**STATE OF GEORGIA**

**ENVIRONMENTAL PROTECTION DIVISION
LAND PROTECTION BRANCH**

**HAZARDOUS WASTE**

**LIABILITY**

**IN CONJUNCTION WITH**

[ ] **Closure** [ ] **Post Closure** [ ] **Corrective Action**

Check Appropriate Box(es)

As used in this document closure, post-closure care, or corrective action, or any combination of these, which is checked above, are hereinafter referred to as “Required Action”.

Letter from Chief Financial Officer

Georgia EPD Director

Georgia Department of Natural Resources

Environmental Protection Division

2 Martin Luther King Jr. Drive

Suite 1054, East Tower

Atlanta, Georgia 30334

Attn: Land Protection Branch, Hazardous Waste

Dear Sir or Madam: I am the chief financial officer of **[firm's name and address]**. This letter is in support of the use of the financial test to demonstrate financial responsibility for **[insert liability coverage (and “Required Action” if applicable)]** as specified in paragraph 391-3-11-.05 of the Rules of the Georgia Department of Natural Resources, Environmental Protection Division.

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Facility Information for Liability

*[Fill out the following paragraphs regarding facilities and liability coverage. If there are no facilities that belong in a particular paragraph, check “Does Not Apply” in the space indicated. For each facility, include its EPA Identification Number, name, and address].*

The firm identified above is the owner or operator of the following facilities for which liability coverage for **[insert "sudden" or "nonsudden" or "both sudden and nonsudden"]** accidental occurrences is being demonstrated through the financial test specified in paragraph 391-3-11-.05 of the Rules of the Georgia Department of Natural Resources, Environmental Protection Division: **Does Not Apply** [ ]

*[If more fields are required, include as attachment]*

| Name | EPA ID Number | Address |
| --- | --- | --- |
| **[Name 1]** | **[ID No 1]** | **[Address 1]** |
| **[Name 2]** | **[ID No 2]** | **[Address 2]** |
| **[Name 3]** | **[ID No 3]** | **[Address 3]** |

The firm identified above guarantees, through the guarantee specified in paragraph 391-3-11-.05 of the Rules of the Georgia Department of Natural Resources, Environmental Protection Division, liability coverage for **[insert "sudden" or "nonsudden" or "both sudden and nonsudden"]** accidental occurrences at the following facilities owned or operated by the following: **Does Not Apply** [ ]

*[Attach the Corporate Guarantee for Liability mechanism to the Financial Test. If more fields are required, include as attachment]*

| Name | EPA ID Number | Address |
| --- | --- | --- |
| **[Name 1]** | **[ID No 1]** | **[Address 1]** |
| **[Name 2]** | **[ID No 2]** | **[Address 2]** |
| **[Name 3]** | **[ID No 3]** | **[Address 3]** |

The firm identified above is **[if applicable, copy and paste one or more: 1) the direct or higher-tier parent corporation of the owner or operator; 2) owned by the same parent corporation as the parent corporation of the owner or operator, and receiving the following value in consideration of this guarantee $ ; or 3) engaged in the following substantial business relationship with the owner or operator, and receiving the following value in consideration of this guarantee $ (Attach a written description of the business relationship or a copy of the contract establishing such relationship to this letter).] Does Not Apply** [ ]

Facility Information for Liability and/or “Required Action”

*[If you are using the financial test to demonstrate coverage of both liability and closure, post-closure care, and/or corrective action fill in the following five paragraphs regarding facilities and associated closure, post-closure, and/or corrective action cost estimates. If there are no facilities that belong in a particular paragraph, check “Does Not Apply” in the space indicated. For each facility, include its EPA identification number, name, address, and current closure, post-closure, and/or corrective action cost estimates. Identify each cost estimate as to whether it is for closure, post-closure care, or corrective action.]*

1. The firm identified above owns or operates the following facilities which are located in the State of Georgia and for which financial assurance for “Required Action” or liability coverage is demonstrated through the financial test specified in paragraph 391-3-11-.05. The current “Required Action” cost estimates covered by the test are shown for each facility: **Does Not Apply** [ ]

