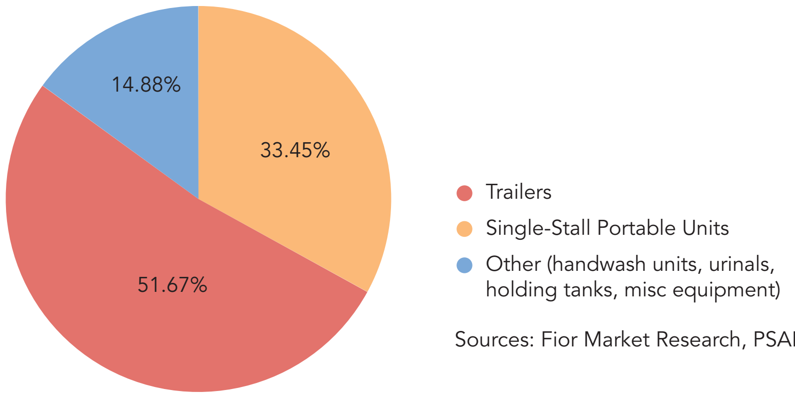
- **Revenue sources.** In general, the portable sanitation industry relies on revenue from businesses, governmental entities, and private parties. The average breakdown of revenue sources for portable sanitation companies and the products and services they most commonly seek are shown below.

Portable Sanitation Revenue Customer Classes as a Percent of Total—2017 Estimates



Sources: US Census Bureau Estimated Quarterly Revenue for Employer Firms by Class of Customer, Internal PSAI data, Fior Market Research

Portable Sanitation Rental Revenue by Equipment Type



Sources: Fior Market Research, PSAI Internal Data

- **Wages.** The PSAI does not have access to actual wages paid by individual portable sanitation companies. Consequently we cannot report on current pay for most positions. The Bureau of Labor Statistics (BLS) does publish data for certain key positions in the waste, septic, and portable toilet rental industries. Those are shown in the table below. Data for office and support positions, benefit costs, and more can also be obtained from BLS by searching at **www.bls.gov/ncs/#tables**.

Earnings by Position
Wages in US$

	MEAN PER HOUR	MEDIAN PER HOUR	ANNUAL MEAN	ANNUAL MEDIAN
General laborers and yard staff	13.15	14.20	27,340	29,540
Septic tank servicers and portable sanitation technicians	17.26	18.21	35,900	37,870
Truck drivers (CDL)	19.56	20.55	40,680	42,740

Source: Bureau of Labor Statistics, Occupational Employment Statistics 2018 for NAICS 562

- **Workplace accidents and injuries.** The PSAI does not have access to accident and injury data. The Bureau of Labor Statistics publishes statistics for the entire waste management industry captured in NAICS code 562, which includes all waste management and remediation services. As such, the data are not completely aligned with the portable sanitation industry as a subset, but the numbers may be helpful for general information.

Rate of Injury and Illness Cases per 100 Full-Time Workers

	2016	2017
Total recordable cases	4.0	4.2
Cases involving days away from work, job restriction, or transfer	2.6	2.7
Cases involving days away from work	1.7	1.7
Cases involving days of job transfer or restriction	1.0	1.0

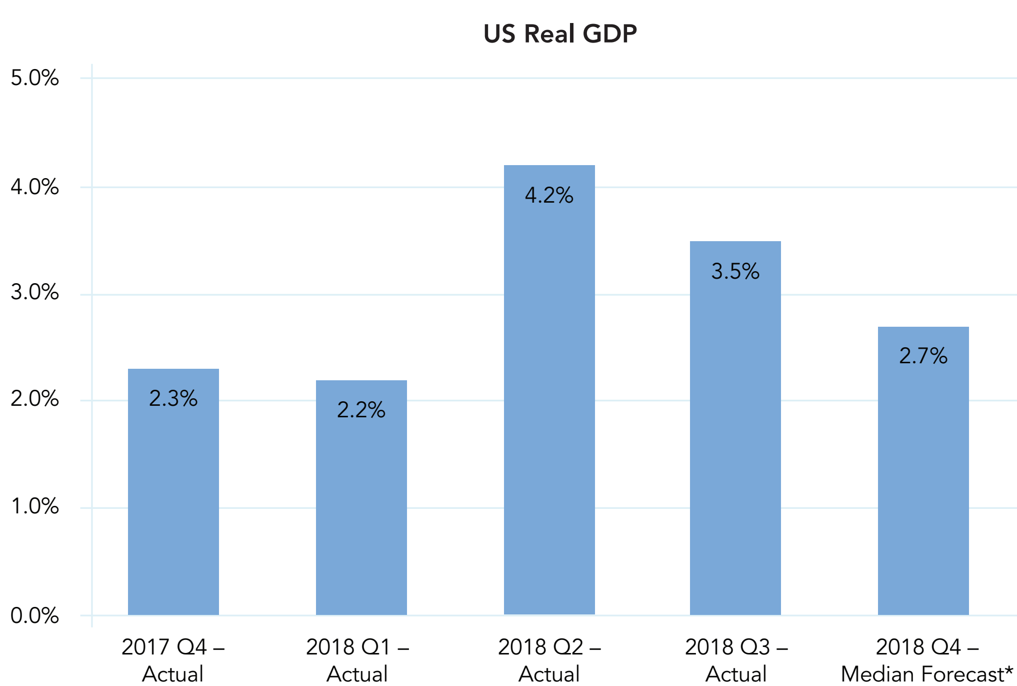
Source: US Bureau of Labor Statistics List of Injuries, Illnesses, and Fatalities for NAICS 562