 *[If more fields are required, include as attachment]*

| Name | EPA ID Number | Address | Costs |
| --- | --- | --- | --- |
| **[Name 1]** | **[ID No 1]** | **[Address 1]** | **Closure = $Post-Closure = $ Corrective Action = $** |
| **[Name 2]** | **[ID No 2]** | **[Address 2]** | **Closure = $Post-Closure = $ Corrective Action = $** |
| **[Name 3]** | **[ID No 3]** | **[Address 3]** | **Closure = $Post-Closure = $ Corrective Action = $** |

1. The firm identified above guarantees, through the guarantee specified in paragraph 391-3-11-.05, the “Required Action” or liability coverage of the following facilities which are located in the State of Georgia and which are owned or operated by the guaranteed party. The current cost estimates for the “Required Action” so guaranteed are shown for each facility:  **Does Not Apply** [ ]

 *[Attach the Corporate Guarantee for Liability mechanism and Corporate Guarantee for Required Action to the Financial Test. If more fields are required, include as attachment]*

| Name | EPA ID Number | Address | Costs |
| --- | --- | --- | --- |
| **[Name 1]** | **[ID No 1]** | **[Address 1]** | **Closure = $Post-Closure = $ Corrective Action = $** |
| **[Name 2]** | **[ID No 2]** | **[Address 2]** | **Closure = $Post-Closure = $ Corrective Action = $** |
| **[Name 3]** | **[ID No 3]** | **[Address 3]** | **Closure = $Post-Closure = $ Corrective Action = $** |

1. In states outside of Georgia, where EPA or some designated authority is administering financial responsibility requirements, this firm is demonstrating financial assurance for the “Required Action” of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in subpart H or 40 CFR parts 264 and 265. The current “Required Action” cost estimates covered by such a test are shown for each facility:  **Does Not Apply** [ ]

*[If more fields are required, include as attachment]*

| Name | EPA ID Number | Address | Costs |
| --- | --- | --- | --- |
| **[Name 1]** | **[ID No 1]** | **[Address 1]** | **Closure = $Post-Closure = $ Corrective Action = $** |
| **[Name 2]** | **[ID No 2]** | **[Address 2]** | **Closure = $Post-Closure = $ Corrective Action = $** |
| **[Name 3]** | **[ID No 3]** | **[Address 3]** | **Closure = $Post-Closure = $ Corrective Action = $** |

1. The firm identified above owns or operates the following hazardous waste management facilities for which financial assurance for closure and/or corrective action or, if a disposal facility, post-closure care, and/or corrective action, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current “Required Action” cost estimates not covered by such financial assurance are shown for each facility: **Does Not Apply** [ ]

*[If more fields are required, include as attachment]*

| Name | EPA ID Number | Address | Costs |
| --- | --- | --- | --- |
| **[Name 1]** | **[ID No 1]** | **[Address 1]** | **Closure = $Post-Closure = $ Corrective Action = $** |
| **[Name 2]** | **[ID No 2]** | **[Address 2]** | **Closure = $Post-Closure = $ Corrective Action = $** |
| **[Name 3]** | **[ID No 3]** | **[Address 3]** | **Closure = $Post-Closure = $ Corrective Action = $** |

1. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144 and is assured through a financial test. The current closure cost estimates as required by 40 CFR 144.62 are shown for each facility:

**Does Not Apply** [ ]

*[If more fields are required, include as attachment]*

| Name | EPA ID Number | Address | Costs |
| --- | --- | --- | --- |
| **[Name 1]** | **[ID No 1]** | **[Address 1]** | **Closure = $Post-Closure = $ Corrective Action = $** |
| **[Name 2]** | **[ID No 2]** | **[Address 2]** | **Closure = $Post-Closure = $ Corrective Action = $** |
| **[Name 3]** | **[ID No 3]** | **[Address 3]** | **Closure = $Post-Closure = $ Corrective Action = $** |

The total of the current cost estimates for “Required Action”, and/or current plugging and abandonment cost estimates, listed in the five numbered paragraphs above, is $ **[enter amount]**. To the best of my knowledge, this figure is sufficient to execute the closure plans, perform post-closure care, and/or perform corrective action responsibilities for all the facilities listed in paragraphs 1. through 5. above.

This firm **[insert "is required" or "is not required"]** to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firms ends on **[month, day]**. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended **[date]**.

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Financial Test for Liability Only

 *[Fill in Part A if you are using the financial test to demonstrate coverage only for the liability requirements.]*

*Part A. Liability Coverage for Accidental Occurrences*

*[Fill in Alternative I if the following criteria is selected:*

*The firm must have:*

*(A) Net working capital and tangible net worth each at least six times the amount of liability coverage to be demonstrated by this test; and*

*(B) Tangible net worth of at least $10 million; and*

*(C) Assets in the United States amounting to either: (1) at least 90 percent of his total assets; or (2) at least six times the amount of liability coverage to be demonstrated by this test.]*

*[Or, Fill in Alternative II if the following criteria is preferred:*

*The firm must have:*

*(A) A current rating for his most recent bond issuance of AAA, AA, A, or BBB as issued by Standard and Poor's or Aaa, Aa, A, or Baa as issued by Moody's; and*

*(B) Tangible net worth of at least $10 million; and*

*(C) Tangible net worth at least six times the amount of liability coverage to be demonstrated by this test; and*

*(D) Assets in the United States amounting to either: (1) at least 90 percent of his total assets; or (2) at least six times the amount of liability coverage to be demonstrated by this test.]*

PART A

ALTERNATIVE I

(Liability Only)

 1. Amount of annual aggregate liability

 coverage to be demonstrated……………………….……………. $

 \*2. Current assets……………………….…………………………….. $

 \*3. Current liabilities……………………….……………………….….. $

 4. Net working capital (line 2 minus line 3) ……………….……….. $

 \*5. Tangible net worth……………………….……………….………. $

 \*6. If less than 90% of assets are located in

 the U.S., give total U.S. assets……………………….….………. $

 7. Is line 5 at least $10 million?........................................................ **[Yes or No]**

 8. Is line 4 at least 6 times line 1?.................................................... **[Yes or No]**

 9. Is line 5 at least 6 times line 1?.................................................... **[Yes or No]**

\*10. Are at least 90% of assets located in the

 U.S.? If not, complete line 11……………………….……………. **[Yes or No]**

 11. Is line 6 at least 6 times line 1?.................................................... **[Yes or No]**

PART A

ALTERNATIVE II

(Liability Only)

 1. Amount of annual aggregate liability

 coverage to be demonstrated……………………….…………… $

 2. Current bond rating of most recent issuance

 and name of rating service………………………….…………….. ..

 3. Date of issuance of bond………………………….…………………

 4. Date of maturity of bond………………………….…………….……

 \*5. Tangible net worth………………………….……………………... $

 \*6. Total assets in U.S. (required only if less

 than 90% of assets are located in the U.S.) ………………….… $

 7. Is line 5 at least $10 million? ....................................................... **[Yes or No]**

 8. Is line 5 at least 6 times line 1? ................................................... **[Yes or No]**

 \*9. Are at least 90% of assets located in the

 U.S.? If not, complete line 10. .................................................... **[Yes or No]**

 10. Is line 6 at least 6 times line 1? ................................................... **[Yes or No]**

{Intentionally left blank}

Financial Test for Liability and “Required Action”

*[Fill in Part B if you are using the financial test to demonstrate assurance of both liability* coverage and “Required Action”.]

*Part B. “Required Action” and Liability Coverage*

*[Fill in Alternative I if the following criteria is selected:*

*The firm must have:*

1. *Two of the following three ratios: a ratio of total liabilities to net worth less than 2.0; a ratio of the sum of net income plus depreciation, depletion, and amortization to total liabilities greater than 0.1; and a ratio of current assets to current liabilities greater than 1.5; and*

*(B) Net working capital and tangible net worth each at least six times the sum of the current cost estimates for “Required Action”, and/or current plugging and abandonment, added to the amount of liability coverage to be demonstrated by this test; and*

*(C) Tangible net worth of at least $10 million; and*

*(D) Assets located in the United States amounting to either (1) at least 90 percent of his total assets; or (2) at least six times the sum of the current cost estimates for “Required Action”, and/or current plugging and abandonment, added to the amount of liability coverage to be demonstrated by this test.]*