Outlook

Overall Economic Forecast

Despite the weak market in the last months of 2018, multiple sources believe the odds are against the US economy entering a recession in 2019. A recession is defined as a contraction of the GDP for two or more quarters, and while economic indicators are not likely to be robust, there is consensus that things will not settle into such a protracted decline. More likely we will continue to see volatility and slower growth overall, both in the United States and globally.

In many respects 2018 posted very strong economic growth, with the US GDP rising at an annual rate of 3.5% in the third quarter and at 4.2% in the second quarter, according to the Bureau of Economic Statistics. During the early and middle part of the year, consumers spent more, companies invested in inventories, and local governments maintained their spending, the BEA said. However, things began to slow in the third quarter. The market began to lose significant ground, and by the fourth quarter market volatility and the outcome of the November midterm election resulted in more cautious outlooks throughout the economy. Consequently, experts tempered their forecasts for Q4 of 2018 and business leaders are now looking at 2019 with more caution. A survey of economists by Reuters in mid-December 2018 shows that most expect the chance of a recession in the US is still low, at 35%, although the survey also showed that the median probability of a recession has inched up from 30% in the past month. In early January 2019, Larry Summers, a Harvard economist and former treasury secretary during the Clinton Administration, said there's a nearly 50% chance of a recession by 2020.



*Sources: Actual numbers from bea.gov. Median forecast is a function of December 2018 forecasts for Q4 from US Business Cycle Risk Report, Now-casting.com, CNBC, Wall Street Journal, GDPNow, and the St. Louis Fed NowCast

Factors Impacting the 2019 Economy

The US economy grew the GDP at an annualized rate of 2.7% in 2017, and it got a boost in early 2018 with the Tax Reform Act. Most sources believe the positive impact of these tax cuts will fade as 2019 progresses, while general financial conditions will become less buoyant. Several factors are contributing to the slowing 2019 economic environment.

- **Interest rates** are likely to keep rising, making borrowing costs more expensive for consumers and businesses.
- **Tariffs** are increasing, which will impact sectors that drive construction and consumer spending.
- Wall Street analysts worry that **earnings growth has peaked** as the bull market enters its tenth year, especially in the tech sector.
- An anticipated **slowdown in the global economy** seems to have begun. In mid-November, the Organization for Economic Cooperation and Development lowered its forecast for global economic growth to 3.5% from its previous forecast of 3.7% growth.

While it is early to begin predicting what all this will mean beyond 2019, or what the impact of policy changes that are made in the coming year might be, some experts are predicting the slowdown will continue into 2020.

Portable Sanitation Outlook

Portable sanitation will certainly be impacted by what is happening in the broader economy, particularly as it relates to interest rates and the impact of tariffs. More directly, the demand for portable sanitation is dependent upon three major economic sectors: construction, events, and agriculture. A fourth, emergency and disaster response, is situational and not easily forecast.

Construction presents a mixed bag for 2019. Depending upon the sort of construction contracts your company relies upon for business, the news may be good, sobering, or somewhere in between.

- As of November 20, 2018, Dodge Data and Analytics reported that new commercial construction starts were at their second highest seasonally adjusted rates ever, second only to June 2018. Most spending from these new starts will occur in 2020. In 2019, nonresidential building construction spending is forecast to remain essentially flat as compared to 2018 levels, then climb 8.9% in 2020 as the result of the contracts being inked in late 2018.
- On the other hand, the US Census reported that construction spending for residential building shows significant reductions. Although residential spending is still increasing, growth and real volume are now slower than inflation. In 2019, expect growth to top out around 1% and in 2020 residential building may grow slightly at around 2%. Single-family dwellings appear to account for the greatest part of the slowdown. IBISWorld - global reports that building in the multifamily arena will not cool as much. So if your company typically contracts with firms building apartment complexes, particularly the less saturated non-luxury segment, you should see continued opportunities to provide portable sanitation in most major markets.

- Nonbuilding infrastructure construction is expected to grow at about 5.5% in 2019 and 9.9% in 2020. Transportation spending—especially highways—and public works will drive this area of construction.