*[Or, fill in Alternative II if the following criteria is preferred:*

*The firm must have:*

*(A) A current rating for his most recent bond issuance of AAA, AA, A, or BBB as issued by Standard and Poor's or Aaa, Aa, A, or Baa as issued by Moody's; and*

*(B) Tangible net worth at least six times the sum of the current cost estimates for “Required Action”, and/or current plugging and abandonment, added to the amount of liability coverage to be demonstrated by this test; and*

 *(C) Tangible net worth of at least $10 million; and*

*(D) Assets located in the United States amounting to at least 90 percent of his total assets or at least six times the sum of the current cost estimates for “Required Action”, and/or current plugging and abandonment, added to the amount of liability coverage to be demonstrated by this test].*

PART B

ALTERNATIVE I

(Liability and “Required Action”)

1. Sum of current cost estimates for

“Required Action”, and current plugging

and abandonment, covered by this

test [total of all cost estimates listed above] …………………… $

 2. Amount of annual aggregate liability coverage

 to be demonstrated……………………….………………………. $

 3. Sum of lines 1 and 2……………………….…………………….... $

 \*4. Total liabilities [If any portion of the “Required Action”

 cost estimates is included in your total liabilities,

 you may deduct that portion from this line

 and add that amount to lines 5 and 6] ………………………….. $

 \*5. Tangible net worth……………………….………………………... $

 \*6. Net worth……………………….………………………………….. $

 \*7. Current assets……………………….…………………………….. $

 \*8. Current liabilities……………………….………………………….. $

 9. Net working capital [line 7 minus line 8].………………………… $

\*10. The sum of net income plus depreciation,

 depletion, and amortization……………………….……………… $

\*11. Total assets in U.S. [required only if less than

 90% of firm's assets are located in the U.S.] …………………… $

 12. Is line 5 at least $10 million? ....................................................... **[Yes or No]**

 13. Is line 5 at least 6 times line 3? ................................................... **[Yes or No]**

 14. Is line 9 at least 6 times line 3? ................................................... **[Yes or No]**

\*15. Are at least 90% of assets located

 in the U.S.? If not, complete line 16............................................ **[Yes or No]**

 16. Is line 11 at least 6 times line 3?................................................. **[Yes or No]**

 17. Is line 4 divided by line 6 less than 2.0?...................................... **[Yes or No]**

 18. Is line 10 divided by line 4 greater than 0.1?............................... **[Yes or No]**

 19. Is line 7 divided by line 8 greater than 1.5? ................................ **[Yes or No]**

{Intentionally left blank}

PART B

ALTERNATIVE II

(Liability and “Required Action”)

1. Sum of current cost estimates for

“Required Action”, and current plugging

and abandonment, covered by this

 test [total of all cost estimates listed above] …………………… $

1. Amount of annual aggregate liability coverage to be demonstrated……………………….……………………………… $
2. Sum of Lines 1 and 2……………………….…………………….. $
3. Current bond rating of most recent issuance and

 name of rating service……………………….………………………

1. Date of issuance of bond……………………….…………………...
2. Date of maturity of bond……………………….…………………….

 \*7. Tangible net worth [if any portion of the

 “Required Action” cost estimates is included

 in "total liabilities" on your financial statements,

 you may add that portion to this line].…………………………… $

 \*8. Total assets in U.S. [required only if less than

 90% of assets are located in the U.S] ……………………….…. $

 9. Is line 7 at least $10 million? ...................................................... **[Yes or No]**

 10. Is line 7 at least 6 times line 3? ................................................... **[Yes or No]**

\*11. Are at least 90% of assets located

 in the U.S.? If not, complete line 12........................................... **[Yes or No]**

 12. Is line 8 at least 6 times line 3?.................................................... **[Yes or No]**

{Intentionally left blank}

I hereby certify that the wording of this letter satisfies the requirements of paragraph 391-3-11-.05 of the Rules of the Georgia Department of Natural Resources, Environmental Protection Division as such regulations were constituted on the date shown immediately below.

[Name of Firm]

[Authorized Signature for Firm]

[Name of Person Signing]

[Title of Person Signing]

[Date]