US Total Construction Spending Summary

$ in billions	ACTUAL 2016		ACTUAL 2017		FORECAST 2018		FORECAST 2019		FORECAST 2020	
% growth vs. prior year										
Total Construction	1,192	7%	1,246	5%	1,321	6%	1,341	1.5%	1,426	6.3%
Residential	474	11%	532	12%	562	6%	564	1%	577	2%
Nonresidential Buildings	415	9%	419	1%	444	6%	443	0%	482	9%
Nonbuilding Infrastructure	303	-1%	295	-3%	316	7%	334	6%	367	10%
Educational	90.3	7%	91.2	1%	96.5	6%	92.8	-4%	103.4	11%
Healthcare	40.2	3%	41.9	4%	42.2	1%	41.1	-3%	46.6	14%
Amusement/Recreation	23.2	14%	24.9	7%	27.8	12%	31.1	12%	31.7	2%
Commercial/Retail	78.2	19%	87.7	12%	91.7	5%	90.8	-1%	90.3	-1%
Lodging	27.0	23%	28.7	6%	32.3	13%	31.0	-4%	31.6	2%
Office	67.6	22%	66.9	-1%	74.1	11%	78.6	6%	84.2	7%
Manufacturing	76.4	-4%	66.4	-13%	66.7	0%	65.3	-2%	82.2	26%
Other Nonres Buildings	11.7	-3%	11.7	-1%	12.3	5%	12.3	0%	12.3	0%
Power	101.4	-2%	96.5	-5%	102.0	6%	108.6	6%	106.6	-2%
Highway/Bridge/Street	92.7	2%	89.1	-4%	92.1	3%	93.3	1%	105.3	13%
Transportation/Air/Rail	43.3	-4%	45.2	4%	54.5	21%	62.1	14%	75.1	21%
Sewer/Water/Conservation	43.8	-3%	39.4	-10%	43.1	9%	46.4	8%	56.2	21%
Communication	22.2	2%	24.8	12%	24.5	-1%	23.3	-5%	23.4	0%

Forecast includes US Census October 2018 year-to-date spending and Dodge construction starts data as of November 21, 2018.
Source: Construction Analytics, edzarenski.com

Events are a function of both long-lead planning cycles and shorter-term disposable income availability. For 2019 there is no indication that fewer events are being planned than in past years, though it is as yet hard to determine whether attendance—and thus the need for portable sanitation services—will continue to grow.

The White House Council of Economic Advisors reported on January 15, 2019, that the ongoing impact of the government shutdown could be significant. Apart from the impact on the GDP, the one of the most likely ways portable sanitation companies will feel the effects of the shutdown is through the lack of disposable income that those affected will have. Government employees get back pay once any shutdown is over, but government contractors do not. This means a substantial number of people will have less disposable income in 2019 and are thus less likely to spend as much time—and money—at events this year. Lower attendance will negatively affect the amount of equipment and service required for the events already planned, reducing the size of portable sanitation contracts in many cases.

Prior to the shutdown, IBISWorld had been predicting modest growth in special events this year. The effects of the shutdown will probably—at a minimum—eliminate that growth. Watch reports regarding the economic impact on disposable income to gauge what is likely to happen to attendance at events in your area.

Agriculture is expected to remain a steady customer for portable sanitation establishments. While agribusiness overall has been declining in the past couple of years due to lower commodity prices and trade wars, portable sanitation is most often used when food crops are being harvested by hand. This demand tracks more closely to population growth and demand for fresh foods.

The fruit and vegetable industry generally experiences a low level of volatility because fresh produce consumption does not fluctuate much on an annual basis. Over the past five years, household disposable income has increased, causing people to increase purchases of fresh produce from grocery stores and to eat out more often. Both of these factors have driven increased demand for human-harvested fruits and vegetables. No new harvesting technologies are expected to substantially alter the need for human harvesting in the coming year, so the amount of portable sanitation required will not change on that basis. If demand for portable sanitation in agriculture changes at all, it will more likely be due to fewer workers being available as the result of immigration pressures.

Other trends to watch. In addition to the forces impacting the economy and portable sanitation's major customer groups, there are several other factors to watch in the coming year. These include:

- **Consolidation.** The largest players in the industry will likely continue to consolidate regional market leaders into their companies whenever possible to increase market share and profitability. The metrics of the industry are such that profitability increases with economies of scale, and when consolidation happens, it can force other companies to substantially lower prices or exit the industry. This consolidation will not preclude new, smaller firms from entering the industry in other markets, so the overall impact on the number of firms in the industry could be minimal, but it will affect larger markets in the short term.

- **Environmental regulations.** Although the current administration in the White House has promised to reduce environmental regulations, it remains to be seen whether these will have an effect on portable sanitation operations. The EPA does not regulate portable sanitation companies directly. The environmental guidelines that affect the industry are set by state and local authorities whose willingness to reduce requirements may not be as robust. The PSAI is not aware of any significant easing of regulations within the US to date.

- **The impact of end user opinions.** Globally the opinions of end users are beginning to have an impact on the sanitation provided to them. End users don't want to experience odor, mess, lack of privacy, or contact with the waste of others. With the PSAI's multi-year campaign to raise awareness about what users should be able to expect from a portable restroom experience, the demands of end users will continue to grow. Watch for opportunities to provide more units and service, as well as higher-end options such as luxury units and trailers. Suppliers should be attuned to these end user preferences and look for ways to offer products that align with them.